

# Colorado's Historic Preservation Tax Credit for Residential Properties

## WHAT IS A TAX CREDIT?

A tax credit is a dollar-for-dollar reduction in the amount of tax owed to the government. Tax credit projects create jobs and provide financial incentives to revitalize historic buildings. Federal and state tax laws offer tax credits for historic preservation projects that follow the Secretary of the Interior's Standards for Rehabilitation of Historic Properties. The federal government offers a tax credit between 10 and 20 percent, which can be paired with the state tax credit.

Preservation tax credits for residential properties are managed by History Colorado or your Certified Local Government (CLG).\*\*

## WHAT TYPE OF PROPERTY IS ELIGIBLE?

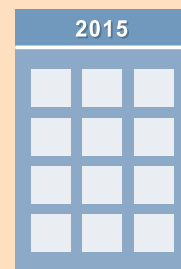
	Property must be:
Pre-2015 state tax credit*	<ul style="list-style-type: none"> <li>» At least 50 years old</li> <li>» Locally landmarked or listed on the State Register</li> </ul>
New state tax credit for residential properties	<ul style="list-style-type: none"> <li>» At least 50 years old</li> <li>» Locally landmarked or listed on the State Register</li> </ul>
New state tax credit for commercial properties	<ul style="list-style-type: none"> <li>» Locally landmarked or listed on the State Register</li> <li>» Income-producing</li> </ul>

\*Applicants may apply for pre-2015 tax credits in lieu of the new credit. Both cannot be used for the same project.

## HOW CAN THE TAX CREDITS HELP ME?

- » Historic preservation tax credits lower your tax bill, which can increase your tax refund.
- » Preservation tax credits can be used to offset the cost of rehabilitating and restoring historic buildings.

## WHEN CAN I APPLY?



Applications for the new residential state preservation tax credit are accepted year-round on a rolling basis. Applicants may apply at any time. Applicants are encouraged to apply before starting work or in the early stages of the rehabilitation project.

**Note:** Each building is limited to \$50,000 in credits over a ten-year period unless the building is sold to a new owner.



### Want to learn more?

Visit [h-co.org/statetaxcredit](http://h-co.org/statetaxcredit) or Contact **Joseph Saldibar** at: [joseph.saldibar@state.co.us](mailto:joseph.saldibar@state.co.us) Or **303/866-3741**

\*\*For a list of approved CLGs, please see application at: [www.historycolorado.org/oaHP/application-forms](http://www.historycolorado.org/oaHP/application-forms)

## HOW DO I CLAIM A TAX CREDIT?

- Submit Part 1 of the tax credit application to History Colorado or your CLG.\*\*
- History Colorado or your CLG will conduct a preliminary review of project materials and respond to your request.
- If your submitted Part 1 meets the requirements, History Colorado or your CLG will approve the proposed work.
- Submit Part 2 of the tax credit application.
- History Colorado or your CLG will conduct a detailed review and ensure your project follows the Standards for Rehabilitation.
- If your submitted Part 2 meets the requirements, History Colorado or your CLG will approve the work and you will receive your tax credit.

*All applications are reserved on a first-come, first-served basis.*

[www.historycolorado.org/oaHP/available-programs](http://www.historycolorado.org/oaHP/available-programs)

	NEW CREDIT <i>RESIDENTIAL</i>	PRE-2015 CREDIT
<b>Eligible properties</b>	More than 50 years old, <i>and</i> Listed on State Register of Historic Properties or landmarked by a Certified Local Government (CLG)	More than 50 years old, <i>and</i> Listed on State Register of Historic Properties or landmarked by a Certified Local Government (CLG)
<b>Eligible applicants</b>	Property Owner, <i>or</i> Tenant with lease of at least 5 years	Property Owner, <i>or</i> Tenant with lease of at least 5 years
<b>Eligible projects</b>	Costs must exceed \$5,000 Project must meet the Secretary of the Interior's Standards	Costs must exceed \$5,000 Project must meet the Secretary of the Interior's Standards
<b>Time limits</b>	<b>No time limit</b>	Project must be completed within 24 months (or 48 with a one-time extension)
<b>Completed work</b>	Can be claimed if completed <b>within past 24 months*</b> and documented (* or 7/1/15, whichever is later)	Can be claimed if within 24 month period and documented
<b>Extent of tax savings</b>	<b>20%</b> of Qualified Rehabilitation Expenditures (QREs)	20% of Qualified Rehabilitation Expenditures (QREs)
<b>Disaster relief</b>	Additional <b>5% credit</b> for properties located in areas that have been designated as disaster areas within past 6 years	None
<b>Project cap</b>	<b>\$50,000</b> per property, but resets upon new ownership or after 10 years	\$50,000 per property
<b>Credit availability</b>	No credit availability constraints	Subject to yearly budget estimates
<b>Credit length</b>	Can be used for up to 10 years	Can be used for up to 10 years
<b>Allowable costs</b>	List of allowable expenditures (interior and exterior)	Qualified Rehabilitation Expenditures (QREs)
<b>Fees</b>	"Reasonable" Part 1 fee (may be <b>waived for projects under \$15,000</b> ); No Part 2 fee	\$250 Part 1 fee (may be waived for projects under \$15,000) \$0-\$750 Part 2 fee
<b>Recapture</b>	No recapture of credits under the new law	Recapture plan if property sold within 5 years
<b>Transferability</b>	None; credits stay with owner	None; credits stay with owner

