



DELAWARE'S HISTORIC PRESERVATION TAX CREDIT PROGRAM

Delaware's Historic Preservation Tax Credit Program assists in preserving and rehabilitating historic buildings throughout the state by providing a tax credit which is equal to a percentage of the cost of the rehabilitation, subject to other requirements of the program. Applicants may seek these tax credits for income-producing, owner-occupied and non-profit-owned buildings. Non-profits and owner-occupied buildings or part of a building (such as a condominium) receive a tax credit equal to 30% of the rehabilitation costs; for income-producing properties the percentage is 20%. Projects which qualify for Delaware's low income tax credits receive additional incentives. Delaware's tax credits are fully transferable; they may be sold or assigned to others who have Delaware income or franchise tax liability.

What criteria must a building meet in order to be eligible for Delaware's Historic Preservation Tax Credit Program?

Only buildings which are listed in the National Register of Historic Places or which are contributing buildings within National-Register listed or certain locally-designated historic districts are eligible to receive these tax credits. Buildings which meet this criterion are defined as a "Certified Historic Property" for purposes of this program. Such certification must be determined prior to applying.

What criteria must the rehabilitation work meet in order to qualify for Delaware's Historic Preservation Tax Credit Program?

The rehabilitation work must be carried out in a manner consistent with the historic character of the property, and where applicable, the district in which it is located. Historic character results from the combination of the character-defining features of a building as they have evolved over time. Character-defining aspects of a building that are to be protected during a rehabilitation project include the form and detailing of exterior and interior features and materials, room configurations, and spatial relationships. The criteria which Delaware uses to ensure that the historic character and character-defining features have been preserved are the Secretary of the Interior's Standards and Guidelines for Rehabilitation (<http://www.nps.gov/tps/standards/rehabilitation/rehab/index.htm>). Project work on a "Certified Historic Property" which meets all of these Standards and is consistent with the historic character of the property is termed a "Certified Rehabilitation" and, if all other program criteria have been met, the project will be eligible for state tax credits.

What other criteria must a project meet in order to qualify for Delaware's Historic Preservation Tax Credit Program?

Depreciable projects must meet the "substantial rehabilitation test." To meet this test, the costs of the rehabilitation within a 24-month period, or if a phased project within 60 months, must exceed the adjusted basis of the building (i.e. the purchase price minus value of the land minus any depreciation already taken plus any capital improvements), or \$5,000, whichever is greater. Owner-occupied projects must expend at least \$5,000 in rehabilitation costs in order to qualify for the program, and are limited to receiving \$20,000 in tax credits within a 24-month period. Qualified expenditures for the program are construction costs related to the interior and exterior of the building including structural and systems work and, for depreciable properties, costs which the IRS has determined may be charged to a capital account. Costs associated with addition(s) may also be included as long as the square footage of the addition does not exceed 20% of the square footage of the existing building. Landscaping and site work costs are also allowable up to 10% of the other qualified expenditures. Costs related to the acquisition of the property are not considered to be eligible expenditures for purposes of this program, nor are those costs which the IRS deems to be personal property. Work must commence within one year of approval of the project plan.

What is the application process for Delaware's Historic Preservation Tax Credit Program?

The Delaware State Historic Preservation Officer must approve, or "certify," all rehabilitation projects seeking a Credit Award. Delaware's Historic Preservation Tax Credit Program is a three of four part application process. If a building is individually listed on the National Register of Historic Places, then Part I of the application is not required. The application form is supported by photographic documentation of the property before and after undertaking the rehabilitation work. If significant changes are proposed, or there is new construction, then drawings or sketches may also be required. If the qualified expenditures for a project that is not owner-occupied exceed \$100,000, a fee of \$250 is charged for review of the application. This fee is payable when the project is complete.

Who administers Delaware's Historic Preservation Tax Credit Program?

The program is administered by the Delaware Division of Historical and Cultural Affairs and the Delaware Division of Revenue. For further guidance, contact: Joan Larrivee, State Tax Credit Program Coordinator, Division of Historical and Cultural Affairs, 21 The Green, Dover, DE 19901; (302)736-7406. For further information: <http://history.delaware.gov/preservation/TaxCreditGuidance.shtml> The Program administrator coordinates with the Delaware Division of Revenue and the State Bank Commission to assign the tax credits to a taxpayer. In order to determine the amount of tax credits to be assigned to a project, documentation of the associated qualified costs must be submitted. Claims against a tax return can be filed once this assignment has taken place. Such filing may not take place sooner than 12 months after the approval of the project plan.



WEB SITES ON THE REHABILITATION OF HISTORIC PROPERTIES



STANDARDS FOR THE TREATMENT OF HISTORIC PROPERTIES

<http://www.nps.gov/tps/standards/four-treatments.htm>

- Rehabilitation Standards and Guidelines (<http://www.nps.gov/tps/standards/rehabilitation.htm>)
- Applying Rehabilitation Standards (<http://www.nps.gov/tps/standards/applying-rehabilitation.htm>)
- Illustrated Guidelines for the Rehabilitating Historic Buildings (<http://www.nps.gov/tps/standards/rehabilitation/rehab/index.htm>)
- Technical Preservation Briefs (47 White papers on treatment topics) (<http://www.nps.gov/tps/how-to-preserve/briefs.htm>)
- Interpreting the Standards (<http://www.nps.gov/tps/standards/applying-rehabilitation/standards-bulletins.htm>)
- Applying the Standards to Common Rehabilitation Concerns (<http://www.nps.gov/tps/standards/applying-rehabilitation/successful-rehab.htm>)
- Cumulative Effect and Historic Character (<http://www.nps.gov/tps/standards/applying-rehabilitation/cumulative-effect.htm>)
- Preservation Tech Notes (<http://www.nps.gov/tps/how-to-preserve/tech-notes.htm>)
- Cultural Landscapes (<http://www.nps.gov/tps/how-to-preserve/cultural-landscapes.htm>)
- Illustrated Guidelines on Sustainability for Rehabilitating Historic Buildings (<http://www.nps.gov/tps/standards/rehabilitation/guidelines/index.htm>)
- Sustainability Resources (<http://www.nps.gov/tps/sustainability/resources.htm>)

NPS ONLINE LEARNING ON REHABILITATION

<http://www.nps.gov/tps/education/online-training.htm> [page which links all online learning topics]

- Treatment Standards and Guidelines
- Sustainability Guidelines
- Illustrated Rehabilitation Guidelines
- INCENTIVES: A Guide to Historic Preservation Tax Incentive Program
- From the Roof Down and Skin Deep
- Managing Moisture in Your Historic House
- Rehab Yes/No
- Roofing for Historic Buildings: From Asbestos to Zincs
- Walk Through Historic Buildings
- Working on the Past in Local Historic Districts

NPS PRINTED PUBLICATIONS

<http://www.nps.gov/tps/education/print-pubs.htm> [page which links to a list of printed publications including several which are available online]

ENERGY EFFICIENCY

- Weatherization and Improving the Energy Efficiency of Historic Buildings (<http://www.nps.gov/tps/sustainability/energy-efficiency/weatherization.htm>)
- Green Roofs (<http://www.nps.gov/tps/sustainability/new-technology/green-roofs.htm>)
- Weatherization Guide for Older and Historic Buildings
<http://www.preservationnation.org/information-center/sustainable-communities/buildings/weatherization/>
- Window Repair and Retrofit: Studies and Research (http://www.ohp.parks.ca.gov/?page_id=25935)

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