

State Historic Preservation Officer

People choose to visit, live and work in Connecticut because of the special qualities conveyed first and foremost by a community's physical surroundings: the building's character, the Main streets, and the residential neighborhoods give each town and city a singular appeal.

Preservation is not just about the past, it's about ensuring quality of life now and for future generations.

For more information on our programs and building strong communities, visit our website at www.ct.gov/decd.



For more information, please contact:

Department of Economic and Community Development
State Historic Preservation Office
(860) 256-2800

Tax Credits for the Rehabilitation of Connecticut's Historic Resources



STATE HISTORIC PRESERVATION OFFICE



A Message from David Bahlman,

The Connecticut State Historic Preservation Office, located within the Department of Economic and Community Development, administers four historic preservation tax credit programs that encourage both local and out-of-state investment in neighborhoods, towns and cities.

Through the restoration, rehabilitation and re-use of historic buildings, local heritage resources are put "back on line" providing an exciting way of strengthening our communities that is also environmentally and economically responsible.

Tax credit projects have a multiplier effect that puts new dollars into the local economy by providing housing, creating jobs for local businesses and increasing municipal revenues by putting formerly unused buildings back on the tax rolls.

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The Connecticut Historic Home Rehabilitation Tax Credit Program

provides financial assistance to local nonprofit Community Housing Development Corporations and individual homeowners to rehabilitate properties in selected communities with an emphasis on Connecticut's major urban areas. This program has helped stem the cycle of blight, abandonment and disinvestment in the state's urban residential neighborhoods by creating new home ownership opportunities and by assisting existing homeowners with maintenance and renovations to their property.

Program Highlights:

- Eligible applicants are private homeowners and non-profit housing development corporations.
- The program allows for a tax credit of 30% of eligible rehabilitation expenditures up to \$100,000.
- The property must be located in an eligible area. Please see our website for details.
- Project expenditures must total at least \$25,000.
- All work must be approved prior to the start of the project.
- The tax credit cannot be taken on your personal income tax, but can be assigned to a qualified corporation providing funds in the form of cash.
- After the rehabilitation the property must be owner occupied.

The Connecticut Historic Structures Rehabilitation Tax Credit Program

allows tax credits for qualified rehabilitation expenditures for the conversion of an historic commercial, industrial, institutional, former government property, cultural building or residential property of more than four units into residential use, including rental or condominium units.

Program Highlights:

- Eligible applicants must have a property listed in the State or National Register of Historic Places.
- The program allows for a tax credit of 25% of total qualified rehabilitation expenditures up to \$2.7 million.
- Qualified rehabilitation expenditures are construction-only costs associated with rehabilitation of a certified historic structure.
- State tax credits may be combined with the 20% Federal historic tax credits .
- Tax credits can only be used by C corporations with tax liability under Chapters 207 through 212 of the Connecticut General Statutes.

The Federal Historic Preservation Tax Incentives Program is governed by the National Park Service and provides tax credits for the rehabilitation of income-producing properties listed on the National Register of Historic Places. Applications are filed with the State Historic Preservation Office, which conducts a preliminary review. Applications are forwarded to the National Park Service for a final determination on certification.

Program Highlights:

- Eligible applicants must have a building listed on the National Register of Historic Places .
- The program allows for a tax credit of 20% of total qualified rehabilitation expenditures.
- All projects must meet the IRS' definition of substantial in order to qualify.
- Credits can only be used by individuals or business firms that have ownership standing in the property.
- Credits can be claimed for the year in which the building was placed in service.
- Rehabilitated property is depreciated using the straight-line method over 27.5 years for residential property and over 39 years for nonresidential property.

The Connecticut State Historic Preservation Tax Credit Program

is available for the conversion of an historic commercial, industrial, institutional, former government property, cultural building or mixed residential and non-residential property to mixed residential and non-residential or nonresidential use. Nonresidential uses can include commercial, institutional, governmental or manufacturing ventures.

Program Highlights:

- Eligible applicants must have a property listed on the State or National Register of Historic Places .
- The program allows for a tax credit of 25% of the total qualified rehabilitation expenditures up to \$5 million dollars.
- 30% tax credits of the total qualified rehabilitation expenditures if the project includes an affordable housing component.
- State tax credits may be combined with the 20% federal historic preservation tax credit.
- Tax credits can only be used by C corporations with tax liability under Chapters 207 through 212 of the Connecticut General Statutes.

