

Historic Preservation Tax Incentives



**New York State Office of Parks,
Recreation and Historic Preservation**

Federal Historic Tax Credit Program

- **20% tax credit on project's qualified rehabilitation expenditures.**
- **Tax Credit is a dollar-for-dollar reduction on federal income taxes**
- **Three-part application process**
 - **Part 1 – Historic Significance**
 - **Part 2 – Proposed Project**
 - **Part 3 – Completed Work**



Knox Street Apartments, Albany
Rehabilitation of apartments in 18 townhouses



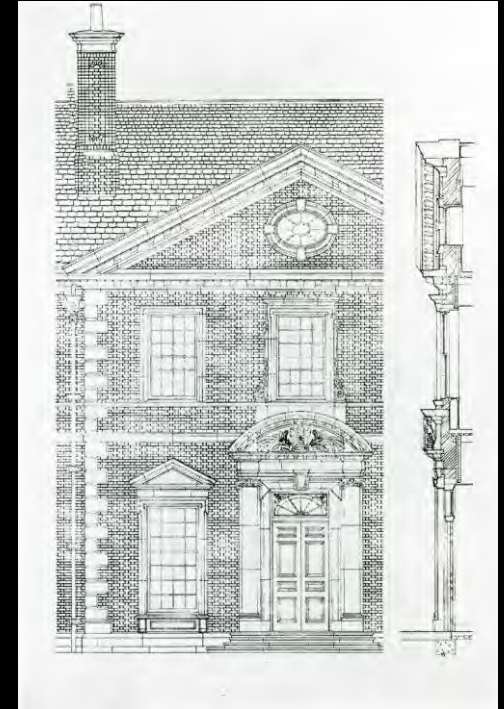
New York State Commercial Program

- **20 % tax credit for commercial properties with QRE's greater than 2.5 million**
- **30% tax credit for commercial properties with QRE's less than 2.5 million**
- **Must be located in a qualified census tract**
- **NYS application is the same as the Federal application**



Qualified Rehabilitation Expenses

- Construction related expenses
- Architect/Engineer fees
- Mechanical/Plumbing expenses
- <https://www.nps.gov/tps/tax-incentives/taxdocs/qualified-rehabilitation-expenditures-irs-032022.pdf>



Non-qualifying Expenditures

- **Acquisition costs**
- **Appliances, Cabinets, Carpeting (if tacked in place)**
- **Demolition costs (removal of a building on property site)**
- **Construction costs associated with a new addition**
- **Feasibility studies, Financing fees, Leasing expenses**
- **Landscaping, Outdoor lighting remote from building, Parking lots and paving**



Eligibility

- **Building must be an income producing property**
- **Listed or eligible for listing in National Register**
- **Contribute to an eligible/listed historic district (Certified Historic Structure)**
- **Certified Historic Structures must be listed within 30 months of taking the credit**
- **Meet the Substantial Rehabilitation Test**



Substantial Rehabilitation Test

- **Cost of rehabilitation must exceed the “adjusted basis” of the property**
- **How to determine adjusted basis**
 - **Subtract cost of land (B) at time of purchase from purchase price of property (A).**
 - **Subtract depreciation taken for an income-producing property (C).**
 - **Add the costs of any capital improvements since purchasing the property (D).**
 - **$A - B - C + D = \text{adjusted basis}$**

Application: Part 2 Narrative

- Describe in detail the building's existing interior and exterior condition.
- Explain work that will occur to these features/in these spaces.
- Work should meet the Secretary of the Interior's Standards for Rehabilitation

**HISTORIC PRESERVATION
CERTIFICATION APPLICATION –
PART 2**

Property Name: _____ NPS Office Use Only
Project Number: _____

Property Address: _____

5. DETAILED DESCRIPTION OF REHABILITATION / PRESERVATION WORK – Includes site work, new construction, alterations, etc. Complete blocks below.

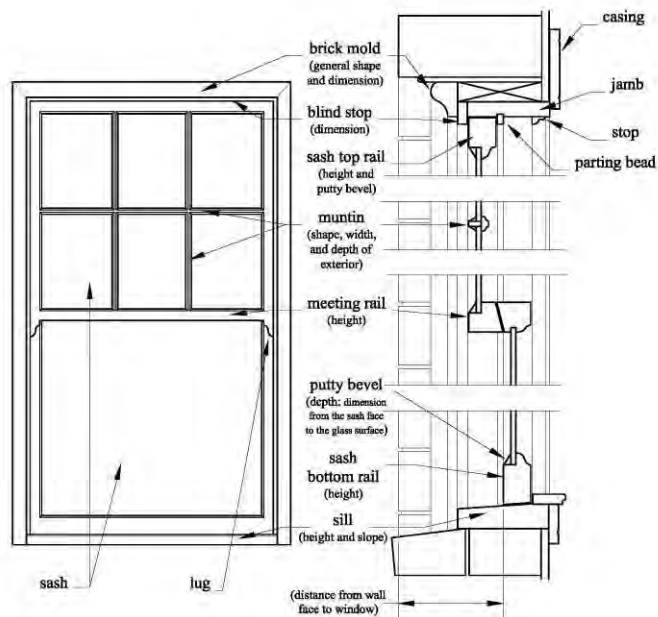
Number 1	Architectural feature _____ Approximate Date of feature _____ Describe existing feature and its condition: _____ Photo no. _____ Drawing no. _____	Describe work and impact on existing feature: _____
Number 2	Architectural feature _____ Approximate Date of feature _____ Describe existing feature and its condition: _____ Photo no. _____ Drawing no. _____	Describe work and impact on existing feature: _____
Number 3	Architectural feature _____ Approximate Date of feature _____ Describe existing feature and its condition: _____ Photo no. _____ Drawing no. _____	Describe work and impact on existing feature: _____
Number 4	Architectural feature _____ Approximate Date of feature _____ Describe existing feature and its condition: _____ Photo no. _____ Drawing no. _____	Describe work and impact on existing feature: _____



Part 2: Documentation

Wood Windows

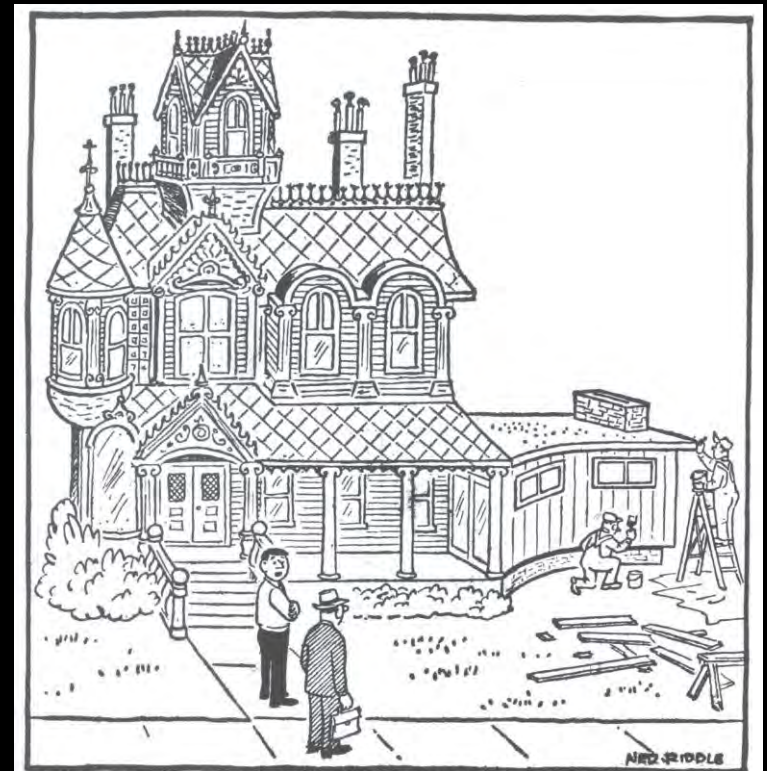
The drawings below show the details required to document existing historic windows and any replacement windows. The specific information needed about each element is noted in parentheses. Note that the section drawing on the right shows the relationship of the window sash to the exterior wall plane.



- Window Survey/drawings/manufacturer cut sheets
- Photographs labeled and keyed to floor plans
- Complete set of construction drawings

Review Process

- Submit two hard copies of complete application to the New York State Historic Preservation Office (SHPO) for review.
- SHPO will work with applicant to create a project that meets the Standards.
- SHPO forwards completed application to NPS for their review and approval
- We recommend initiating consultation with SHPO early to ensure the rehabilitation meets project goals and code requirements, while meeting the Standards.



"Does it look too tacked-on?"

Drawing by Ned Riddle; © 1983 Reprinted by permission of General Features Corporation

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Part 3 Application

- Part 3 application is submitted to SHPO once work has been completed.
- Part 3 documents via photographs that all work was completed as specified in the Part 2 application.
- Application forwarded to NPS for their review and approval.

Form ID-168c
Rev. 12/99

UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

OMB Approval
No. 1024-0092

**HISTORIC PRESERVATION CERTIFICATION APPLICATION
REQUEST FOR CERTIFICATION OF COMPLETED WORK
PART 3**

NPS Office Use Only
NPS ID: _____

Instructions: Upon completion of this rehabilitation, return this form with representative photographs of the completed work (both exterior and interior views) to the appropriate reviewing office. If a Part 2 application has not been submitted in advance of project completion, it must accompany the Request for Certification of Completed Work. A copy of this form will be provided to the Internal Revenue Service. Type or print clearly in black ink. The decision of the National Park Service with respect to certification is made on the basis of 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 shall take precedence.

1. **Name of Property:**
Address of Property: Street _____
City _____ County _____ State _____ Zip _____
Is property a certified historic structure? yes no If yes, date of certification by NPS: _____
or date of listing in the National Register: _____

2. **Data on rehabilitation project:**
National Park Service assigned rehabilitation project number: _____
Project starting date: _____
Rehabilitation work on this property was completed and the building placed in service on: _____
Estimated costs (included money in rehabilitation of the historic structure): \$ _____
Estimated costs attributed to new construction associated with the rehabilitation, including additions, site work, parking lots, landscaping: \$ _____

3. **Owner:** (print or print in all caps)
I hereby apply for certification of rehabilitation work described above for purposes of the Federal tax incentives. I hereby attest that the rehabilitation described is, to the best of my knowledge, correct, and that, in my opinion, the completed rehabilitation meets the Secretary's "Standards for Rehabilitation" and is consistent with the work described in Part 2 of the Historic Rehabilitation Certification Application. I also attest that I own the property described above. I understand that fabrication of false representations in this application is subject to criminal sanctions of up to \$10,000 in fines or imprisonment for up to five years (pursuant to 18 U.S.C. 501).
Name _____ Surname _____ Date: _____
Organization: _____
Social Security or Taxpayer Identification Number: _____
Street _____ City: _____
State _____ Zip _____ Daytime Telephone Number: _____

NPS Office Use Only
The National Park Service has reviewed the "Historic Certification Application - Part 2" for the above-cited "certified historic structure" and has determined:
 that the completed rehabilitation meets the Secretary of the Interior's "Standards for Rehabilitation" and is consistent with the historic character of the property or the district in which it is located. Effective the date indicated below, the rehabilitation of the "certified historic structure" is hereby designated as "certified rehabilitation." A copy of this certification will upon request be provided to the Department of the Treasury in accordance with Federal law. This letter of certification is to be used in conjunction with appropriate Internal Revenue Service regulations. Questions concerning specific tax consequences or interpretation of the Internal Revenue Code should be addressed to the appropriate local Internal Revenue Service office. Completed projects may be inspected by an authorized representative of the Secretary to determine if the work meets the "Standards for Rehabilitation." The Secretary reserves the right to make inspections at any time up to five years after completion of the rehabilitation and to revoke certification, if it is determined that the rehabilitation project was not undertaken as permitted by the owner in the application form and supporting documentation, or the owner, upon obtaining certification, undertook unapproved further alterations, as part of the rehabilitation project inconsistent with the Secretary's "Standards for Rehabilitation."
 that the rehabilitation is not consistent with the historic character of the property or the district in which it is located and that the project does not meet the Secretary of the Interior's "Standards for Rehabilitation." A copy of this form will be provided to the Internal Revenue Service.

Date: _____ National Park Service Authorized Signature: _____ National Park Service Office Telephone No.: _____
 See Attachment



What is Rehabilitation?



“...the process of returning a building or buildings to a state of utility, through repair or alteration, which makes possible an efficient use while preserving those portions and features of the building and its site and environment which are significant to its historic, architectural, and cultural values as determined by the Secretary [of the Interior]”

*-36 Code of Federal Regulations (CFR)
67.2(b)*



McKibben Street, Brooklyn, Rehabilitation of factory complex for affordable industrial work-spaces retained industrial jobs in the community



Secretary of the Interior's Standards For Rehabilitation



RETAIN existing historic materials

REPAIR damaged historic materials

REPLACE in kind (if possible) severely
deteriorated materials that cannot be repaired



Preserve Important Interior Spaces



Public assembly spaces can be the most significant interior spaces of certain building types

Preserve Historic Floor Plan



The organization of a building, its sequence of spaces and circulation patterns, is important in conveying its historic context, character and development



Preserve Distinctive Features



Preserve Historic Windows

- Historic windows are character-defining features of a building and should be retained and repaired when possible
- Windows that cannot be repaired should be replaced in kind and should match the historic in appearance, material, pane size and configuration, dimensions and muntin profiles.



Online Resources

- National Park Service Technical Preservation Services

- **Before you apply:**
<https://www.nps.gov/tps/tax-incentives/before-you-apply.htm>
- **NPS Preservation Briefs:**
<https://www.nps.gov/tps/how-to-preserve/briefs.htm>
- **NPS Preservation Tech Notes:**
<https://www.nps.gov/tps/how-to-preserve/tech-notes.htm>
- **IRS FAQ:**
<https://www.irs.gov/businesses/small-businesses-self-employed/rehabilitation-credit-historic-preservation-faqs>



Introduction

Historic office building corridors are often rich in distinctive features and materials. Glass door panels with gold leaf lettering, glass transoms and sidelights, woodwork and sumacoting all provide a physical connection to the way business was conducted in the late 19th century. Moreover, they display a level of detail and quality of material and craftsmanship that are rare in new construction. Some of the same characteristics that make historic corridors significant and unique, however, may present a challenge to their sensitive rehabilitation.

A primary difficulty lies in bringing historic features and materials "up to code." Because successive building regulations are rarely applied retroactively, a historic structure may be decades – or even a century – out of step with current life safety standards. When such a

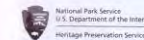
building undergoes a major rehabilitation or change in occupancy classification, the owner is usually required to bring the structure into compliance with modern codes written primarily for new construction. Among other provisions, current building codes often require assemblies and materials provide a fixed level of fire resistance. Historic doors, transoms and sidelights are common corridor features that are unlikely to meet such resistance ratings (Figure 1).

Building code enforcement has traditionally favored replacing existing materials and assemblies with new construction of known fire rating. In recent years, however, regulatory and technical solutions have better reconciled historic features with life safety and building code requirements. Rehabilitation of

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The Preservation and Reuse of Historic Gas Stations

Chad Randl



Unless your tank is empty, gasoline stations rarely attract attention. Yet, for the past hundred years gas stations have occupied prime locations on main streets and suburban corners, on small town roads, and along early highways. They are one of America's most common commercial building types and are emblematic of the twentieth century. Surviving historic stations are physical reminders of the transportation revolution and the influence of increased mobility on the landscape. They are a reflection of car culture, pop culture, corporate standardization, and an era of customer service that today seems quaint.

Many of these now historic gas stations are deteriorating or abandoned (Fig. 1). Changing land use patterns have concentrated new development along commercial strips beyond the downtown and neighborhood locations where many historic stations survive. Interstates have

routed traffic away from once-thriving gas stations on what are now secondary roads. Small buildings and small lots, unresolved environmental issues, and a relentless push for standardization are all challenges to the continuing use of historic gas station properties.

Across the United States, however, gas stations are slowly being rediscovered for their historic significance. They have even been included on statewide endangered property lists. Once spurned as out of place incursions or eyesores, historic stations are increasingly appreciated for their contribution to the character of a neighborhood, and the way they are easily adapted for new uses. This *Preservation Brief* provides guidance on assessing the significance of historic gas stations and encourages their preservation by providing information on the maintenance and repair of existing structures. This Brief also describes appropriate rehabilitation treatments, including conversion for new functions when the historic use is no longer feasible.

The unique features and characteristics that define historic gas stations can be respected and preserved through sensitive maintenance, repair, and rehabilitation. Such work minimizes unnecessary alterations and ensures that the building continues to contribute to the character and vitality of its community.

Historical Background



Figure 1. Abandoned historic gas stations have in the past been viewed as a hindrance to the development of a neighborhood or community, but sensitive rehabilitation can ensure that the historic character of these buildings is preserved while providing for an economic use. This 1930s station in Milwaukee, WI, was later rehabilitated for use as a coffee shop. Photo: Robert Clin, Sherman Park.







Lofts on Willow, Syracuse

Warehouse with unusual interior columns adapted for residential lofts



State Historic Preservation Office (SHPO)

New York State Office of Parks,
Recreation and Historic Preservation

Division for Historic Preservation

Field Services Bureau

Peebles Island State Park
PO Box 189
Waterford, NY 12188

(518) 237-8643

www.nysparks.com/shpo

