

NEW YORK STATE HISTORIC PROPERTIES TAX CREDITS COMMERCIAL and HOMEOWNER PROGRAMS

THE NEW YORK STATE HISTORIC PRESERVATION OFFICE (SHPO)
PROVIDES TECHNICAL ASSISTANCE TO PROPERTY OWNERS WORKING
TO REHABILITATE HISTORIC BUILDINGS.

The New York State Commercial Rehabilitation Tax Credit Program

(Homeowner & General Info on Reverse)

The credit is used in conjunction with the Federal Historic Preservation Tax Incentive Program. Owners can take advantage of credits on both state and federal income taxes, each providing 20% tax credits for Qualified Rehabilitation Expenditures (QRE). Together, the federal and state programs offset up to 40% of QREs, with the state tax credit capped at \$5 million.

Any person, firm, partnership, limited liability corporation or other business entity that owns a historic commercial building can participate in the program.

Any commercial, office, industrial or rental residential building qualifies if it:

- Is listed on the State or National Register of Historic Places either individually or as a *contributing* building in a historic district or eligible for inclusion on the registers; OR
- Has an approved Federal Tax Credit Part I certification.

For the **state tax credit only**, the commercial property must also be located in a federal census tract that is identified as a Qualified Census Tract, having a median family income at or below the State Family Median Income level.

Project Review Process

The work performed must meet federal preservation standards as established by the Secretary of the Interior's Standards for Rehabilitation and be approved by the Na-

tional Park Service (NPS). SHPO staff review projects and work with property owners to determine the best approaches to rehabilitation objectives. In general, projects should strive to retain and repair original, historic materials. More information on the Standards can be found on the NPS website at: <http://www.nps.gov/tps/standards.htm>.

Once the completed work is approved under the federal tax credit program (known as the Part 3 approval), the project will receive a certification letter authorizing use of the State Tax Credit provided the Part 2 and Part 3 state fees have been received. www.nysparks.com/shpo/tax-credit-programs/

Qualifying rehabilitation work

Most interior and exterior work is eligible for the tax credit. This program essentially covers the entire building, inside and out, from top to bottom. Project components such as site work, new additions or other work outside the historic building generally **do not** qualify.

Program benefits

The most direct benefit is the owner's 20% tax credits for both State and Federal income taxes. This program has also long been recognized as a catalyst for economic revitalization; it encourages investment, provides jobs, and keeps buildings on the tax rolls. Also, the preservation tax credit can be used in conjunction with state and federal rehabilitation grants for housing or façade work. Unused state tax credits will become refundable for rehabilitation projects placed in service on or after 2015. Unused credit for projects placed in service before 2015 can be carried forward indefinitely.



Rehabilitation of 221 McKibben Street in Brooklyn created affordable industrial spaces for small firms and preserved both the physical industrial heritage of the community and local opportunities for industrial jobs.



A fire-damaged, one-family house was rehabilitated for two rental units. As an income-producing property, it qualified for the commercial tax credit program



DIVISION FOR HISTORIC PRESERVATION

NEW YORK STATE OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

WWW.NYSPARKS.COM/SHPO ♦ **518.237.8643**



Buffalo

The New York State Historic Homeowner Tax Credit Program

The Homeowner tax credit provides 20% of qualified expenditures up to \$50,000 in credits.

Program Requirements

A "Qualified Historic Home" *must* be:

- An owner-occupied residential structure (includes condominiums and cooperatives).
- Listed on the State or National Register of Historic Places (NR) either individually **or** as a contributing building in a historic district. The SHPO website can help determine NR listing and census tract eligibility. See the "NYS Homeowner tax credit FAQ" link on our website listed below.
- Located in a Federal Census Tract that is at or below the State Family Median Income level.

Qualifying applicants *must* be:

- A New York State taxpayer.
- The owner of a qualified historic home. Certain restrictions apply.

The project *must*:

- Have qualifying rehabilitation costs that exceed \$5,000.
- Spend at least 5% of the total on exterior work.
- Receive approval from SHPO staff before work starts.



Brooklyn

Project Review Process

SHPO staff review proposed work and help property owners determine the best approaches to rehabilitation objectives. In general, projects should strive to retain and repair original, historic materials. Proposed work is reviewed according to the Secretary of the Interior's Standards for Rehabilitation. Information on the Standards can be found on the National Park Service website at:

<http://www.nps.gov/tps/standards.htm>.

Typical Qualifying Work

The tax credits apply to repairs to:

- walls, masonry, finishes (interior and exterior), floors, ceilings, windows and doors, chimneys, stairs (interior and exterior) roofs;
- components of central air conditioning or heating systems, plumbing and plumbing fixtures, electrical wiring and lighting fixtures;
- elevators, sprinkler systems, fire escapes and other mechanicals.

Projects such as landscaping, fencing, additions, garage rehabilitation or other work outside the historic building generally **do not** qualify.

Tax issues (See disclaimer below)

The credit is taken in the year in which the SHPO approves the completed work. (Part 3 of application). If Part 3 is not submitted by October 1 in the year in which the owner wants to take the credit, SHPO can not guarantee the approval letter will be issued in time.

If the allowable credit exceeds an owner's income tax for the year and the adjusted gross income is under \$60,000, the excess will be treated as an overpayment of tax to be credited or refunded.

General Information for Commercial and Homeowner Programs

An application processing fee is in effect. To determine whether a property qualifies, get an application, and find out about important changes to the program made by the NYS Legislature in August 2010, visit www.nysparks.com/shpo/tax-credit-programs/ or contact staff. *Programs are currently scheduled to end on 12-31-19.*

For more information:

National Register of Historic Places:

<http://www.nysparks.com/shpo/national-register/>

Publications on technical preservation and repair topics:

<http://www.nps.gov/tps/how-to-preserve.htm>

Federal Tax credit programs:

www.nps.gov/tps/tax-incentives.htm

Tax Credit Programs

Division for Historic Preservation

Office of Parks, Recreation & Historic Preservation

Pebbles Island, PO Box 189

Waterford, NY 12188-0189

518.237.8643 www.nysparks.com/shpo

www.nysparks.com/shpo/tax-credit-programs/

Disclaimer

The New York State Office of Parks, Recreation and Historic Preservation (OPRHP) does not provide legal, tax or accounting advice; the information provided is intended to be general in nature; and tax credit applicants are strongly encouraged to consult their own professional tax, accounting and legal advisors on individual tax matters, or consult the NYS Department of Taxation and Finance or the Internal Revenue Service (IRS). OPRHP is not responsible for the information or advice provided as it may affect the specific tax consequences to any individual (including sole proprietor), corporate, partnership, estate or trust taxpayer, which will depend on many other facts and circumstances. The information is for the general benefit of persons interested in obtaining certifications from OPRHP that may allow them to qualify for federal or state historic properties tax credits. Given the frequency of changes in federal and state tax laws, regulations and guidance, of necessity, the information cannot be expected to be completely current and it represents a good faith effort to reference controlling laws and regulations as accurately as possible.

An Equal Opportunity/Affirmative Action Agency *This material has been financed in part with Federal funds from the National Park Service, Department of the Interior. However, the contents and opinions do not necessarily reflect the views or policies of the Department of the Interior. This project has been administered by the Field Services Bureau, Division for Historic Preservation, New York State Office of Parks, Recreation and Historic Preservation. This bureau receives Federal funds from the National Park Service, Department of the Interior. Regulations of the U.S. Department of the Interior strictly prohibit unlawful discrimination in departmental Federally Assisted Programs on the basis of race, color, national origin, age, or handicap. Any person who believes he or she has been discriminated against in any program, activity, or facility operated by a recipient of Federal assistance should write to: Director, Equal Opportunity Program, U.S. Department of the Interior, National Park Service, P.O. Box 37127, Washington, D.C. 20012-7127. 6-20-13*