

## HOW CAN THE TAX CREDITS HELP ME?

Historic preservation tax credits lower your tax bill, which can increase your tax refund.

Colorado's 2014 state historic preservation tax credits for commercial properties are transferable; you can sell them upon completion of your project. Selling credits can bring in additional funds for your project, for a cash match for a grant, or for a loan.

## WHEN CAN I APPLY?

Applications for the commercial state preservation tax credit are accepted on a year-round rolling basis.

## WHAT TYPE OF PROPERTY IS ELIGIBLE?

	Property must be:
2014 state tax credit for commercial properties	<ul style="list-style-type: none"> <li>» At least 50 years old</li> <li>» Locally landmarked or listed on the State Register</li> <li>» Income-producing</li> </ul>
2014 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>
1990 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>

\*Applicants may apply for the 1990 tax credits in lieu of the new credit. Both cannot be used for the same project.

Expenditures	2014 Credit Annual Availability
Estimated rehab expenditures of \$2 million or less	\$5 million
Estimated rehab expenditures over \$2 million	\$5 million

» Each building is limited to \$1 million in credit in any one calendar year. Owners may apply for credits on multiple properties.

## HOW DO I RESERVE A 2014 TAX CREDIT?



1.

Register with the Colorado Office of Economic Development and International Trade on their tax credit website.



2.

Submit a Tax Credit Application (TCA) and rehab plan. Use OEDIT's project checklist to make sure you've turned in all requested materials, such as photographs and drawings.



3.

History Colorado and OEDIT will conduct a preliminary review of project materials and respond to your request.



4.

If the project materials you submit meet the requirements, OEDIT will reserve a preliminary tax credit on your behalf, pending available funding.



5.

History Colorado will conduct a detailed review and ensure your project follows the Standards for Rehabilitation. Upon History Colorado's approval of project, OEDIT will officially reserve the tax credits for the applicant (90 days).



6.

You will claim your tax credit upon completion of your project and approved proof of rehabilitation.

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

[www.historycolorado.org/preservation-tax-credits](http://www.historycolorado.org/preservation-tax-credits)

*For the 1990 tax credit application process, see the Residential Tax Credit information sheet.*



Colorado's Historic Preservation Tax Credit for Commercial Properties

	2014 CREDIT COMMERCIAL	1990 CREDIT
<b>Eligible properties</b>	More than 50 years old <i>and</i>	More than 50 years old, <i>and</i>
	Listed on State Register of Historic Properties or landmarked by a Certified Local Government (CLG)	Listed on State Register of Historic Properties or landmarked by a Certified Local Government (CLG)
<b>Eligible applicants</b>	Property Owner, <i>or</i>	Property Owner, <i>or</i>
	Tenant with lease of <b>at least 39 years</b> in urban areas or <b>at least five years</b> in rural areas, <i>or</i>	Tenant with lease of at least <b>5 years</b>
	Holder and those with property under contract	
<b>Eligible projects</b>	<b>Costs must exceed adjusted basis</b> (25% of the purchase price minus current value of land)	Costs must exceed <b>\$5,000</b>
	Project must meet the Secretary of the Interior's Standards	Project must meet the Secretary of the Interior's Standards
<b>Time limits</b>	Applicant must be at least <b>20%</b> finished within <b>18 months</b> of allocation. Part 2 Application must be submitted within <b>60 days</b> of project completion	Project must be completed within <b>24 months</b> (or 48 with a one-time extension) Part 2 Application must be submitted within <b>60 days</b> of project completion
	Can be claimed if completed <b>within 60 days</b> of application and documented	Can be claimed if within 24 month period and documented
<b>Extent of tax savings</b>	<b>25%</b> of Qualified Rehabilitation Expenditures (QREs) for projects \$2 million or less; <b>20%</b> of Qualified Rehabilitation Expenditures (QREs) for projects more than \$2 million	20% of Qualified Rehabilitation Expenditures (QREs)
	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>	The maximum amount of tax credit available to any commercial property is <b>\$1 million per year</b>	<b>\$50,000</b> per property
<b>Credit availability</b>	See Reservation Limits Per Year chart on opposite page	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>	Any expenditures allowed by federal tax credit (IRS code 47(c)(1)(A))	Qualified Rehabilitation Expenditures (QREs)
<b>Fees</b>	\$500 Part 1 fee Issuance fee of 3% of tax credit amount	\$250 Part 1 fee (may be waived for projects under \$15,000) \$0-\$750 Part 2 fee
	No recapture of credits	Recapture plan if property sold within 5 years
<b>Transferability &amp; saleability</b>	Owners, including nonprofit organizations, may <b>use, transfer</b> or <b>sell credits</b> to other taxpayers; these other taxpayers may in turn transfer credits to additional taxpayers, using the OEDIT website	None; credits stay with owner



Learn more: <https://www.historycolorado.org/preservation-tax-credits>  
 Apply here: <https://cboosecolorado.com/doing-business/incentives-financing/the-commercial-historic-preservation-tax-credit>