



WISCONSIN
HISTORICAL
SOCIETY

Application Instructions For STATE Income-Producing Tax Credits

This guidance applies to owners applying ONLY for the state tax credit.

A 20% State income tax credit is available to owners who rehabilitate their income-producing certified historic structures. This state-wide program is managed and administered by the Division of Historic Preservation and Public History of the Wisconsin Historical Society (WHS). Approval is required **before** any physical work has begun on the project. All project application materials are sent to WHS for review and approval.

BEFORE APPLYING

1. Make sure the project meets the financial requirements. The amount of money that you spend on the historic rehabilitation must be a minimum of \$50,000.
2. Consult an accountant, tax attorney or the Department of Revenue to determine whether these incentives apply to your own tax and financial situation.
3. Contact your WHS preservation architect to notify them of your intent to apply for the tax credit. (Refer to the map at the end of this document to find your architect.) We will check to see if your building is already a certified historic structure and can discuss the preliminary details of your project to determine whether the work may meet the Secretary of the Interior's Standards for Rehabilitation.

HOW TO APPLY

All application forms must be completed. The application parts may be sent separately or together, but if they are sent separately, Part 1 must precede Part 2. In order to complete the application process for the State tax credits, the Wisconsin Economic Development Corporation Supplemental Information form must be completed. Return this form to WHS along with the Part 2 application materials.



PHOTOGRAPHY

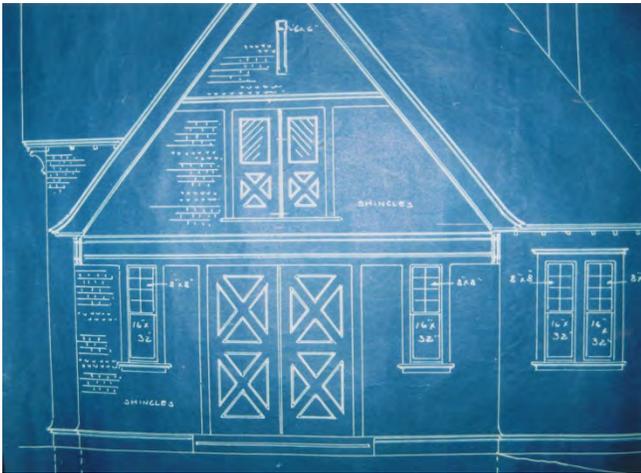
Prior to submission of the Part 1 and/or Part 2, you will need to take detailed photographs of the property. Photos are required to be clear; a minimum of 4" x 6"; color and printed on high quality paper. (CD's with photos are not acceptable.) All photos should be numbered, dated and labeled with the property name. All photos should be keyed to a site/floor plan. At a minimum the following photographs are required:

- a. Several photos of the site and setting
- b. At least one photo of each building elevation
- c. Detailed (close-up) photos of specific architectural features affected by the proposed rehabilitation
- d. Photos of interior spaces/rooms

THE PART 1 APPLICATION

The Part 1 is used to request certification that a building contributes to the significance of a registered historic district. **Or** The Part 1 is used to request that a building is eligible for listing in the National Register of Historic Places. The Part 1 is not needed if the property is a single building currently listed in the National Register of Historic Places. If you are seeking eligibility approval; attach a draft National Register nomination to the Part 1 application.

Submit the Part 1 Application, photographs and photo key and the historic district map with the specified building(s) highlighted.



THE PART 2 APPLICATION

The Part 2 describes rehabilitation work to be undertaken on the building. WHS must review and approve applications describing proposed work **prior** to the start of work.

Proposed work will be evaluated using the Secretary of the Interior's Standards for Rehabilitation.

Describe all work that will be undertaken on the property, not simply work for which the tax credit will be sought. WHS architects reviews the entire rehabilitation project, including any attached, adjacent or related new construction. Expenditures made to the exterior or the interior of certified historic structures are eligible expenses (with the exception of moveable equipment). The costs of site work, acquisition, and construction of additions are not eligible for the credits.

Describe each feature and the work that will be done on it. Begin with site work, followed by the exterior, including new construction, and then the interior. Reference the photograph or drawing numbers that show the feature in your description.

If you are requesting a five year phased project, you must submit a proposed project schedule listing what work would take place in each year.

Applications that are incomplete or that describe inappropriate work will be returned for revision. Most applications are returned to applicants for the following reasons:

1. Lack of adequate plans.

In most cases, in order to describe the work, plans or other drawings are required. For example, when interior work involves alteration of interior features, WHS requires that before-and-after floor plans be submitted. Summary drawing sets are not acceptable. In most cases, summary materials leave out important information that are needed to review a project.

3. Lack of required signatures.

WHS, the Wisconsin Economic Development Corporation and the Department of Revenue require that applications be signed by all property owners, and that the names, addresses, and taxpayer identification numbers of those owners be indicated on the application. **All partners** names and taxpayer identification numbers are required on an application. A general partner who is in the process of soliciting partners at the time of application should include a statement that the names of the remaining partners are unknown, but that they will be submitted at a later date.

4. Failure to describe significant aspects of a project. Sometimes, applicants omit descriptions of those parts of a project that they do not feel are important, such as interior rehabilitation. The NPS reviews all parts of a project and requires applicants to address all aspects of project work including interior work, new construction, demolition of nearby structures, and installation of new mechanical and electrical systems.

Submit the Part 2 Application, photographs and photo key, and any/all drawings, specifications and manufacturer's information.



REVIEW PROCESS

WHS preservation architects review and approve the application. The project approval/denial will be returned to the building owner as well as the Wisconsin Economic Development Corporation. The review time for a complete application is generally 30 days. WHS does not charge a review fee.

CARRY OUT THE WORK

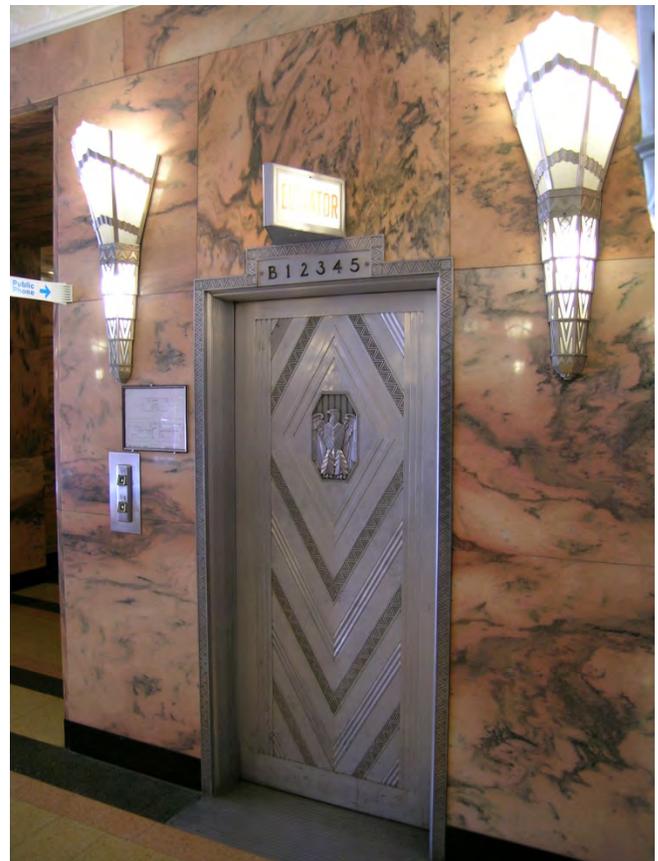
Once the Part 2 application has been approved, you may begin the work. It is possible to amend your project. Submit all amendments (along with necessary photos and drawings) to WHS for review and approval. Use the WHS Amendment Form for this purpose.

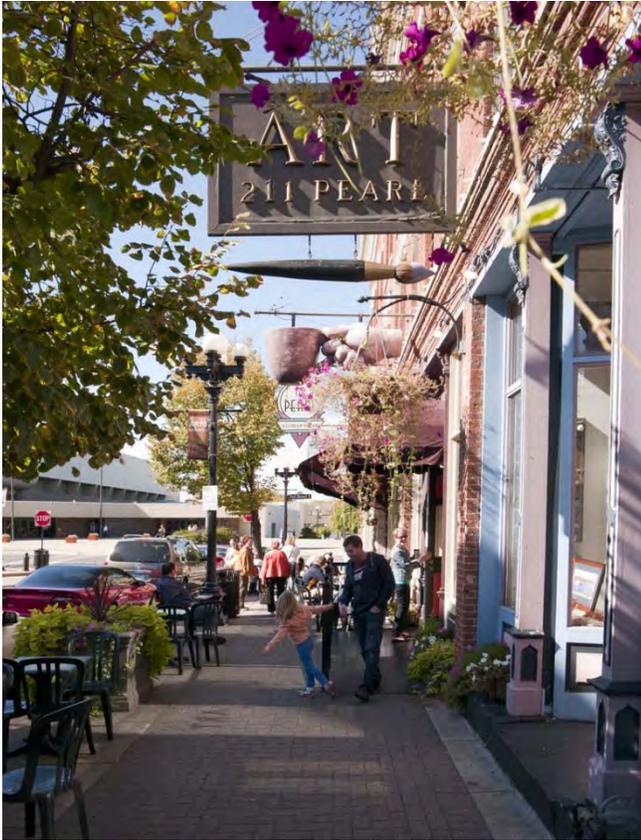
If your property has received a preliminary determination of significance through the Part 1 application process, (in other words, if it is not individually listed in the National Register or certified as contributing to a National Register district), complete a National Register nomination for the property. National Register listing is a lengthy process, so we urge you to begin this work immediately upon approval. In addition, you cannot claim tax credits until the building is listed.

APPLY FOR FINAL CERTIFICATION

In the calendar year you complete the work and place the building in service, you must submit a *Request for Certification of Completed Work* (or the Part 3 application). Completion photos keyed to a floor plan must accompany the Part 3 application. WHS can approve the project and you may use the approval letter to claim your credit (if the building is listed). If the building is not yet listed at the time of completion, you will need to submit a request for extension from the Department of Revenue.

If the building is sold after the tax credits are claimed, the Wisconsin Department of Revenue will recapture all or part of the credit. The amount of recapture is reduced by 20% per year and after five years there is no recapture. During this period, you are required to obtain WHS approval of any significant additional work that you undertake.





FOR FURTHER INFORMATION...

COMPLETING THE PART 1

For advice about completing the Part 1 certification application, call **Joe DeRose** at 608/264-6512 or joe.derose@wisconsinhistory.org.

HIRING A CONSULTANT

While it is not required, many applicants will hire professional consultants to complete the Part 1 application and/or complete the National Register Nomination. If you wish to hire a consultant: www.wisconsinhistory.org/hp/consultantlist.asp

NATIONAL REGISTER QUESTIONS

For information on listing a building in the National Register of Historic Places contact **Mary Georgeff** at 608/264-6498 or mary.georgeff@wisconsinhistory.org.

TAX QUESTIONS

For advice about your tax circumstances, you should contact tax specialists, such as tax lawyers or accountants, or the Internal Revenue Service.

WISCONSIN HISTORICAL SOCIETY

www.wisconsinhistory.org

WHS ARCHITECTS (by region)

