

# Downtown and Village Center Tax Credit Program



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# State Designation Program

The Vermont Downtown and Village Center Designations **recognize and support local revitalization efforts** across the state **with dedicated staff and funding** to help designated municipalities build and foster strong communities.

**24**

designated  
downtowns



**249**

designated  
village centers



**3**

new town  
centers



**17**

neighborhood  
development  
areas



**6**

growth  
centers



# Downtown & Village Center Tax Credits

## By the Numbers [2021-2025]



**173**  
projects awarded



**84**  
communities  
served



**\$21.2 m**  
awarded tax  
credits



**\$698.3 m**  
in private  
investment

- Program was created in 1998
- Awards \$3 Million in credits annually
- Applications are competitive
- Building must be over 30 years old
- Must be located within a Designated Downtown or Village Center
- Applicants have 3 years from date of award to complete project

# Tax Credit Categories

## Historic Credit:

- Property must be listed in the National Register of Historic Places
- 10% credit for all exterior and interior work.
- Must have an approved federal RITC application

*Smith Block, Brandon*



# Tax Credit Categories



## Façade Credit

- 25% credit for façade repairs
- Cap of \$25k in credit
- Work must meet preservation standards



*Wallingford Block &  
Chapman's Store, Fairlee*

# Tax Credit Categories

## Code Credit

- 50% credit for code improvements
- Elevators up to \$75K in credit
- Sprinkler systems up to \$50k in credit
- “Other code improvements” up to \$100K in credit

*Craftsbury General Store &  
Odd Fellows Building, Ludlow*



# Tax Credit Categories



## Flood Mitigation Credit

- Added to the program in FY 2023
- 50% credit for flood mitigation improvements
- Cap of up to \$100,000 in credits
- Helps flooded properties build back better, and encourages proactive improvements

*Positive Pie in Montpelier,  
Bennington High School*

# Downtown & Village Center Tax Credits

- Credits can be carried forward up to nine years
- Can be sold to banks or insurance companies for cash, debt reduction, or favorable loan terms
- Non-profits are eligible, but not municipalities or single-family homes

*East Calais General Store*





# Downtown & Village Center Tax Credits

## Legislative Ask:

- Currently the program is funded at \$3 million annually
- Governor's proposed budget increases this to \$5 million annually

*Customs House,  
St. Albans*



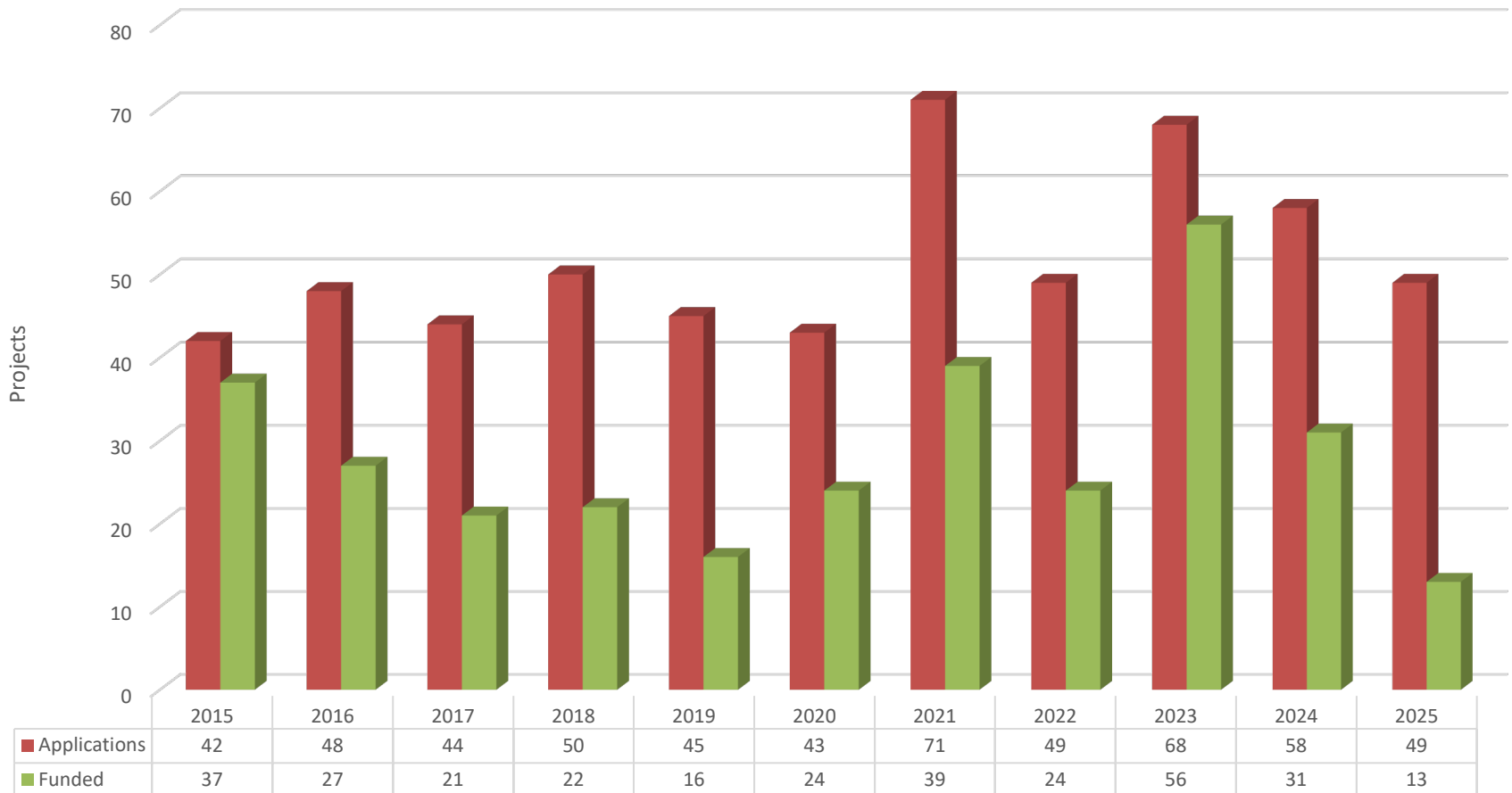
# Program Demand

Oversubscription - Dollars



# Program Demand

## Oversubscription - Projects



# Project Examples



Emerson DeWitt Warehouse, Brattleboro

**\$10.3 Million Project**

\$1.7M in Federal RITC funding  
\$408,100 in State Historic Credits

**\$2.1 Million - Total Tax Credits**

# Project Examples



## Former Caplan's, St. Johnsbury **\$680,000 Project**

\$16,225 - 25% State Façade Credit  
\$50,000 - 50% State Code Credit

**\$66,225 Total Tax Credits**

# Project Examples



Northfield, Grey Building

**\$23,392 Project**

\$11,696 – 50% Other Code Credit

**\$11,696 Total Tax Credits**



# Questions?

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