

## Comparison of Delaware Historic Preservation Tax Credit and Federal Historic Rehabilitation Tax Credit Programs

	State Credit	Federal Credit
<b>Benefit for Taxpayer</b>	Credit against state tax liability = reduction in state income or franchise tax liability	Credit against Federal tax liability = reduction in federal income tax
<b>Transferable?</b>	Yes, in whole or in part, to any Delaware income taxpayer, or to a bank as a mortgage credit or a credit against franchise tax liability	No. Must own at least a partial interest in property and must hold property for 5 years or credit will be re-captured
<b>When Can Credits Be Claimed?</b>	One year after receiving Part 2 Certification of Rehabilitation, if Owner has obtained a certified Part 3 Certificate of Completion	During year the building is placed in service
<b>Percentage of Credit</b>	20% of qualified costs for depreciable properties, 30% of qualified costs for all other types of properties	20% of qualified costs for depreciable properties
<b>Low Income Provisions</b>	Credits are increased by 10% for properties or parts of properties which qualify to apply for state low-income housing tax credits, or if the owner personally meets certain low-income criteria	Low-income tax credit is available using a separate application process through the <a href="#">Delaware State Housing Authority</a>
<b>What Expenditures Qualify for Credit?</b>	Rehabilitation costs on historic building, plus costs related to additions if their square footage does not exceed 20% of the historic building, and site work if its cost does not exceed 10% of all other qualified costs, including architectural & engineering costs, site survey fees, legal fees, development fees & other construction-related costs	Rehabilitation costs on historic building, architectural & engineering costs, site survey fees, legal fees, development fees & other construction-related costs
<b>What expenditures <u>do not</u> Qualify for Credit?</b>	Acquisition, costs of additions which exceed above criteria, landscaping costs which exceed above criteria, and personal property including furnishings, window treatments, and appliances	Acquisition, additions, new construction, parking lot, sidewalks, landscaping and personal property including furnishings, window treatments and appliances as well as other exclusions specified in the IRS regulations
<b>Minimum Expenditures to Qualify for Program?</b>	For non-profit and owner-occupied properties – minimum of \$5,000 in expenditures. For depreciable properties – exceed adjusted basis but minimally \$5,000. Phasing of projects is allowed.	Exceed adjusted basis but minimally \$5,000 within a 24-month period during the rehab (or 60 months if rehabilitation is phased)
<b>How much Money for Program?</b>	Program capped at \$8 million in tax credits per year; certain other rules affect when tax credits may be awarded.	No cap
<b>Term of Program</b>	Began in 2001; authorized through FY 2030	Began in 1976; amended by various tax laws
<b>Properties Which Qualify?</b>	National Register listed individually or as contributing to a National Register district; or a locally designated landmark or contributing to a locally designated district (if locally designated, local government must provide documentation of such designation, and then SHPO must certify property is National Register eligible)	National Register listed, or eligible (must be listed within 30 months of a Part 1 - preliminary determination); or contributing to a locally designated district (if locally designated Secretary of the Interior must certify district as National Register eligible).
<b>Building Use after Rehab?</b>	Depreciable– commercial, industrial, agricultural, or rental residential Residential – owner occupied, primary residence Other uses – non-profit purposes, e.g., community center	Depreciable - commercial, industrial, agricultural, or rental residential

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<b>Rehabilitation Application Process</b>	4 part application: Part 1 - Certification of Historic Property, Part 2 - Certification of Rehabilitation, Part 3 - Request for Certificate of Completion, and Request for Credit Award	3 part application: Part 1 - Evaluation of Significance, Part 2 - Description of Rehabilitation, and Part 3 - Certification of Completed Work. (Those properties individually listed on NR need not submit Part 1)
<b>Review Standards</b>	<a href="#">Secretary of the Interior's Standards for Rehabilitation</a>	<a href="#">Secretary of the Interior's Standards for Rehabilitation</a>
<b>Review Fee</b>	<p>The fee for applicants of owner-occupied properties and resident curators is a one-time \$100 fee due with the submission of the Part 1 - Request for Certification of Historic Property application.</p> <p>The fee for all other applicants is as follows: \$250 due with the submission of the Part 1 - Request for Certification of Historic Property application; 1.5% of the anticipated credit award reported in the Part 2 - Certification of Rehabilitation application; and 1.5% of the credit award amount indicated by the Part 3 - Certification of Completion application. The fee will be calculated by the Delaware State Historic Preservation Office based on the qualified expenditures indicated in the Part 2 and Part 3 applications and their associated documentation. <b>All fees are non-refundable.</b></p>	<p>Please use the following link for information on the Federal tax credit application fee structure:</p> <p><a href="https://www.nps.gov/subjects/taxincentives/application-fees.htm">https://www.nps.gov/subjects/taxincentives/application-fees.htm</a>.</p>
<b>How to Apply</b>	<p>Submit applications through an online system: <a href="https://hptc.delaware.gov/">https://hptc.delaware.gov/</a>. Obtain a MyDelaware account to access the application forms in the system: <a href="http://my.delaware.gov">my.delaware.gov</a></p>	<p>Download PDF applications from NPS: <a href="https://www.nps.gov/subjects/taxincentives/historic-preservation-certification-application.htm">https://www.nps.gov/subjects/taxincentives/historic-preservation-certification-application.htm</a></p> <p>Email completed applications to the Delaware State Historic Preservation Office (SHPO) at <a href="mailto:HCA_HistoricTaxCredit@delaware.gov">HCA_HistoricTaxCredit@delaware.gov</a>. The SHPO will review the application and submit it to the National Park Service, which makes final determinations.</p>



For further information on these programs: <http://history.delaware.gov/preservation/taxcredit.shtml> or <http://www.nps.gov/tps/tax-incentives.htm>  
 Contact: Tax Incentive Program Manager, Division of Historical and Cultural Affairs, (302-736-7400); [HCA\\_HistoricTaxCredit@delaware.gov](mailto:HCA_HistoricTaxCredit@delaware.gov).

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