

H.736 – Overview of Proposed Changes to Downtown and Village Center Tax Credits

Department of Housing and Community Development (DHCD)
 Noelle MacKay, Commissioner 828.5216

	20% Historic (Federal)	10% Historic (State)	25% Façade (State)	50% Technology (State)	50% Code (State)
Eligible buildings:	Income-producing property listed OR eligible for listing in the National Register.	Approved federal application and located within a Downtown or Village Center District.	Built before 1983 and located within a Downtown or Village Center District.	Built before 1983 located within a Downtown or Village Center District	Built before 1983 located within a Downtown or Village Center District.
Eligible applicants:	Individuals, businesses and non-profit organizations.				
Eligible work:	Hard and some soft costs. Exceptions include site work and additions, including elevator towers.	All costs eligible for the 20% Cost exceeding \$100K for elevator and sprinklers are eligible.	Improvements to the front of the building only as approved by Downtown Staff.	Installation and improvements to heating, ventilating and cooling systems (HVAC) and/or data or network wiring.	Elevator, Sprinkler, and Lift and code work as required by the Department of Public Safety (DPS).
Design Standards:	Secretary of the Interior's Standards for Rehabilitation				
Minimum investment:	More than \$5,000 OR the adjusted basis of the property, whichever is greater.		More than \$5,000 AND less than the building's adjusted basis.	More than \$5,000.	
Credit Cap:	None	10% of the first \$500,000 in project costs and half the costs exceeding \$500,000	\$25,000	\$30,000 for HVAC upgrades or data/network wiring.	\$50,000 for the sprinkler \$50,000 for the elevator \$12,000 for a lift \$25,00 for other code work
Total credits capped at \$2.2*m per state fiscal year.	May be combined with the state 10% Historic, 30% Technology and 50% Code credits.	May be combined with the 30 Technology and 50% Code credit.	May be combined with the 30% Technology and 50% Code credit.	May be combined with 25 % Façade and %50 code credit.	May be combined with the Federal 20%. If eligible, the credit may be combined with the 10% historic credit OR 25% Façade and 30% Technology credit but never both.
Community cap of no more than 30% of total credit amount available.					
Time limit:	24 months; 60 months for phased project	Project must be completed within 60 months from date of allocation		or the credits are recaptured	
Carry forward:	20 years	9 years			
Application Process:	No deadline Pre-construction consultation strongly encouraged. Approved Part 1 and 2. Part 1 certifies the building as historic. Part 2 describes the proposed rehabilitation.	Applications due July 1 until credits are exhausted. Eligible projects must have approved Part 2 from NPS. Application reviewed by Vermont Downtown Board.	Applications due July 1 until credits are exhausted. Pre-construction consultation recommended. Application reviewed by Vermont Downtown Board.	Applications due July 1 until credits are exhausted. Proof of DPS inspection and engineer certification required Application reviewed by Vermont Downtown Board.	Applications due quarterly beginning July 1 until credits are exhausted. Proof of DPS inspection required Application reviewed by Vermont Downtown Board.
	Part 3 certified by the NPS. File IRS Form 3468.	Credits issued to applicant or as a Bank Credit Certificate or Insurance Credit Certificate. Attach approved		Approved Tax Credit Certificate to State	

* Includes FY15 proposed \$500,000 program increase

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