

NEW YORK STATE HISTORIC PRESERVATION TAX CREDIT RESIDENTIAL AND COMMERCIAL PROPERTY

PREPARED BY THE NEW YORK STATE HISTORIC PRESERVATION OFFICE

The NYS Historic Residential Properties Tax Credit Program

Rehabilitation work on historic residential structures may qualify for a tax incentive. The credit will cover 20% of qualified rehabilitation costs of structures, up to a credit value of \$25,000.

Houses must be:

- An owner-occupied residential structure (includes condominiums and cooperatives)
- and*
- Individually listed on the State or National Register of Historic Places,
- or*
- A contributing building in a historic district that is listed on the state or National Register of Historic Places
- and*
- Located in a "distressed" census tract, defined as "targeted areas" under Section 143 (J) of the Internal Revenue Code
- and*
- Located in an area designated by the municipality as in need of renewal and for which the municipality has adopted a historic preservation and community renewal program

The applicant must be:

- New York State taxpayer.
- and*
- Owner of a "qualified historic home," as defined above.
- or*
- Purchaser of a "qualified historic home" – to meet this qualification, taxpayer must be first buyer of qualified historic home that has been substantially rehabilitated by the seller and certified as meeting the established standards. Purchase must occur within 5-years of certification of completed work; seller must not have taken the credit.

The project must:

- Spend at least 5% of the total on the exterior work.
- Be approved by OPRHP prior to start of construction.
- Start the project, including all planned expenditures, after January 1, 2007.

The NYS Historic Commercial Properties Tax Credit Program

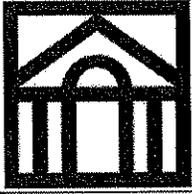
This tax credit must be used with the **Federal Historic Preservation Tax Incentive Program**. Owners of commercial properties that have been approved to receive the 20% federal rehabilitation tax credit now qualify for the additional *state tax credit*. Owners can receive 30% of the federal credit value up to \$100,000. In order to qualify, the placed-in-service date must be after January 1, 2007.

How do I get more information?

To get more information, contact us at (518) 237-8643 or go to our web site at: <http://nyspark.state.ny.us/shpo> or write us at: Field Service Bureau, Peebles Island Resource Center, PO Box 189, Waterford, NY 12188-0189

How do I get preservation advice?

We can offer professional advice on the preservation and maintenance of historic resources. It's a good idea to contact us before plans are drawn and especially before any construction work begins.



Memorandum

New York State Rehabilitation Tax Credit

The State Historic Preservation Office (SHPO) administers the New York State Rehabilitation Tax Credit (Chapter 547 of the Laws of 2006). While the SHPO is the official point of contact for the tax credit programs, the Preservation League serves as lead advocate for program use and expansion. This memo provides a brief overview of implementation of the existing programs, as well as continuing advocacy efforts to expand the rehabilitation tax credit program to more effectively serve economic and community redevelopment goals

New York State Historic Homeownership Rehabilitation Credit Program

The residential rehabilitation credit is available for owner-occupied residential structures listed on the State or National Register of Historic Places. The qualified structure must be located in a "distressed" census tract (defined as "targeted areas" under Section 143 (j) of the Internal Revenue Code), a restriction that severely limits the number of municipalities qualified for the current program. The residential program also requires that the qualified housing be located in an area designated by the municipality as in need of renewal and for which the municipality has adopted a historic preservation and community renewal program.

SHPO has designated staff for the residential program that can provide application materials and discuss program requirements, such as which census tracts and planning instruments qualify a municipality for the current residential program. A model municipal resolution for designating program areas is also available.

For more information, contact:

- **Sloane Bullough**
518-237-8643 x3252
sloane.bullough@oprhp.state.ny.us

SHPO and the Preservation League are currently planning residential tax credit workshops in Newburgh and Elmira. This workshop can be made available to other municipalities with qualified housing stock

New York State Commercial Rehabilitation Credit Program

The commercial rehabilitation credit is available to any qualified user of the federal rehabilitation tax credit, which requires that an income-producing property be listed – or be eligible for listing on – the National Register of Historic Places. Once a property is approved for the federal credit, it is also qualified for the state credit. Any historic commercial property in New York is eligible for the federal and state rehabilitation tax credit programs – there are no requirements that a qualified structure be located in a distressed area.

The points of contact for the NYS commercial rehabilitation credit are the same as the federal credit. Contact SHPO's Technical Assistance staff via contact information at this link: <http://nysparks.state.ny.us/shpo/state/map.htm>.

For technical assistance on the implementation of the NYS rehabilitation tax credit program or for information regarding tax credit workshops, contact:

- **Erin Tobin**
Regional Director of Technical & Grant Programs, Eastern NY
518-462-5658 x12
etobin@preservenys.org
- **Tania Werbizky**
Regional Director of Technical & Grant Programs, Western NY
607-272-6510
twerbizky@preservenys.org

Continued Advocacy for an Expanded Rehabilitation Tax Credit Program

The Preservation League is extremely interested in hearing of potential state and federal rehabilitation tax credits projects as it would inform our ongoing work to secure an expanded state tax credit program. Please let us know of municipal officials, developers, and homeowners in your service area who are interested in these programs.

The League seeks changes to the commercial program which would provide significantly higher levels of financial incentives for rehabilitation in order to draw increased numbers of commercial structures into the program. Similarly, we are seeking to expand the residential program to make it available to a far wider range of municipalities and neighborhoods than the current program allows.

We are currently seeking to add Senate and Assembly bill sponsors to the legislation that expands this program, A.7935-B/S.5425-B. For further information or to offer your support, contact:

- **Daniel Mackay**
Director of Public Policy
518-462-5658 x18
dmackay@preservenys.org

NEW YORK STATE HISTORIC HOMEOWNERSHIP REHABILITATION TAX CREDIT PROGRAM



FREQUENTLY ASKED QUESTIONS

Qualifying for the tax credit:

Is my building historic?

A *certified historic structure* is listed in the state or national register of historic places; or is a contributing building within a state or national register historic district.

Is my property is eligible for the credit?

You must *own* and *reside in* the certified historic structure, and the building must be located in a qualifying "distressed" census tract.

How do I find out?

Contact **Sloane Bullough** at the New York State Office of Parks, Recreation and Historic Preservation (OPRHP) at **518-237-8643, ext. 3252**.

My owner-occupied historic home is in a distressed census tract. What do I do next?

Contact OPRHP to discuss your plans and request an application for the tax credit. Applications must be submitted prior to any work taking place. Before photos are essential – take pictures before beginning work.

Qualifying rehabilitation work:

What are the requirements for the tax credit program?

- At least \$5,000 must be spent on the project – this would result in a \$1,000 credit against your New York State income taxes
- At least 5% of total cost of the project must be spent on the exterior
- Work must be approved by OPRHP prior to the start of the project
- Final work and receipts must be approved before certification of project for tax purposes

What are the benefits of the tax credit program?

- The credit will cover 20% of qualified rehabilitation costs of structures, up to a credit value of \$25,000
- To claim the full 20%, you would have to make an investment of \$125,000
- Unused credit value may be taken in subsequent years

Could you give me some examples of work that would be covered under the tax credit?

- Masonry Repairs – repointing a brick wall
- Finishes – interior and exterior painting
- Windows and doors – restoration
- Components of central air conditioning or heating systems
- Plumbing and plumbing fixtures
- Electrical wiring and lighting fixtures
- Chimneys
- Stairs
- Elevators, sprinkler systems, fire escapes
- Other components related to the operation or maintenance of the building

What about work that would NOT be covered?

- Appliances (window air conditioning units, refrigerators, etc.)
- Decks (not part of original building)
- Demolition costs (removal of a building on property site)
- New construction costs or enlargement costs (increase in total volume)
- Fencing
- Furniture
- Landscaping
- Paving
- Window treatments

Do I have to hire a certified contractor? What if I want to do the work myself?

You do not need to hire a certified contractor. OPRHP is working out the details of how to claim the credit for work you do yourself.

What do I do if I'm interested in applying?

Contact OPRHP for an application form and to discuss your project.

I've done the work ... now what?

Complete the application form and submit it to OPRHP with the required supporting documents and before and after photographs. Once you receive a signed approval from OPRHP, submit that with a copy of New York State tax form IT-237, Claim for Historic Homeownership Rehabilitation Credit.

Any work that does not conform to the Secretary of the Interior Standards for Rehabilitation is not an eligible expense and will jeopardize the project's approval for the tax credit.

For technical assistance on the implementation of the NYS rehabilitation tax credit program or for information regarding tax credit workshops, visit the Preservation League of New York State at www.preservenys.org.

NEW YORK STATE OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION
RESIDENTIAL HISTORIC PRESERVATION TAX CREDIT APPLICATION
PART 1

1. **Address of Property:** _____
 City/Town/Village: _____ County _____ NY Zip _____

2. **Owner**
 Name: _____ Mailing address same as property
 Street: _____ P.O. Box Number: _____
 City: _____ NY Zip: _____
 Phone Number (daytime): _____ Phone Number 2: _____

****NOTE: If more than one owner attach a sheet with the additional owner's name and contact information be sure to include the % of ownership for each owner of record.**

3. **Project Contact (If other than owner)**
 Name: _____ Mailing address same as property
 Street: _____ P.O. Box Number: _____
 City: _____ NY Zip: _____
 Phone Number (daytime): _____ Phone Number 2: _____

4. **Checklist (Required)**

1. Is the house	
▪ at least 50 years old?	Yes <input type="checkbox"/> No <input type="checkbox"/>
▪ one family owner-occupied?	Yes <input type="checkbox"/> No <input type="checkbox"/>
▪ multiple family owner-occupied?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2. Is at least \$5,000 being spent on the rehab?	Yes <input type="checkbox"/> No <input type="checkbox"/>
3. Is at least 5% of the total rehab cost being spent on the exterior?	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. Date work began or will begin _____	(Note that work needs to be approved by OPRHP before it begins)
5. Total estimated cost of project \$ _____	

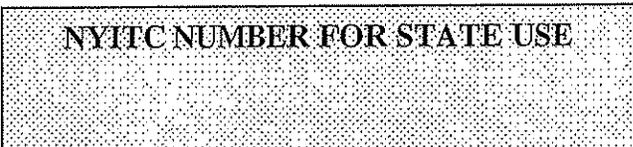
5. Please include:
 ▪ Several color photographs of the exterior of the house. Be sure to include all four sides of the building.
 ▪ A copy of a street map locating your property.

Owner Signature: _____ Date _____

Owner (2) Signature: _____ Date _____

****NOTE: If more than two owners attach a sheet with the additional owner's signature(s) and date(s)**

Mail completed application to:
 NYS Office of Parks, Recreation and Historic Preservation
 Field Services Bureau
 Peebles Island State Park, PO Box 189
 Waterford, NY 12188-0189
 Phone: 518-237-8643, Fax: 518-233-9049



Project Work Sheet

Work Proposed	Existing Condition	Proposed	Estimated Cost

NOTE: Create your own grid using this model, make copies or download copies of this form at:
<http://nysparks.state.ny.us> and follow link to HISTORIC PRESERVATION then select INVESTMENT TAX CREDIT.

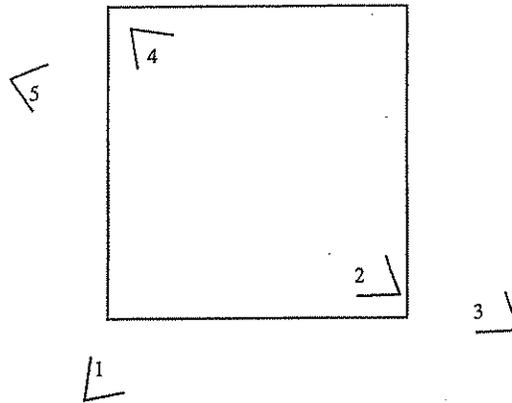
Project Work Sheet

Work Proposed	Existing Condition	Proposed	Estimated Cost

4. Attachments to the application

A. Photographs

- Photographs must be taken before any work is started.
- Details in the photographs must be clear.
- Photographs taken with 35 mm film are preferable.
- Digital photographs should be printed on photo grade paper.
- The following views are required:
 - One or more views of the exterior of the building.
 - All areas of work. Interior photos should be taken from diagonally opposite corners of the room.
 - Key photos to a site plan or a floor plan to show location and camera angle as shown below.



B. Drawings

Drawings must be submitted if any new construction or alterations will be performed on the exterior of the house or to the floor plans. For example, if a new porch will be added or if interior walls will be added or removed, drawings must be submitted.

For OPRHP use only:

Review number assigned: _____

OPRHP has reviewed the proposal for the above named property and preliminarily certifies that the property:

is a qualified historic home.

And that the project as described:

meets the New York Standards for Rehabilitation.

meets the New York Standards for Rehabilitation if the attached conditions are met.

does not meet the Secretary of the Interior Standards for Rehabilitation.

is NOT a qualified historic home.

Mail completed application to:

New York State Office of Parks, Recreation and Historic Preservation
Division for Historic Preservation
Field Services Bureau
Peebles Island State Park, PO Box 189
Waterford, NY 12188-0189
Phone: 518-237-8643, Fax: 518-233-9049

**NEW YORK STATE OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION
RESIDENTIAL HISTORIC PRESERVATION TAX CREDIT APPLICATION
REQUEST FOR CERTIFICATION OF COMPLETED WORK
PART 3**

Instructions: No certifications will be made unless a completed application form has been received. Type or print clearly. If additional space is needed, use continuation sheets.

1. **Address of Property:** _____

City _____ County _____ NY Zip _____

2. Date work was started _____ Date the work was completed _____

3. I have enclosed:

Representative photographs of the completed work. Interior views Exterior views.

Photographs are keyed to enclosed sketch plan of the building.
NOTE: The plan should match the one submitted with the Part II.

I have not previously submitted the Part 2 portion of the application and it is attached.

4. **Owner:**

I attest that the information provided is, to the best of my knowledge, correct, and it is consistent with the work described in Part 2 of the residential historic preservation tax credit application.

Signatures

Owner _____ Date _____

Owner _____ Date _____

For OPRHP use only:

Review number assigned: _____

OPRHP has reviewed the proposal for the above named property and certifies that the project:

- meets the Secretary of the Interior Standards for Rehabilitation.
 does not meet the Secretary of the Interior Standards for Rehabilitation.

Mail completed application to:

New York State Office of Parks, Recreation and Historic Preservation
Division for Historic Preservation, Field Services Bureau
Peebles Island State Park
PO Box 189, Waterford, NY 12188-0189
Phone: 518-237-8643, Fax: 518-233-9049

APPENDIX B

Qualified Expenses (*provided the work is approved by OPRHP*)

Eligible expenses include but are not limited to:

- Walls
- Masonry Repairs
- Partitions
- Finishes (interior and exterior)
- Floors
- Ceilings
- Permanent coverings, such as paneling or tiles
- Windows and doors
- Components of central air conditioning or heating systems
- Plumbing and plumbing fixtures
- Electrical wiring and lighting fixtures
- Chimneys
- Stairs
- Elevators, sprinkler systems, fire escapes
- Other components related to the operation or maintenance of the building

Expenses not eligible include but are not limited to:

- Appliances (window air conditioning units, refrigerators, etc.)
- Decks (not part of original building)
- Demolition costs (removal of a building on property site)
- New construction costs or enlargement costs (increase in total volume)
- Fencing
- Feasibility studies
- Financing fees
- Furniture
- Landscaping
- Leasing expenses
- Outdoor lighting remote from building
- Parking lot
- Paving
- Planning costs (consultants)
- Planters
- Porches and porticos (not part of original building)
- Retaining walls
- Sidewalks
- Signage
- Storm sewer construction costs
- Window treatments
- Work performed in rental units if the building is a multifamily residence
- Work performed outside the building footprint

Please note that any work that does not conform to the Secretary of the Interior Standards for Rehabilitation is not an eligible expense and will jeopardize the project's approval for the tax credit.

