

# HISTORIC PRESERVATION TAX CREDIT

## **PRESERVING ARCHITECTURAL HISTORY THROUGH BUILDING REHABILITATION**

Wisconsin's historic business communities remind us of the state's rich architectural history while continuing to serve as centers of congregation and commerce. Preserving the commercial buildings of yesteryear is critical to maintaining strong economic interest in the communities they serve. The Wisconsin Historical Society (WHS) and the Wisconsin Economic Development Corporation (WEDC) assist building owners in these preservation efforts with the **Historic Preservation Tax Credit**.

### **How it works**

The Historic Preservation Tax Credit applies to certified historic buildings. Under the program, owners of eligible buildings may receive a state income tax credit for 20 percent of the qualified rehabilitated expenditures up to \$3.5 million. This program applies to rehabilitation expenditures, as defined in section 47(c)(2) of the Internal Revenue Code, of \$50,000 or more.

### **Eligibility requirements**

The Historic Preservation Tax Credit only applies to income-producing buildings such as housing developments, hotels, bed-and-breakfast establishments and other businesses. Nonprofits are ineligible for certification, except under certain circumstances. Owner-occupied historic homes are eligible for a 25 percent tax credit under a separate Historic Homeowners Tax Credit.

- The completed preservation or rehabilitation must substantially comply with the proposed plan.
- No physical work of construction or destruction can occur prior to the recommendation of the proposed preservation or rehabilitation by the State Historic Preservation Officer (SHPO).
- Costs incurred to acquire any building or interest in a building or to enlarge an existing building are not eligible.
- The rehabilitation must be recommended by the SHPO for approval by the secretary of the interior.

WEDC may deny certification to an otherwise eligible project based on funding availability or other application criteria. Funding certifications will be effective for three years commencing on the initial date of certification and must be claimed based on actual qualified rehabilitation expenditures by the date of certification and must be

## LEARN MORE

Historic rehabilitations incented through the Historic Preservation Tax Credit must be recommended by the state historic preservation officer as certified historic properties. For more information, contact Claire Bushemi at 608.264.6490 for western Wisconsin, or Paul Porter at 608.264.6491 for eastern Wisconsin.

For questions regarding the transferability of Historic Preservation Tax Credits or how to claim a credit, contact Craig Kvammen at the Wisconsin Department of Revenue at 608.266.7177.

If you have questions about this program, please contact a WEDC regional economic development director or call 855-INWIBIZ toll-free.

You can find the list of regional directors and territories covered at [wedc.org/regional](http://wedc.org/regional).

claimed based on actual qualified rehabilitation expenditures by the conclusion of the three-year period; however, a project may be approved for six years if the rehabilitation is substantial and occurring in phases. WEDC may extend certification windows at its full discretion.