

Tax Credits for Designated Downtowns and Village Centers

	20% Historic (Federal)	10% Historic (State)	25% Façade (State)	50% Code (State)
Eligible buildings:	Income-producing property listed OR eligible for listing in the National Register.	Must have approved federal 20% application and a building located within a Downtown or Village Center District.	Income-producing property built before 1983 and located within a Downtown or Village Center District.	Income-producing property 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.	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 OR the adjusted basis of the property, whichever is greater.	More than \$5,000 AND investment must be less than the building's adjusted basis.	More than \$5,000
Credit Cap: Total credits capped at \$1.7M per state fiscal year.	None Credit may be combined with the state 10% add on and the 50% code credits. May not be combined with the state 25% credit.	10% on the first \$500,000 and half the costs exceeding \$500,000 Credit may be used in combination with the 50% code credit only.	\$25,000 Credit may be used in combination with the 50% code credit only.	\$50,000 for the sprinkler \$50,000 for the elevator \$12,000 for a lift \$25,00 for other code requirements Credit may be combined with the federal 20%. If eligible, the credit may be combined with the 10% add on OR 25% façade credit but never both.
Time limit:	24 months; if in phases, 60 months total	Project must be started within 60 months from date of allocation or the credits are forfeited.		
Carry forward:	20 years	9 years	9 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 the 1 st Monday of each Month if credits are available. Otherwise, annually in July. Eligible projects must have approved Part 2 from NPS. Application reviewed by Vermont Downtown Board the last Monday of each month or annually in July.	Applications due the 1 st Monday of each Month if credits are available. Otherwise, annually in July. Pre-construction consultation recommended. Application reviewed by Vermont Downtown Board the last Monday of each month or annually in July.	Applications due the 1 st Monday of each Month if credits are available. Otherwise, annually in July. Proof of DPS inspection required to apply. Application reviewed by Vermont Downtown Board the last Monday of each month or annually in July.
	Part 2 reviewed; Part 3 reviewed; Project certified by NPS	Credits issued to applicant or to applicant's lender as a Bank Credit Certificate	Credits issued to applicant or to applicant's lender as a Bank Credit Certificate	Credits issued to applicant or to applicant's lender as a Bank Credit Certificate
	File IRS Form 3468	Attach approved Tax Credit Application to State Tax Forms		

Contact Caitlin.Corkins@state.vt.us 802/828-3047 with questions or to set up a site visit
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