

Colorado Historic Preservation Income Tax Credit (Updated September 2011)

ELIGIBLE PROPERTIES

- ◆ Over 50 years old and
- ◆ historically designated
 - ◆ on the State Register of Historic Places or
 - ◆ landmarked by a Certified Local Government (CLG)*

ELIGIBLE TAXPAYERS

- ◆ Property owner or
- ◆ tenant with lease of 5 or more years

ELIGIBLE PROJECTS

- ◆ Project must involve physical preservation, restoration or rehabilitation and must preserve the historic character of the property.
- ◆ Projects must meet certain historic preservation standards (Secretary of the Interior's Standards for Rehabilitation).
- ◆ Rehabilitation costs must be over \$5000.
- ◆ Projects must be completed within 24 months.
- ◆ Projects are strongly encouraged to receive approval prior to beginning work to ensure that all work meets the Secretary of the Interior's Standards for Rehabilitation.

EXTENT OF TAX SAVINGS

- ◆ Available credit is 20% of rehabilitation costs up to a \$50,000 maximum credit per qualified property.
- ◆ Credit directly reduces (dollar for dollar) income taxes owed the state.
- ◆ Available credit can be carried forward 10 years (NEW: see below)
- ◆ No limitation on amount of tax which can be taken in a tax year.

NEW for 2011: However, for tax years commencing 2011 for projects commencing on or after January 1, 2011 the credit may not be taken in any year in which the state's general fund revenues are predicted to fall short of a certain threshold. Available credit can now be carried forward for 10 useable years (years in which the credit can be taken) instead of 10 calendar years. One may contact History Colorado to determine if that threshold has been reached.

* Reviewing Certified Local Governments (as of August 2010) are: Aspen, Aurora, Berthoud, Black Hawk, Boulder, Boulder County, Brighton, Carbondale, Castle Rock, Central City, Colorado Springs, Crested Butte, Cripple Creek, Denver, Durango, Fort Collins (for income-producing and non-profit properties only), Fort Lupton, Georgetown, Gilpin County, Golden, Greeley, Idaho Springs, Lake City, Littleton, Longmont, Manitou Springs, Pagosa Springs, Park County, Steamboat Springs, Telluride, and Westminster.

ALLOWABLE COSTS

INCLUDES:

- ◆ "Hard costs" associated with the physical preservation of a historic property -- demolition, carpentry, sheetrock, plaster, painting, ceilings, doors and windows, fire sprinkler systems, roofing and flashing, exterior repair, cleaning, tuck pointing, cleanup, etc.

DOES NOT INCLUDE:

- ◆ Improvements undertaken due to normal wear and tear.
- ◆ Routine or periodic maintenance (such as cleaning, routine painting, minor repairs, general periodic upkeep, redecorating, or any purely cosmetic change that is not part of an overall rehabilitation or that does not enhance the property's historic character).
- ◆ "Soft costs" such as: appraisals; architectural, engineering, and interior design fees; legal, accounting, and realtor fees; loan fees; sales and marketing; closing; building permit, use, and inspection fees; bids; insurance; project signs and phones; temporary power; bid bonds; copying; and rent loss during construction.
- ◆ Acquisition costs.
- ◆ New additions or enlargements (except as may be required to comply with building and safety codes). However, reconstruction of documented features removed over time such as porches and dormers are considered qualified costs.
- ◆ Repairs to additions made to a historic property after the property was officially designated.
- ◆ Excavation, grading, paving, landscaping, or site work.
NEW: However, the rehabilitation of non-vegetative landscape features IS considered a qualified cost.

PROCEDURES

1. Find out if property is historically designated -- from CLG or CHS. If property is not designated, you must proceed with the designation process before you can apply for preliminary approval to proceed with a tax credit project -- the designation process may take from 3 to 6 months.
2. Apply for preliminary approval by submitting the application form (Part 1), rehabilitation plans, photographs of the property and the \$250 application fee (see below) to the appropriate reviewing entity (either CLG or CHS) unless the application fee has been waived by the reviewing entity for projects less than \$15,000.
3. Applicants are strongly encouraged not to begin work until preliminary approval to proceed is granted. If work has already commenced, seek preliminary approval as soon as possible.
4. Complete work within 24 months of the date preliminary approval was granted, or if work commenced prior to preliminary approval, within 24 months of the date that work actually commenced

5. Within 60 days of completion of work, submit application for approval of completed work along with photographs and any additional fees (see below) to the appropriate reviewing entity (CLG or CHS).
6. The CLG or CHS verifies that the completed work conforms to the approved plans, was completed within the appropriate period of time, and preserves and maintains the historic qualities of the property.
7. CLG or CHS issues a "verification form" which is retained by taxpayer.
8. Taxpayer submits verification form with tax return being filed for year in which the work is completed.

FEES

- ◆ \$250 initial application fee (which may be waived by the reviewing entity for work less than \$15,000)
- ◆ no additional charge for projects costing less than \$15,000
- ◆ \$250 additional for projects costing from \$15,000 to \$50,000
- ◆ \$500 additional for \$50,000 to \$100,000
- ◆ \$750 additional for over \$100,000
- ◆ All fees are non-refundable

EFFECTIVE DATES

Through December 31, 2019

SAMPLE PROJECT

Rehabilitation costs = \$45,000

Available credit = 20% of \$45,000 = \$9,000

- ◆ Example 1: Taxpayer owes \$1,700 in state income taxes each year:
 - ◆ Taxpayer pays no state income taxes for 5 years.
 - ◆ Taxpayer gets a \$500 credit for the 6th year.
- ◆ Example 2: Taxpayer owes \$1,000 in state income taxes each year:
 - ◆ Taxpayer pays no state income taxes for 9 years.
- ◆ Example 3: Taxpayer owes \$9,000 in state income taxes each year:
 - ◆ Taxpayer pays no state income taxes for 1 year.
- ◆ Example 4: Taxpayer owes \$750 in state income taxes each year:
 - ◆ Taxpayer pays no state income taxes for 10 years.
 - ◆ (Note that in this example, taxpayer could not use all available tax credits).

QUESTIONS AND ANSWERS

1. How can I find out if my property is historically designated? If it is not, how can I get it designated?

The back page of this handout contains a list of phone numbers and addresses of people to get in touch with in the CLG communities and at History Colorado. If your property is located in one of the CLG cities or towns, contact that community; otherwise contact the Colorado Historical Society. You will find out whether or not your property is currently designated. If it is not, you will be advised as to whether or not your property might qualify, and, if so, how to proceed to get your property designated.

2. What if I have already begun the rehabilitation of my property -- is it still possible to qualify for the tax credit?

Yes, you may still apply for credits on both the finished and unfinished portions. Completed work must meet the Secretary of the Interior's Standards for Rehabilitation to be eligible for the credit. Also, you should not begin work on that unfinished portion until you have received approval of your preliminary application (Part 1).

3. Can I apply for the credits more than once?

Yes, as long as you qualify for the credits each time you apply (i.e. you must spend at least \$5,000). In fact, if you are intending to carry a project out over a few years, you should break it into separate "phases" of work so that each phase can be realistically accomplished within the 24-month time frame.

4. What if the work takes longer than 24 months to complete?

A one-time extension of the 24-month time period can be granted by the reviewing entity "upon showing of good cause". However, you must provide a reasonable explanation of why the project could not be completed on schedule, and there is no guarantee that the extension will be granted. If it is likely that the project will take a full two years, and may run over, the project should be broken into two phases, as discussed above.

5. If I am taking the federal investment tax credit, how would the state credit apply?

If you will be taking the federal credit and have received the necessary federal approvals, no additional application for state credits need be filed. You can simply claim a state credit on the basis of the approvals for the federal credit. That credit is covered in a separate section of state law -- see CRS 39-22-507.5 (1) (b). For work completed on or after June 3, 1999, you are eligible for the entire amount of the state credit in addition to the federal credit.

6. What if my project includes a new addition to my historic property? Would such a project qualify?

Possibly. The costs of new additions or enlargements do not qualify for the credit, so you certainly could not claim a credit on the cost of the addition. However, if you were also spending over \$5,000 on rehabilitation work on the original historic building, and

the project otherwise met the standards for approval, you could claim the credit on that portion of the project. The same holds true for landscaping, site improvements, and other "non-allowable costs". As long as the overall project meets with the approval of the reviewing entity, and as long as there are at least \$5,000 in allowable costs, you can claim the credit on those allowable costs, but only on those allowable costs.

7. My property does not currently meet building codes -- to bring it up to code may mean that certain historic features are sacrificed. Would the project still qualify?

Yes. In fact, this is a fairly common problem with historic properties. A project should never be denied because of the need to address legitimate code concerns. On the other hand, building officials generally have the authority to waive certain provisions of code if they feel the problem does not present a life-threatening situation. You will probably find that your reviewing entity can be of great help in working with your local building official to reach compromises between what is required by code and what is necessary to preserve the historic character of your property.

8. I intend to do much of the labor myself in order to cut costs. Can I claim tax credits on some of my own labor or "sweat equity"?

No. You cannot claim a credit unless you have receipts documenting the actual expenditure of the costs claimed. While your time is certainly valuable, you cannot use it as a basis for claiming any credits. If the cost of materials, however, exceeds \$5,000 you can claim a credit against those actual costs.

9. If I take the tax credits and then decide that I must sell my property (or break my lease) within 5 years, what are the consequences?

If you decide to sell your property within 5 years of completion of the project (or if you are a tenant and terminate a long-term lease) you will have to refund (pay back) to the state all or a portion of any credits used according to the following formula:

Within the first year 100%
Within the second year 80%
Within the third year 60%
Within the fourth year 40%
Within the fifth year 20%

10. If a property is owned (or leased) by more than one taxpayer, can all involved taxpayers qualify for the tax credit? If so, how is application made?

Yes, several taxpayers may qualify for credits for a single property as long as each taxpayer is a part owner or qualified tenant. These qualified taxpayers may jointly submit the required application and fees along with a list of all owners and qualified tenants intending to claim the tax credits (see CRS 39-22-514 (3)(a)(1)). For work completed on or after June 3, 1999, partners may distribute the credit among themselves pursuant to the terms of a binding partnership agreement (see CRS 39-22-514 (4)). Multiple taxpayers should keep in mind that the total available credit is \$50,000 per project, not per taxpayer.

**Colorado Department of Revenue, Taxpayer Service Division
FYI Income 1
Historic Preservation Income Tax Credit**

GENERAL INFORMATION

Colorado offers an income tax credit for the preservation and rehabilitation of a qualified historic property. The structure must be at least 50 years old, and must be designated as a historic property in the State Register of Historic Places, or as a landmark by a certified local government, or as contributing property in the State Register of Historic Places, or designated district of a certified local government. If the property on which you want to claim this credit has neither designation, you must apply for and secure such a designation. [§39-22-514 C.R.S.]

HOW TO QUALIFY

In order to qualify for the historic preservation income tax credit, you must be the property owner or tenant with a lease of five or more years duration. The project must involve physical rehabilitation work and must preserve the historic character of the building. Qualified rehabilitation costs must exceed \$5,000, and the project must be completed within 24 months (one extension of time may be applied for). The project must receive initial approval from the reviewing agency prior to the start of the rehabilitation work. The initial approval prior to Dec. 31, 2019, and you may claim the tax credit only for work completed by Dec. 31, 2019.

Reviewing agencies for these projects are History Colorado or a certified local government. Contact History Colorado at the number shown below for an updated list.

The History Colorado has adopted regulations governing the criteria and procedures for approval of rehabilitation projects for which the taxpayer intends to claim this tax credit.

For detailed information on the approval process, and for application and certification forms, contact your certified local government; or History Colorado, Office of Archaeology and Historic Preservation, 1200 Broadway, Denver, CO 80203, (303) 866-3395. A graduated, nonrefundable fee will be required with the application.

If you are claiming the federal rehabilitation tax credit for the restoration project (under section 38 of the Internal Revenue Code), no additional approval for state credits is required. The state tax credit may be claimed on the basis of approvals secured for the federal credit.

AVAILABLE INCOME TAX CREDIT

The state income tax credit is 20 percent of qualified rehabilitation costs up to a maximum \$50,000 credit per qualified property. In any given tax year, the maximum allowable credit is the amount of your tax liability for the year. The excess credit may be carried forward to a maximum of ten years.

There is no change to the above credit computation if the federal rehabilitation tax credit is claimed for the project. The credit must always be claimed in the year that the project is completed (except that if it is not completed by Dec. 31, 2019, a partial credit may be claimed for 2019).

The project does not require approval from the reviewing agency prior to the start of the rehabilitation work; however, prior approval is strongly recommended.

HOW TO CLAIM CREDIT

Individuals should claim this credit on Form 104CR. Corporations should claim the credit on Form 112CR. If you are not claiming the federal credit, the project must be completed before the credit is taken, and the credit must be taken for the year in which the project is completed. A "Verification of Qualified Nature of Historic Preservation Expenditures" form (issued by the reviewing agency) must be attached to your Colorado income tax return when claiming the credit. If you are claiming the federal rehabilitation tax credit for this project, no supporting documentation is required by the Department of Revenue.

If the property is owned (or leased) by more than one taxpayer, all involved may share in the tax credit, provided the group jointly submitted the initial application and fees [§39-22-514 (3)(a)(I) C.R.S.]. The credit may be divided evenly among the total number of taxpayers. It may also be divided in differing proportions, provided the group had submitted to the reviewing agency a binding agreement, signed by all members sharing the credit, stating the manner in which the credit is to be divided. A copy of this agreement must be attached to your income tax return. No matter how many taxpayers are sharing it, the total allowable credit per property is 20 percent (\$50,000 maximum).

If you take the tax credits and then decide to sell your property (or terminate your lease) within five years, you must refund to the Department of Revenue all or a portion of the credit used according to the following formula:

- within the first year: 100%
- within the second year: 80%
- within the third year: 60%
- within the fourth year: 40%
- within the fifth year: 20%

FURTHER INFORMATION

For more information on related topics, consult the following Department of Revenue publications:

- ◆ FYI Income 24, "Tax Credit for the Rehabilitation of Vacant Buildings in an Enterprise Zone";
- ◆ FYI General 1 "Department of Revenue Publications";
- ◆ FYI General 5 "General Information About Colorado State Taxes";
- ◆ FYI General 6 "General Information About Colorado Enterprise Zones".

For more information, contact History Colorado or your Certified Local Government.

DEPARTMENT OF HIGHER EDUCATION

HISTORICAL SOCIETY

INCOME TAX CREDIT FOR QUALIFIED COSTS INCURRED IN PRESERVATION OF HISTORIC PROPERTIES

8 CCR 1504-6

EDITOR'S NOTES*

Authority Cited:

C.R.S. 39-22-514 (9) and (12)

History and Amendments:

Pp. 1-6 adopted 10/10/90, EFFECTIVE 12/20/90, 13 CR 11.

Pp. 1-5 adopted 3/13/91, EFFECTIVE 6/1/91, 14 CR 4.

Pp. 1-2 adopted 12/8/99, EFFECTIVE 1/30/00, 23 CR 1.

P. 5 republished to correct clerical error, 24 CR 12.

Sec. 2.2, 6.1, 7.5, 8.1, 9.1, 9.2 adopted 10/8/03, EFFECTIVE 11/30/03, 26 CR 11.

Pp. 1-5 adopted 11/17/09, EFFECTIVE 12/30/09, 32 CR 12.

A.G. Opinions:

13 AG 366; 14 AG 127; 23 AG 13; 26 AG 452

Annotations:

*This Title Page does not constitute an official part of any regulation. Information contained on the Title Page is provided by the Publisher from sources deemed reliable and is solely for information and historical purposes. See cautionary note in Introductory Materials, How to Use the CCR.

8 CCR 1504-6

INCOME TAX CREDIT FOR QUALIFIED COSTS INCURRED IN PRESERVATION OF HISTORIC PROPERTIES

EFFECTIVE JUNE 1, 1991
AMENDED JANUARY 30, 2000
AMENDED DECEMBER 30, 2009
CRITERIA AND PROCEDURES

Agency Contact:

Joseph Saldibar
Architectural Services Manager
Office of Archaeology and Historic Preservation
State Historical Society of Colorado
Department of Higher Education
1200 Broadway
Denver 80202
(303) 866-3395

STATEMENT OF BASIS AND PURPOSE:

House Bill 90-1033 required the establishment and promulgation of criteria and procedures by which restoration, rehabilitation and preservation of qualified properties shall be determined to be qualified rehabilitation for purposes of a tax credit. House Bill 99-1345, which reauthorizes with amendments the tax credit through December 31, 2009, maintains this provision as does House Bill 08-1033 which reauthorizes with amendments the tax credit through December 31, 2019.

The purpose of the criteria and procedures is to provide uniformity of procedure for the state historic preservation officer, State Historical Society of Colorado, and the participating certified local governments, so that taxpayers applying for use of the tax credit receive prompt and consistent review of proposed and completed rehabilitation work.

1. IMPLEMENTATION

1.1 These criteria and procedures implement House Bill 90-1033, as amended by House Bill 99-1345 and

House Bill 08-1033, and should be used and read in conjunction with the law. All definitions found in CRS 39-22-514 (12) are incorporated by reference herein.

- 1.2 The 1999 amendments to the tax credit statute made in House Bill 99-1345 shall apply only to those projects commenced on or after June 3, 1999.
- 1.3 Since review of restoration, rehabilitation, or preservation of qualified properties may be made by a participating certified local government or the state historic preservation officer, the criteria and procedures are uniform for all reviewing entities. All forms shall be furnished by the state historical society.
- 1.4 The term "rehabilitation" used in these criteria and procedures includes restoration and preservation.

2. APPLICATION TO REVIEWING ENTITY

- 2.1 Application for preliminary approval of proposed rehabilitation work shall be made on the form developed by the state historical society, and available from the reviewing entity. At the time of submittal of an application form to the reviewing entity, the applicant shall also pay the initial, nonrefundable \$250 fee, unless the fee has been reduced or eliminated by the reviewing entity for rehabilitation work with qualified costs or less than \$15,000, and shall provide plans, photographs and specifications for the proposed rehabilitation work. CRS 39-22-514 (3) (a) (I)
- 2.2 Applications for rehabilitation work may include qualified costs already incurred prior to granting preliminary approval, provided that:
 - (a) The reviewing entity finds that the applicant's documentation for the already completed work demonstrates conformity with the Secretary of the Interior's Standards for Rehabilitation and any applicable local standards;
 - (b) The reviewing entity finds that any additional documentation requested of the applicant, including photographic documentation, demonstrates conformity with the Secretary of the Interior's Standards for Rehabilitation and any applicable local standards; and,
 - (c) Receipts for goods and services prove that qualified costs were incurred on or after June 3, 1999 and within the twenty-four (24) months period following commencement of the work during which the work must be completed. CRS 39-22-514 (3) (a) (I) .
- 2.3 The state historical society's application form shall include, but shall not be limited to: applicant(s) name, address (business and residence), and telephone number (business and residence); address of the property proposed for rehabilitation; applicant(s) status as owner or tenant; estimated, itemized costs of the proposed rehabilitation work; a description of the work to be done, as detailed in the plans and specifications; and the applicant's signed approval to allow the reviewing entity reasonable access to the property.
- 2.4 The state historical society's application form shall be used by each certified local government serving as reviewing entity, and shall be modified by that local government to show the name, address and telephone of that certified local government.

3. RESPONSE BY REVIEWING ENTITY

- 3.1 Upon receipt of an application, the reviewing entity shall respond in writing within ten (10) calendar days, as to the apparent completeness of the application.
- 3.2 Within forty-five (45) calendar days of receipt of a complete application, the reviewing entity shall notify the applicant in writing of its decision to: grant preliminary approval, deny approval, or table the application pending receipt of specified additional materials or information. CRS 39-22-514 (3)(a)(I).

4. CONTRIBUTING PROPERTY

- 4.1 "Contributing property" shall include any property within a designated historic district unless it is decided by the reviewing entity that the property does not contribute to the district's sense of time and place and historical development.
- 4.2 An applicant may appeal a decision that a property is not a contributing property within sixty (60) calendar days of notification of such decision by providing additional information to the reviewing entity on the significance of the property and requesting a final review on the basis of the additional information. The reviewing entity shall issue its final decision within forty-five (45) calendar days of receipt of the additional information.

5. QUALIFIED COSTS

- 5.1 "Qualified costs" and "qualified rehabilitation" are defined and listed in CRS 39-22-514 (12)(e)(g).
- 5.2 Improvements undertaken due to normal wear and tear on a property do not qualify nor does routine or periodic maintenance, such as cleaning, routine painting, minor repairs, general periodic upkeep, redecorating or any purely cosmetic change that is not part of an overall rehabilitation or that does not enhance the property's historic character.
- 5.3 Rehabilitation work on hard surfaces of landscaping is a qualified cost, but work on vegetative landscaping is not a qualified cost.
- 5.4 Restoration of documented missing features such as dormers and porches is a qualified cost and is not considered an addition.

6. APPROVAL OF COMPLETED QUALIFIED REHABILITATION

- 6.1 Within sixty (60) days of completion of the rehabilitation work described in the approved application as evidenced by appropriate documentation, the applicant shall submit the request for approval of the completed rehabilitation work.
- 6.2 Requests for approval of the completed rehabilitation work shall be made on the form developed by the state historical society, and available from the reviewing entity. At the time of submittal of such request, the applicant shall also submit to the reviewing entity: payment of the non-refundable fee required in CRS 39-22-514 (11)(a); interior and exterior photographs documenting the completed rehabilitation work; and an itemized accounting of all qualified costs incurred on qualified rehabilitation work.

- 6.3 The state historical society's form for requesting approval of completed rehabilitation work shall include, but shall not be limited to: applicant(s) name, address (business and residence), and telephone (business and residence); address of the property rehabilitated; applicant(s) status as owner or tenant; an itemized list of qualified costs incurred on qualified rehabilitation work; and the applicant's signed approval to allow the reviewing entity reasonable access to the property.
- 6.4 The state historical society's form for requesting approval of the completed rehabilitation work shall be used by each certified local government serving as a reviewing entity, and shall be modified by that local government to show the name, address and telephone of that certified local government.

7. VERIFICATION OF COMPLIANCE

- 7.1 The state historical society shall develop a verification form containing the information included in CRS 39-22-514 (3)(a)(III).
- 7.2 The state historical society's verification form shall be used by each certified local government serving as a reviewing entity, and shall be modified by that local government to show the name, address and telephone of that certified local government.
- 7.3 Within forty-five (45) calendar days of receipt of a complete request for approval of completed rehabilitation work, the reviewing entity shall review and respond to the request.
- 7.4 If the completed rehabilitation meets the provisions of CRS 39-22-514 (3)(a)(III)(A)(B)(C), the verification form shall be issued within the forty-five (45) day period.
- 7.5 If the completed rehabilitation fails to meet the provisions of law cited in 7.4, no verification form shall be issued, and the applicant shall be informed of such decision in writing within the forty-five (45) day period.

8. EXTENSION OF COMPLETION DEADLINE

- 8.1 Requests for a one time extension of the twenty-four (24) month deadline for the completion of qualified rehabilitation work shall be submitted to the reviewing entity in writing at least sixty (60) days prior to the end of the twenty-four (24) month period. CRS 39-22-514 (5)
- 8.2 Within forty-five (45) calendar days of the receipt of the written extension request, the reviewing entity shall respond in writing either approving or denying such request.

9. CERTIFIED LOCAL GOVERNMENTS AS REVIEWING ENTITIES

- 9.1 House Bill 08-1033 eliminated the requirement for each certified local government to determine annually by resolution whether or not it will act as a reviewing entity for the following year and provides that each certified local government's decision to review or not review projects locally is effective until and unless it is changed by the certified local government by resolution.
- 9.2 A reviewing entity may establish an appeal process for a decision failing to grant a preliminary approval or

final approval in full or in part. The appeal from decisions of the Office of Archaeology and Historic Preservation should be made in writing to the state historic preservation officer within thirty (30) days of the decision. The state historic preservation officer shall respond within thirty (30) days of receipt of the appeal.

10. TAX CREDIT MAY NOT BE TAKEN IN YEARS WHEN PROJECTED GENERAL FUND REVENUES ARE INSUFFICIENT

10.1 For income tax returns prepared for calendar year 2011 and years thereafter, the tax credit may not be taken if general fund revenue estimates prepared by the legislative council in December 2010 (and each December thereafter for each succeeding year) indicates that the general fund is insufficient to maintain the limit on appropriations as determined by the legislature in 24-75-201.1, and 39-22-514 (11.7) C.R.S. However, the tax credit may then be taken in years in which funds are sufficient.

10.2 The Department of Revenue is required to post on its website by January 1 of each year starting January 1, 2011 whether or not the tax credit may be taken for that year. The Colorado Historical Society shall notify certified local governments of the determination after it is posted.

Investment Tax Credit Programs Available in Colorado

	Federal 20%	Federal 10%	State 20%
Building must be:	Listed individually in the National Register; OR considered eligible for listing; OR a contributing building in a historic district listed in the National Register	Built before 1936; not individually eligible for listing in the National Register; AND not contributing to a historic district	More than 50 years old; listed in the State Register of Historic Places OR landmarked by a Certified Local Government (CLG)
Eligible buildings:	Income-producing properties, including commercial, industrial, agricultural, or rental residential	Income-producing; Non-residential	All buildings meeting the requirements listed above
Minimum costs of rehabilitation:	More than \$5,000 or the adjusted basis of the property, whichever is greater	More than \$5,000 or the adjusted basis of the property, whichever is greater	More than \$5,000
Time Limit:	24 months; if in phases, 60 months total	N/A	24 months
Maximum Credit:	Unlimited	Unlimited	\$50,000
Credits can be carried forward for:	20 years (also back one year)	20 years (also back one year)	10 years
Rehab requirements:	Must follow the Secretary of the Interior's Standards for Rehabilitation	50-75% of the buildings walls must remain (see pamphlet for details)	Must follow the Secretary of the Interior's Standards for Rehabilitation
Fees:	\$250 for Part 2; \$500-2,500 for Part 3 (depending on rehabilitation costs)	None	\$250 for Part 1 (may be waived in some cases); \$250-750 for Part 2 (depending on rehabilitation costs)
Reviewed by:	SHPO and NPS; IRS	IRS	CLG or SHPO; State Dept. of Revenue
Credit claimed:	The year in which the building is placed in service; for phased projects and buildings open during work, the year substantial rehabilitation test is met	The year in which the building is placed in service; or, if building is open during work, year substantial rehabilitation is met	The year the work is completed; official verification (Part 2) is needed
Process:	Part 1 determination of eligibility (if needed); Part 2 reviewed by SHPO and NPS; Part 3 reviewed by SHPO and NPS; file IRS form 3468	Part 1 determination on non-eligibility (if needed); file IRS form 3468	Part 1 reviewed by CLG or SHPO; Part 2 reviewed by CLG or SHPO *No application needed if also claiming 20% federal credit