

# Historic Rehabilitation Tax Credits

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# Overview

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- Two programs, similar requirements
- *Tax credit, not deduction*
- 20% of Qualified Rehabilitation Expenses
- Residential or income-producing buildings
- Must be listed on the National Register of Historic Places (NRHP) or contributing to an NRHP-listed Historic District.
- Work must follow the *Secretary of the Interior's Standards for Rehabilitation (Standards)*

# What is a Tax Credit?

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-Dollar for dollar reduction of your annual tax liability

-Non-refundable – can only claim up to your annual tax liability per year

-5 or 20 year carryforward

I.E.:

Applicant's annual tax liability: \$5,000

Applicant's awarded tax credit: \$4,000

Net tax liability for the year:  $\$5k - \$4k = \$1k$

I.E.:

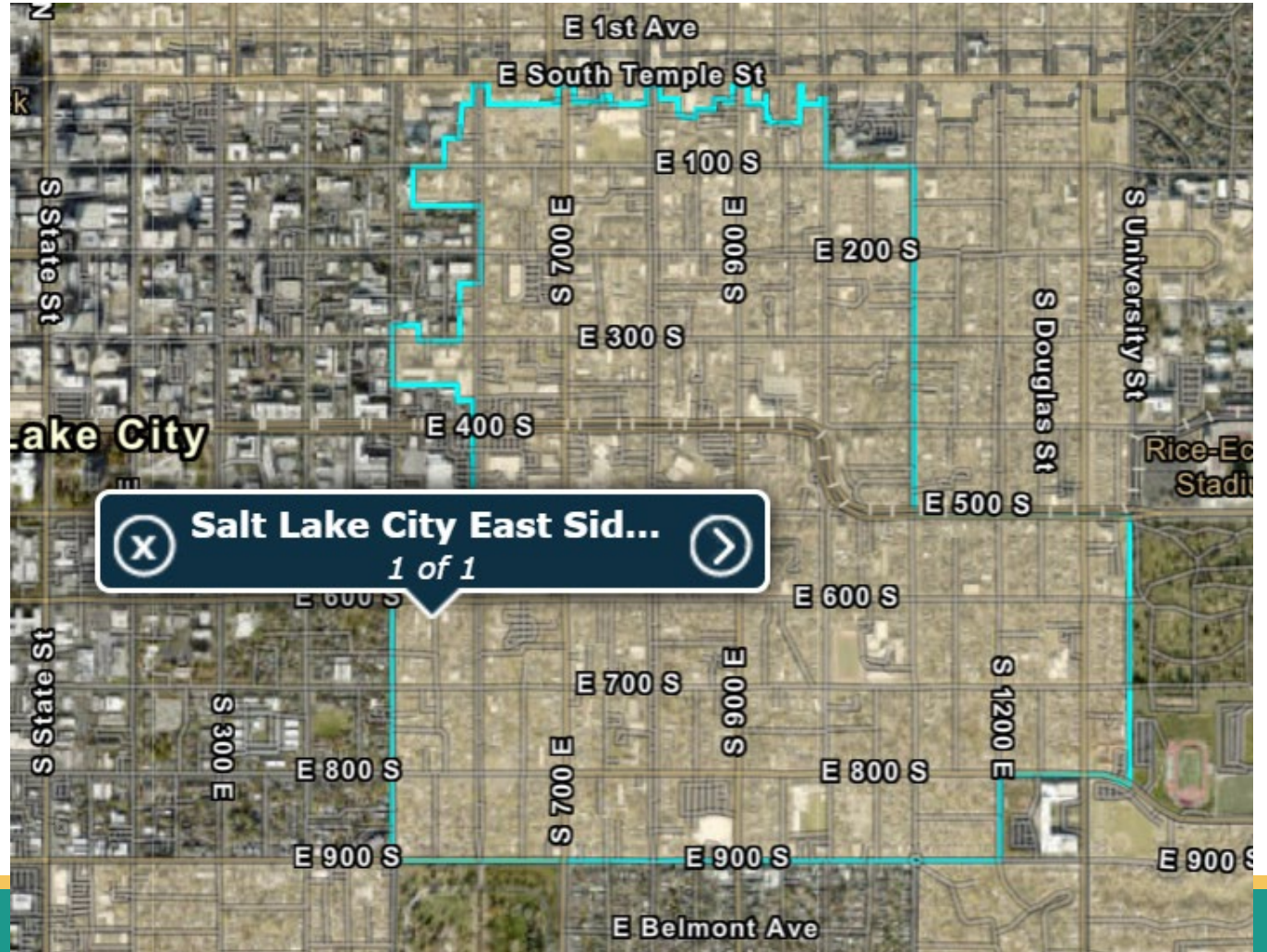
Applicant's annual tax liability: \$5,000

Applicant's awarded tax credit: \$6,000

Net tax liability for the year:  $\$5k - \$5k = \$0$  with \$1k left for the following year

# Is my property eligible?

Salt Lake City East Side Historic District

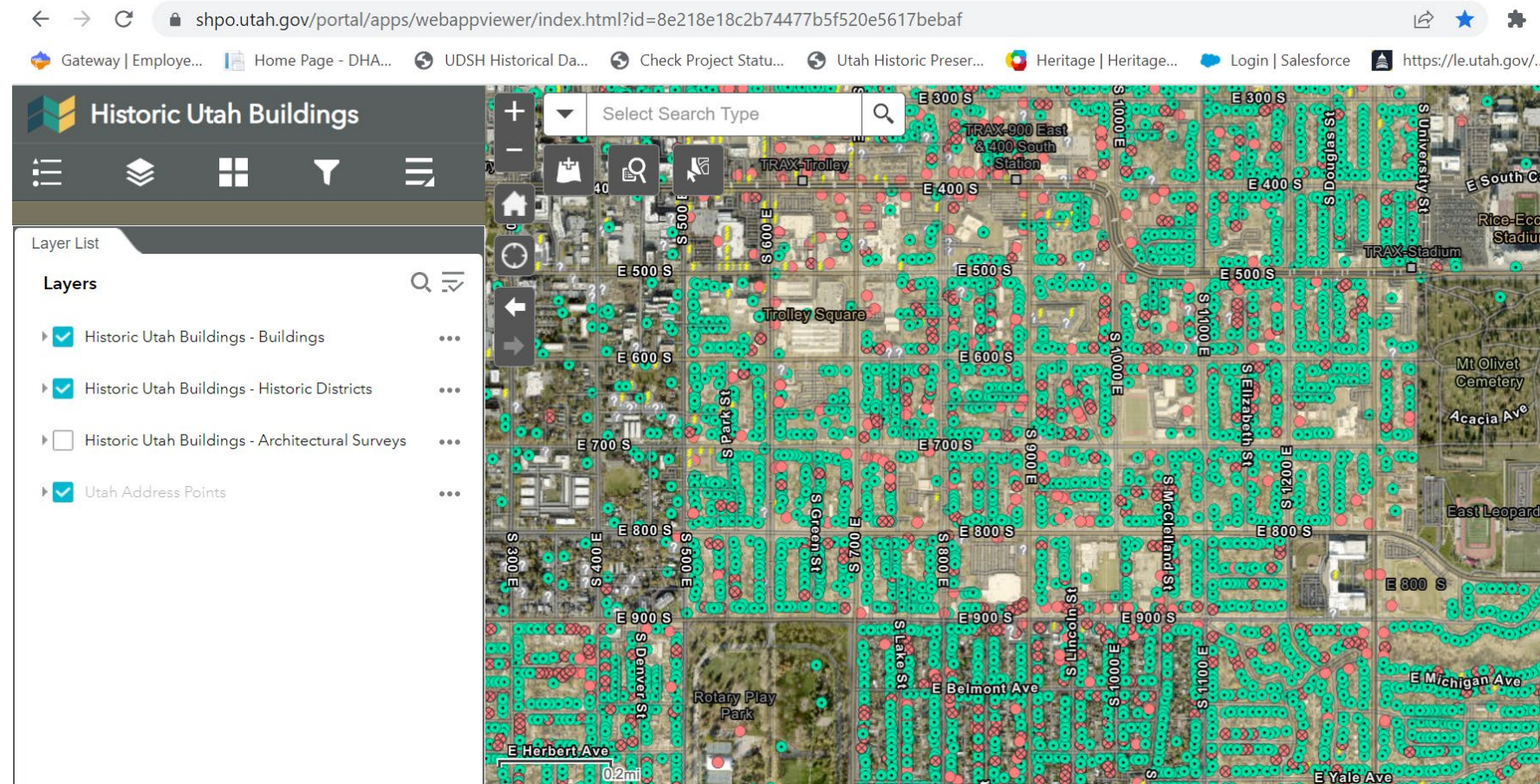


# Is my property eligible?

[hub.utah.gov](http://hub.utah.gov)

\*only use as starting point,  
not 100% accurate

\*\*does not account for  
buildings that *could* be listed



The screenshot displays the web application interface for Historic Utah Buildings. The browser address bar shows the URL: [shpo.utah.gov/portal/apps/webappviewer/index.html?id=8e218e18c2b74477b5f520e5617befab](https://shpo.utah.gov/portal/apps/webappviewer/index.html?id=8e218e18c2b74477b5f520e5617befab). The application title is "Historic Utah Buildings". The interface includes a search bar with the text "Select Search Type" and a search icon. A layer list on the left side shows the following layers:

- Historic Utah Buildings - Buildings
- Historic Utah Buildings - Historic Districts
- Historic Utah Buildings - Architectural Surveys
- Utah Address Points

The main map area shows a street grid with numerous green circular markers indicating building footprints. Labeled streets include E 300 S, E 400 S, E 500 S, E 600 S, E 700 S, E 800 S, E 900 S, E 1000 S, E 1100 S, E 1200 S, S 300 E, S 400 E, S 500 E, S 600 E, S 700 E, S 800 E, S 900 E, S 1000 E, S 1100 E, S 1200 E, S Park St, S Green St, S Lake St, S Lincoln St, S McCalland St, S Elizabeth St, S University St, S Douglas St, S Denver St, S Yale Ave, S Herbert Ave, S Michigan Ave, S Belmont Ave, S Lake St, S Lincoln St, S McCalland St, S Elizabeth St, S University St, S Douglas St, S Denver St, S Yale Ave, S Herbert Ave, S Michigan Ave, S Belmont Ave. Landmarks such as Trolley Square, TRAX-Trolley, TRAX-900 East & 400 South Station, TRAX-Stadium, Mt Olivet Cemetery, Acacia Ave, East Leopard, and Rotary Play Park are also visible. A scale bar at the bottom left indicates 0.2 miles.

# Qualified Rehabilitation Expenses\*

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## QUALIFIED EXPENSES

Walls/Partitions

Floors/Ceilings

Permanent coverings (i.e.: tile)

Window and door repair/upgrade

Roofs, chimneys, restore/replace porches

HVAC, plumbing, electrical

Stairs, escalators, elevators, fire protection systems

Soft costs: architect/engineering/construction fees

## NON-QUALIFIED EXPENSES

Acquisition costs

Additions

Movable furnishings & appliances

Site Work

Landscaping

\*QREs differ between the State and Federal Programs

# State Credit

- Historic Residential Buildings
- Minimum \$10,000 expenditure
- Project must be completed within 3 years of project preapproval; no limit to subsequent \$10,000+ projects
- Work must follow the *Standards* for 3 years following the project
- Credit can be carried forward for up to 5 years if necessary



*single family residence – before*



*single family residence – after*



*Commercial with residential units*



*Initiated – planning stages*

# Federal Credit

- Historic Income-Producing Buildings
- Must meet “substantial rehab test”
- Property ownership must be maintained and additional work must follow the *Standards* for 5 years following the project
- Credit must be claimed over a minimum of 5 years
- Credit may be rolled forward for an additional 16 years after that



*small business – before*



*small business – after*



*Commercial with residential rental (income-producing)*



*Initiated – planning stages*



# Program Differences

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## STATE TAX CREDIT

Residential

Cost must exceed \$10,000

3-year project period following Preapproval

Carry credit forward for up to 5 years

3-year compliance with the *Standards* following project

No ongoing ownership requirements

State Historic Preservation Office Approval

## FEDERAL TAX CREDIT

Income-Producing

Substantial Rehab Test requirement

2 or 5-year measuring period

Must claim over minimum of 5 years

Can carry forward for an additional 16

5-year compliance with the *Standards* following project

5-year ownership requirement following project

National Park Service Approval

# How to get started?

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- Contact us (SHPO)!
- Thoroughly document the building BEFORE starting any work (photographs, drawings, etc.)
- Begin application process as EARLY AS POSSIBLE



# Application Process - State

- Before application (“Part 1 + 2”): before documentation + work plan
- After application (“Part 3”): after photographs



history.utah.gov/preservation/financial-incentives

## Utah Historic Preservation Tax Credit Application

Owners of historic residential buildings may be able to recover 20% of their restoration costs through this state income tax credit program. To qualify for the credit:

- The building use after rehabilitation must be residential.
- The building must be listed on the National Register of Historic Places at the time of application or within three years of the approval of the completed rehabilitation project.
- A minimum of \$10,000 must be spent on rehabilitation over, at most, a three-year period.
- All work must meet appropriate rehabilitation standards; one “wrong” modification voids the entire tax credit.
- This application form must be completed before the rehab project is finished—preferably before work is started in order to avoid problems with ineligible work.

### Submission Instructions

- Send a completed digital application to Amber Anderson at:  
**amberanderson@utah.gov**
- Digital submissions are preferred. If you cannot submit digitally, you may submit a hard copy to: Amber Anderson, State History, 300 S. Rio Grande St, Salt Lake City, UT 84101

### Part 1. Evaluation of Historical Significance

Project name (Address, City) (if applicable)	
Original construction date	Known remodel date(s)

This building (check one):

- is individually listed on the National Register of Historic Places (NRHP).
- is listed on the NRHP as part of the following Historic District;
- appears to meet NRHP eligibility requirements, but is not yet officially listed.

(Contact the State Historic Preservation Office for National Register status/historic significance: 801-245-7277 or [amberanderson@utah.gov](mailto:amberanderson@utah.gov). If not yet listed, a National Register nomination form must be prepared before tax credits can be authorized or claimed.)

# Application Process - Federal

- Part One: significance
- Part Two: before documentation + work plan
- Part Three: after photographs

NATIONAL PARK SERVICE  
HISTORIC PRESERVATION CERTIFICATION APPLICATION  
PART 1 - EVALUATION OF SIGNIFICANCE

NO. 1024-10409  
Form 10-168  
Rev. 2014

NPS Project Number

**Instructions:** This page must bear the applicant's original signature and must be dated. The National Park Service certification decision is based on the descriptions in this application form. In the event of any discrepancy between the application form and other supplementary material submitted with it (such as architectural plans, drawings and specifications), the application form takes precedence. A copy of this form will be provided to the Internal Revenue Service.

**1. Property Name** [REDACTED] Apartments

Street [REDACTED]

City Salt Lake City County Salt Lake State UT Zip 84102

Name of Historic District Salt Lake City Eastside Historic District

National Register district  certified state or local district  potential district

**2. Nature of request** (check only one box)

certification that the building contributes to the significance of the above-named historic district or National Register property for rehabilitation purposes.

certification that the building contributes to the significance of the above-named historic district for a charitable contribution for conservation purposes.

certification that the building does not contribute to the significance of the above-named district.

preliminary determination for individual listing in the National Register.

preliminary determination that a building located within a potential historic district contributes to the significance of the district.

preliminary determination that a building outside the period or area of significance contributes to the significance of the district.

**3. Project Contact** (if different from applicant)

Name [REDACTED] Company [REDACTED]

Street [REDACTED] City Salt Lake City State UT

Zip 84101 Telephone [REDACTED] Email Address [REDACTED]

**4. Applicant**

I hereby attest that the information I have provided is, to the best of my knowledge, correct. I further attest that [check one or both boxes, as applicable] (1)  I am the owner of the above-described property within the meaning of "owner" set forth in 36 CFR § 67.2 (2011), and/or (2)  I am not the fee simple owner of the above-described property, the fee simple owner is aware of the action I am taking relative to this application and has no objection, as noted in a written statement from the owner, a copy of which (i) either is attached to this application form and incorporated herein, or has been previously submitted, and (ii) meets the requirements of 36 CFR § 67.3(a)(1) (2011). For purposes of this attestation, the singular shall include the plural wherever appropriate. I understand that knowing and willful falsification of factual representations in this application may subject me to fines and imprisonment under 18 U.S.C. § 1001, which, under certain circumstances, provides for imprisonment of up to 8 years.

Name [REDACTED] Signature [REDACTED] Date 11/1/17

Applicant Entity [REDACTED] SSN [REDACTED] or TIN 82-1033012

Street [REDACTED] City Salt Lake City State UT

Zip 84101 Telephone [REDACTED] Email Address [REDACTED]

**NPS Official Use Only**

The National Park Service has reviewed the Historic Preservation Certification Application - Part 1 for the above-named property and has determined that the property:

contributes to the significance of the above-named district or National Register property and is a "certified historic structure" for rehabilitation purposes.

contributes to the significance of the above-named district and is a "certified historic structure" for a charitable contribution for conservation purposes.

does not contribute to the significance of the above-named district.

**Preliminary Determinations:**

appears to meet the National Register Criteria for Evaluation and will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer according to the procedures set forth in 36 CFR Part 60.

does not appear to meet the National Register Criteria for Evaluation and will likely not be listed in the National Register.

appears to contribute to the significance of a potential historic district, which will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer.

appears to contribute to the significance of a registered historic district if the period or area of significance as documented in the National Register nomination or district documentation or file with the NPS is expanded by the State Historic Preservation Officer.

does not appear to qualify as a certified historic structure.

# Contact

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Amber Anderson

[amberanderson@utah.gov](mailto:amberanderson@utah.gov)

801-245-7277



# “The Standards”

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STANDARDS FOR PRESERVATION

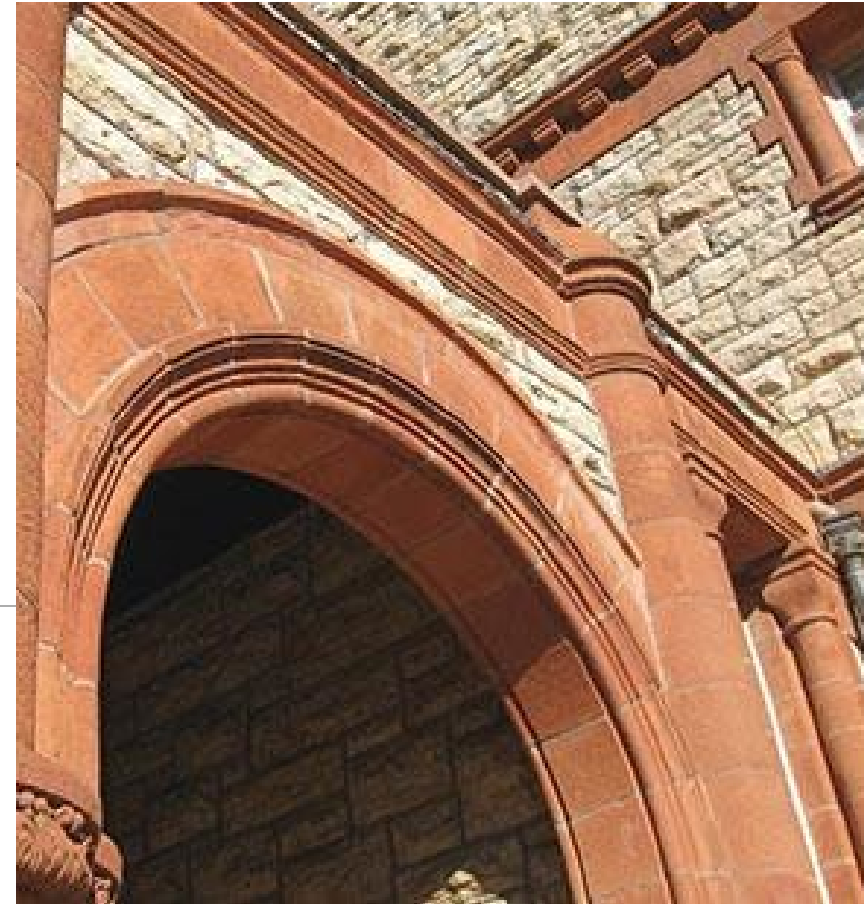
**STANDARDS FOR REHABILITATION**

STANDARDS FOR RESTORATION

STANDARDS FOR RECONSTRUCTION

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**REHABILITATION** ACKNOWLEDGES THE NEED TO ALTER OR ADD TO A HISTORIC PROPERTY TO MEET CONTINUING OR CHANGING USES WHILE RETAINING THE PROPERTY'S HISTORIC CHARACTER.



THE SECRETARY  
OF THE INTERIOR'S  
STANDARDS FOR  
THE TREATMENT  
OF HISTORIC  
PROPERTIES

WITH  
**GUIDELINES FOR  
PRESERVING,  
REHABILITATING,  
RESTORING &  
RECONSTRUCTING  
HISTORIC  
BUILDINGS**

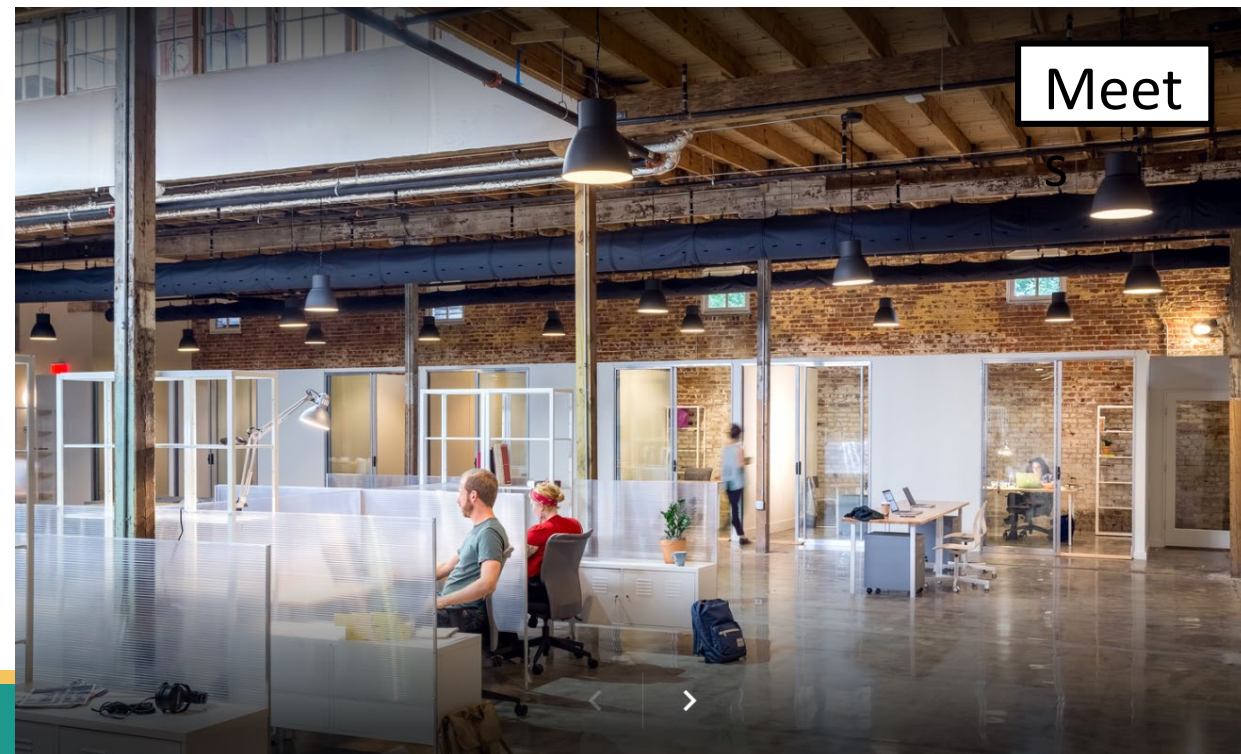


# Secretary of the Interior's Standards for Rehabilitation

1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
2. The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
3. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
7. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
8. Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

# The Standards for Rehabilitation

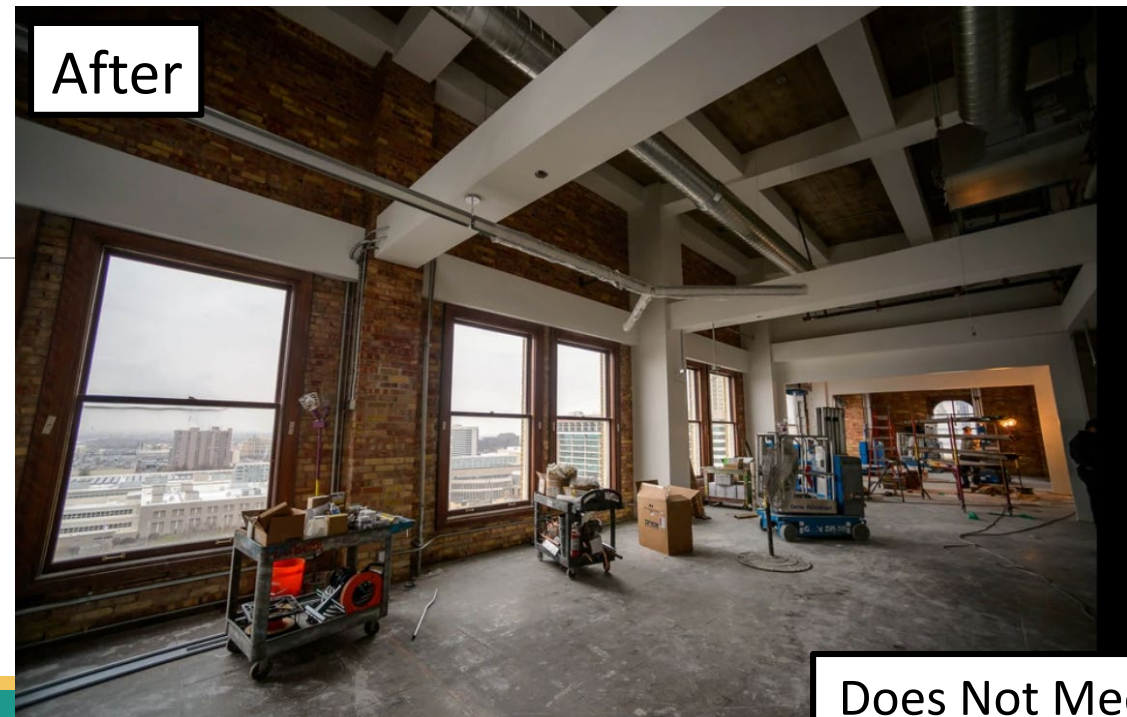
1. A PROPERTY SHALL BE USED FOR ITS HISTORIC PURPOSE OR BE PLACED IN A NEW USE THAT REQUIRES MINIMAL CHANGE TO THE DEFINING CHARACTERISTICS OF THE BUILDING AND ITS SITE AND ENVIRONMENT.





# The Standards for Rehabilitation

2. THE HISTORIC CHARACTER OF A PROPERTY SHALL BE RETAINED AND PRESERVED. THE REMOVAL OF HISTORIC MATERIALS OR ALTERATION OF FEATURES AND SPACES THAT CHARACTERIZE A PROPERTY SHALL BE AVOIDED.



# The Standards for Rehabilitation

3. EACH PROPERTY SHALL BE RECOGNIZED AS A PHYSICAL RECORD OF ITS TIME, PLACE, AND USE. CHANGES THAT CREATE A FALSE SENSE OF HISTORICAL DEVELOPMENT, SUCH AS ADDING CONJECTURAL FEATURES OR ARCHITECTURAL ELEMENTS FROM OTHER BUILDINGS, SHALL NOT BE UNDERTAKEN.

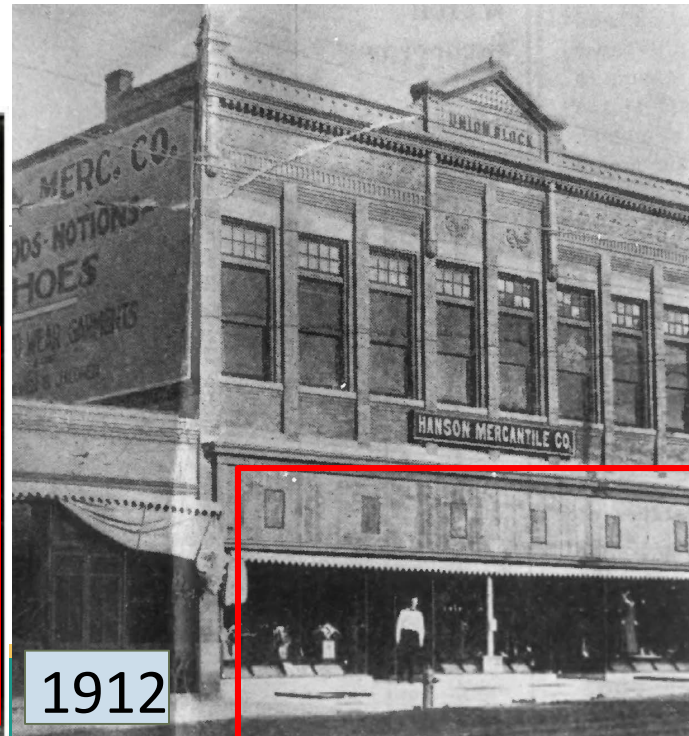


Does Not Meet

# The Standards for Rehabilitation

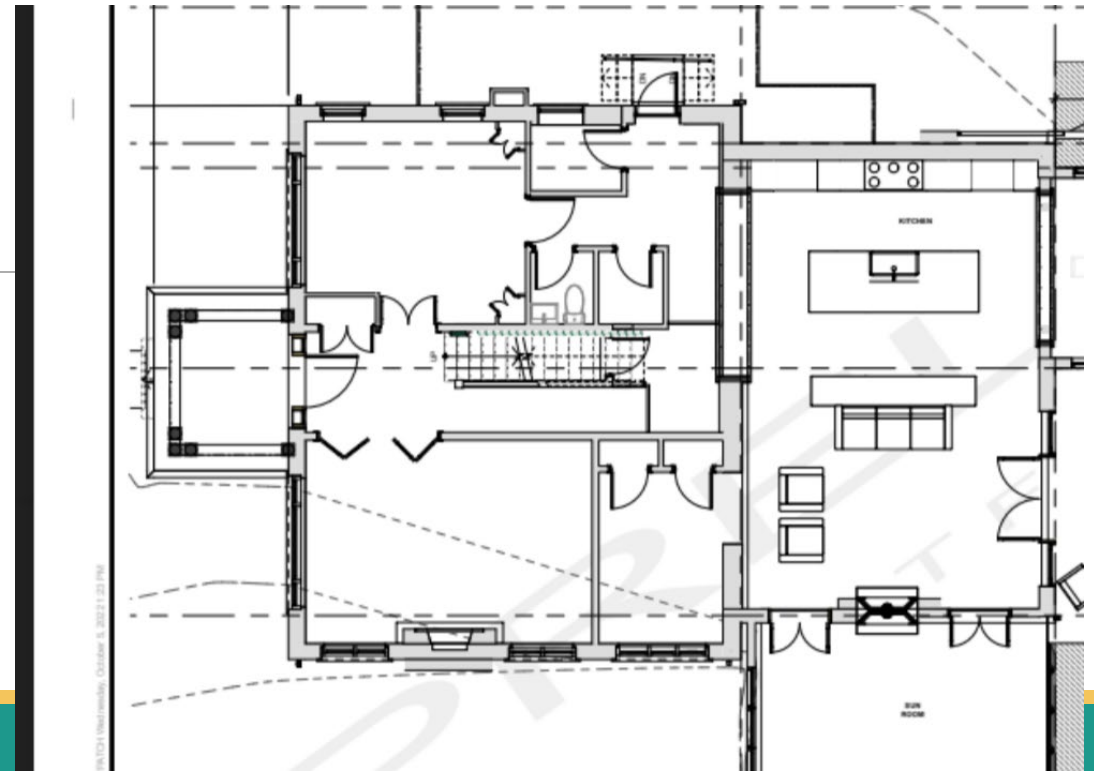
4. MOST PROPERTIES CHANGE OVER TIME; THOSE CHANGES THAT HAVE ACQUIRED HISTORIC SIGNIFICANCE IN THEIR OWN RIGHT SHALL BE RETAINED AND PRESERVED.

Union Block Building,  
Period of Significance: 1892-1929



# The Standards for Rehabilitation

5. DISTINCTIVE FEATURES, FINISHES, AND CONSTRUCTION TECHNIQUES OR EXAMPLES OF CRAFTSMANSHIP THAT CHARACTERIZE A HISTORIC PROPERTY SHALL BE PRESERVED.



# The Standards for Rehabilitation

6. DETERIORATED HISTORIC FEATURES SHALL BE REPAIRED RATHER THAN REPLACED. WHERE THE SEVERITY OF DETERIORATION REQUIRES REPLACEMENT OF A DISTINCTIVE FEATURE, THE NEW FEATURE SHALL MATCH THE OLD IN DESIGN, COLOR, TEXTURE, AND OTHER VISUAL QUALITIES AND, WHERE POSSIBLE, MATERIALS. REPLACEMENT OF MISSING FEATURES SHALL BE SUBSTANTIATED BY DOCUMENTARY, PHYSICAL, OR PICTORIAL EVIDENCE.



Meets

# The Standards for Rehabilitation

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7. CHEMICAL OR PHYSICAL TREATMENTS, SUCH AS SANDBLASTING, THAT CAUSE DAMAGE TO HISTORIC MATERIALS SHALL NOT BE USED. THE SURFACE CLEANING OF STRUCTURES, IF APPROPRIATE, SHALL BE UNDERTAKEN USING THE GENTLEST MEANS POSSIBLE.

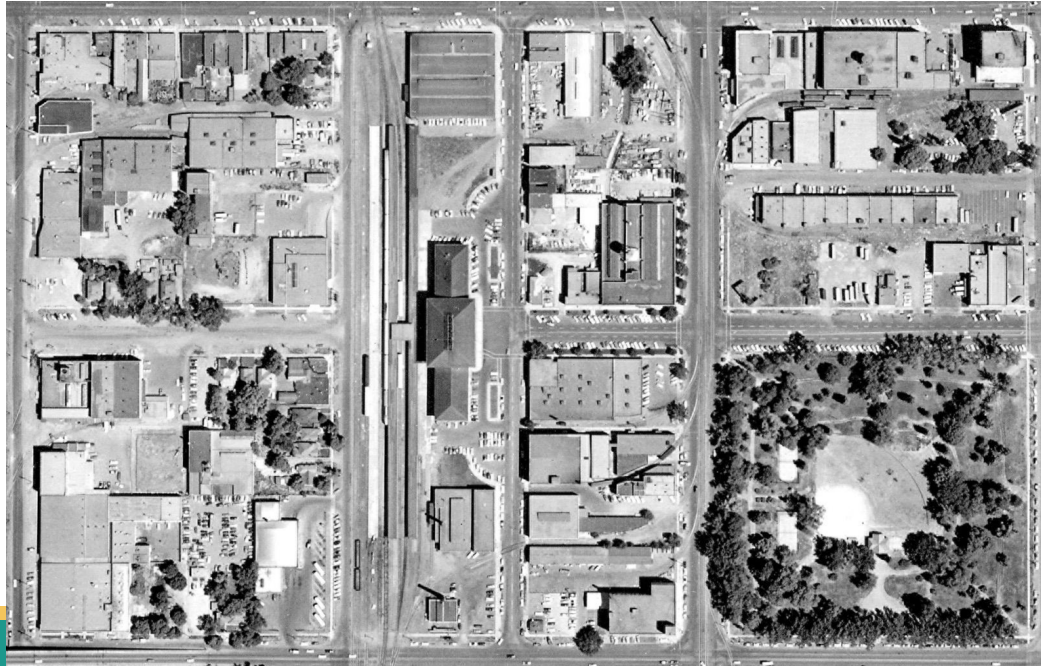


# The Standards for Rehabilitation

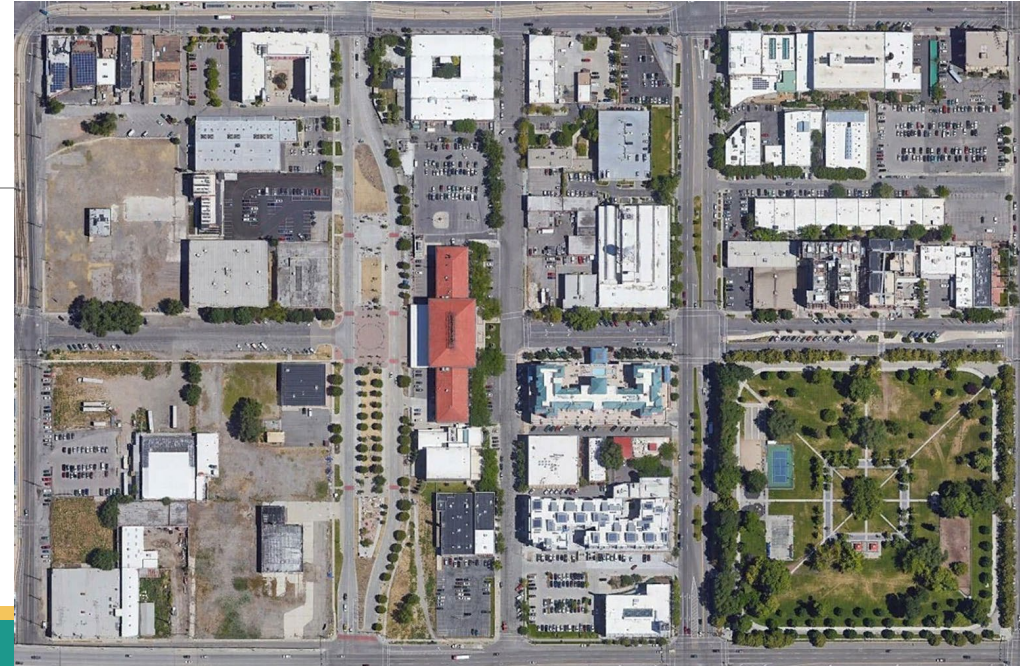
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8. SIGNIFICANT ARCHEOLOGICAL RESOURCES AFFECTED BY A PROJECT SHALL BE PROTECTED AND PRESERVED. IF SUCH RESOURCES MUST BE DISTURBED, MITIGATION MEASURES SHALL BE UNDERTAKEN.

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2020



# The Standards for Rehabilitation

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9. NEW ADDITIONS, EXTERIOR ALTERATIONS, OR RELATED NEW CONSTRUCTION SHALL NOT DESTROY HISTORIC MATERIALS THAT CHARACTERIZE THE PROPERTY. THE NEW WORK SHALL BE DIFFERENTIATED FROM THE OLD AND SHALL BE COMPATIBLE WITH THE MASSING, SIZE, SCALE, AND ARCHITECTURAL FEATURES TO PROTECT THE HISTORIC INTEGRITY OF THE PROPERTY AND ITS ENVIRONMENT.
10. NEW ADDITIONS AND ADJACENT OR RELATED NEW CONSTRUCTION SHALL BE UNDERTAKEN IN SUCH A MANNER THAT IF REMOVED IN THE FUTURE, THE ESSENTIAL FORM AND INTEGRITY OF THE HISTORIC PROPERTY AND ITS ENVIRONMENT WOULD BE UNIMPAIRED.



Meets



# Additional Tips

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- Don't assume that because your contractor recommends it it is the only or best option.
- Question whether or not something really needs replaced or if it can be repaired.
- Get second opinions.

# Resources

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Home page for the *Secretary of the Interior's Standards*:

<https://www.nps.gov/orgs/1739/secretary-standards-treatment-historic-properties.htm>

Preservation by Topic: <https://www.nps.gov/orgs/1739/preservation-by-topic.htm>

State Tax Credit home page : <https://ushpo.utah.gov/shpo/financial-incentives/>

Federal Tax Credit home page: <https://www.nps.gov/subjects/taxincentives/index.htm>

# Contact

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Amber Anderson

[amberanderson@utah.gov](mailto:amberanderson@utah.gov)

801-245-7277