



Homeowner's Historic Rehabilitation Tax Credit Program Instructions

Due to the volume of applications received for review, it is recommended that you submit your application two months prior to your proposed start date to receive approval before your project begins.

How to Complete the Part 1 Application Form—Evaluation of Significance

1.) Property Address

If your building is individually listed in the National or State Register of Historic Places, or is a contributing property to a National or State Register listed historic district, enter the listing name. To find if your property is listed in the registers, visit wisconsinhistory.org/preserve and enter your street address in the search field labeled “Search properties” to search our Architecture and History Inventory (AHI) database as shown below.

Preserve Your Homes and Properties

Search the most up-to-date version of the National or State Register of Historic Places and the Society's Architecture and History Inventory.

Search properties...

Or browse all properties

If you find your building has been recorded in the (AHI) and has been listed in the National or State Registers, the record for the building will include information labeled “National and State Register of Historic Places” with the official listing title and the date as shown below.

NATIONAL AND STATE REGISTER OF HISTORIC PLACES

National/State Register Listing Name: **Bascom Hill Historic District**

National Register Listing Date: **9/12/1974**

State Register Listing Date: **1/1/1989**

National Register Multiple Property Name:

If the record for your building does not indicate that it is listed in the registers, please submit a National Register Questionnaire form (<http://wihist.org/NRQ>) to find out if you can use this program before you complete the Part 1 Application Form.

2.) Owner's Name

Provide your name and contact information as the owner of the building.

Per state law, only individuals can claim the historic rehabilitation tax credit on their individual tax returns. The program does not apply to buildings owned by or projects carried out by LLCs, trusts, or estates.

This program is limited to owner-occupied personal residences. If the building is solely income-producing, you will not be able to use this program. Please review the available income-producing programs here: wihist.org/IP-Tax-Credits.

If a portion of your owner occupied residence is also used as an income-producing space, you may apply for this program, but you must prorate the rehabilitation costs in the Part 2 application form based on the square footage that is your personal residence. Prorated expenses for the rehabilitation work must still equal a minimum of \$10,000 in eligible expenses and not exceed a maximum of \$40,000. Consult a tax professional for advice and assistance.

3.) Photographs

All applications require clear photographs of the current appearance of all sides of the building and its surroundings. Digital photos can be sent as JPEG files to our office online through a secured web file sharing service called Hightail. Please contact taxcredits@wisconsinhistory.org to request a Hightail link for submitting the photos. Please label the photos or folder with the address of the house and/or project number. Alternatively, you can mail 4x6 color photo prints to our office. Photos sent in other file formats or printed on computer paper will not be accepted.

*Additional photographs of work areas will be required to complete the Part 2 application form.

4.) Owner's Certification

All owners must sign and date the application.

How to Complete the Part 2 Application Form—Description of Proposed Work

Each application must have between \$10,000 and \$40,000 of eligible work. Per state law, you only have two years to complete the eligible work from the date that the work begins. Therefore, your application should include only work you are confident you will finish in two years.

Incomplete applications will be returned to the applicant with recommendations to make it complete. Per state law, you must receive signed, written approval by SHPO before work begins to receive the credits.

1.) Property Address

Enter the full address of the property

2.) Owner's Name

Provide your name and contact information as the owner of the house.

3.) Owner's Certification

All owners must sign and date the application.

4.) 4a Eligible Tax Credit Work

Follow the instructions to fill out the chart for eligible tax credit work in the Part 2 Application form, page 2.

Eligible work includes the following*:

- a. The exterior of the historic building.
- b. The interior of a window sash if work is done to the exterior of the window sash.
- c. Structural elements of the historic building.
- d. The heating or ventilating systems.
- e. Electrical or plumbing systems, but not electrical or plumbing fixtures.

*Garages and outbuildings: for this program, rehabilitation work on a garage or other outbuilding is only eligible if that building is documented as a contributing historic building to the property.

*Porches: For the purposes of this program, porch refers to a historic porch that was part of the original construction of the house.

You should provide contractors' estimates **AND** detailed photos of the areas of proposed work to illustrate the current conditions. Retain copies of the contractors' estimates for your records.

Each application must contain a minimum of \$10,000 and a maximum of \$40,000 in eligible work expenses. If your proposed project is estimated to cost more than \$40,000, you may submit multiple Part 2 application forms with the eligible work costs distributed across the applications. You should only apply for work you plan to finish in two years. Per state law, you have two years to complete the eligible work from the date that the work starts, unless you submit a Five-Year Phasing Request form with the Part 2 application form. Throughout the project, the applicant is responsible for tracking eligible expenses. Contact your SHPO project

reviewer immediately if your estimated costs change substantially. See “Amendments to Part 2” instructions on page 5 of this document for more information about submitting project changes for review as an Amendment to your approved project.

The SHPO reviewers will commonly approve work items with required conditions to ensure the proposed work will meet the program standards. These required conditions will be specified in the Part 2 application approval document that you receive from SHPO. Failure to follow the conditions placed on the work on any application may jeopardize the approval of tax credits for all applications. Work that does not meet the program standards could affect the building’s status in the State and National Registers or eligibility to use the rehabilitation tax credit program.

The proposed project and the final completed work will be reviewed as a whole, regardless of the number of open applications. When you have completed the entire project, you will submit a Part 3 Application Form and photo documentation for each open application for final approval. See page 6 of this document for instructions on submitting the Part 3 Certification form.

4b Ineligible Work

Follow the instructions on the Part 2 Application Form to complete the Ineligible work chart. Ineligible work includes work on the building that you have finished in the past year before applying for the program as well as work you plan to accomplish during the current project that is not rehabilitation work that is eligible for the tax credit program. Categories of work that are not eligible for the credit are listed on this form to assist you in determining work that does not qualify for the credit. SHPO must review ALL work for compliance with the Secretary of the Interior’s Standards, even if it is not eligible for tax credits or you do not plan to claim credits for the work to ensure that the historic character of your building will not be affected. ALL work must be reviewed and approved by the reviewers before work begins.

Estimated Costs

You must provide an estimated cost for each ineligible work item and give a total cost at the bottom of the chart. Your contractors’ estimates will help you to complete this. At the end of the project, you will provide actual costs for each work item on the Part 3 “Request for Certification of Completed Work” form.

Each application must have between \$10,000 and \$40,000 of eligible work costs. The applicant is responsible for tracking project expenses. Contact your reviewer immediately if your costs change substantially.

Photographs and Drawings

Staff review applications based on the photographs that you provide. You must submit detailed photos of the proposed work areas, both interior and exterior. Digital photos must be in JPEG format. Please label the digital files or label the physical photos for the reviewers. If there are proposed floor plan changes and/or additions, you must send drawings. If your project involves replacing materials, please include any manufacturers’ literature for the materials and products

proposed. See the chart in the Part 2 Application Form, Page 6 for required information for a successful application. Incomplete applications may be returned with recommendations for the applicant to make it complete and resubmit the application.

Start Date

Due to the volume of applications, it is recommended that you submit your application two months prior to your proposed start date. Enter the estimated date you plan to start each proposed work item. This start date should be estimated based on the time needed for SHPO to complete the project review and issue a written approval. The two-year project period begins when you start the work. If your work does not start within the first calendar year of approval, we advise you to withdraw the application and re-apply.

Completion Date

Estimate when each work item will be completed. Per state law, you have two years to complete the eligible work from the date that construction starts. You should only apply for work you are confident you will finish in two years.

Request Five-Year Phasing

If your project will take more than two years to complete, you can submit a Five-Year Phasing form (HPD:WTC004) with your application. Per state law, you **must** apply for phasing at the time you submit the Part 2 application form. The Five Year Phasing form may be used if you have between three and five years of eligible work that totals up to \$40,000. This form can be found on our Homeowner's Tax Credit [webpage](#) with the other application forms.

5.) Describe the Work and Attach Contractors' Estimates

Follow the instructions to describe the proposed work to help the reviewers understand your project. Provide all required documentation listed in the chart. Use additional copies of Part 2 application pages 4 & 5 if you have more than four work items to describe on one application. Each application must list a minimum of \$10,000 in eligible work and cannot exceed \$40,000 of qualified tax-credit expenses.

When and How to Complete the Project Amendment Form

If previously approved work items change in **materials, methods, and/or cost**, you **must** submit an amendment application to your reviewer. If your project changes substantially, please contact your reviewer as soon as possible so that they can advise you whether an Amendment Form or a new Part 2 Application Form would be most appropriate. All work, including amendments, must have written approval before the work begins. Staff will review the amendment in a timely manner.

1.) Property Address

Enter the address of the property and the Project Number of the existing application you would like to amend.

2.) Owner's Name

Provide your name and contact information as the owner of the building.

3.) Describe the Work and Attach Contractors' Estimates

Describe the changes to the previously approved materials, methods, and/or costs for the reviewers to understand the change in the work. Provide all required documentation listed in the Part 2 Application Form, page 6.

4.) Owner's Certification

All owners must sign and date the Amendment Application.

Incomplete Amendment Forms will be returned with recommendations for how the applicant can make it complete and resubmit for review.

How to Complete the Part 3 Certification Form—Request for Certification of Completed Work

Per state law, you must submit your Part 3 Request for Certification Form within 90 days of completing the entire project. Projects are reviewed as a whole, regardless of the number of open applications assigned to the project. Submit the Part 3 Certification Form for each open application and required photographs when you have completed all work approved in your Part 2 application(s).

Incomplete Part 3 Certification forms will be returned with recommendations for how the applicant can complete and resubmit the form.

1.) Property Address

Enter the address of the property

2.) Owner's Name

Provide your name and contact information as the owner of the building, and the last four digits of your social security number for the Department of Revenue.

3.) Final Rehabilitation Information

Complete the chart detailing the eligible tax credit work approved in the Part 2 and amendments. Retain invoices as the Department of Revenue may request them.

4.) Photographs and Drawings

All applications require clear photographs of the current appearance of all sides of the building, the finished work areas, and the building surroundings. Digital photos can be sent as JPEG files to our office through the online file sharing service Hightail. Please contact taxcredits@wisconsinhistory.org to request a secured Hightail link for submitting the photos. Please label the photos or folder with the address of the building and/or project number. Or you can mail one set of 4x6 color photo prints to our office. Photos sent in other file formats or printed on standard paper will not be accepted. Incomplete applications will be returned with recommendations to make it complete or placed on hold.

5.) Owner's Certification

All owners must sign and date the application.

Important Information to Know

Wisconsin Public Records Law

As a program of the Wisconsin state government, rehabilitation applications are subject to public records laws. The State Historic Preservation Office maintains all digital information received in a secured database. Any paper application materials or photographs are stored in a secured physical location. By applying to this program, you consent to your application becoming a public record that may be requested by a member of the public. Any public record request is always reviewed to ensure that no personally identifiable information or other sensitive information is released. Please contact us with any questions about Wisconsin Public Records law.

DEFINITIONS

Application: Part 1, Part 2, Amendment, and Part 3 forms which describe proposed eligible and ineligible work to the State Historic Preservation Office, submitted for approval and to claim the Homeowner's Historic Rehabilitation Tax Credits.

Project: A project consists of all work eligible for the 25% tax credit as well as the work which is not eligible for the tax credit. A project may include more than one application. Project reviews also include work performed 12 months prior to submission of an application(s) and for a period of five years after applications receive final approval through the Part 3.

INSURANCE COVERAGE OF ELIGIBLE WORK

According to the Wisconsin Department of Revenue, only rehabilitation costs paid for by the taxpayer are eligible for the credit. Rehabilitation costs paid for with insurance proceeds or reimbursements are generally not considered to be paid for by the taxpayer. If, for example, you collect money from your insurance company to replace a hail-damaged roof, you cannot use the insurance money to install a new roof **and** claim the tax credit for your roof expenses. For questions, please contact a qualified tax preparer.

CLAIMING THE CREDIT

Once your Part 2 application is approved, the Wisconsin Department of Revenue allows you to claim the credit on your individual tax return in the tax year that you begin to spend money on approved, eligible work. You claim the credit when you fill out your state income tax forms by completing Schedule HR (available from the DOR) and attaching a copy of the Part 2 application approval signed by the SHPO reviewer.

The State Historic Preservation Office cannot give advice about your individual tax situation. Please contact a tax specialist or the Wisconsin Department of Revenue.

PRORATION OF THE HOMEOWNER REHABILITATION TAX CREDIT

If part of your residence is also used to produce income, you may be able to claim the homeowner rehabilitation tax credit for the portion of the building that is your residence. You may also be able to claim federal and state tax credits for rehabilitation of the income-producing portion. Proration is calculated on a square footage basis. The rules for prorating the credit are complex. Contact a tax professional for help with prorating and applying for this program. You may also contact the DOR at

608-266-2772 for further information about prorating credits.

RECAPTURE

You are responsible for maintaining the historic character of your property for five years after you claim the tax credit. If, during that time, you sell the property or carry out additional work that diminishes its historical significance, you will be required to pay back a percentage of the tax credit received.

Recapture Schedule:

Year One: 100%

Year Two: 80%

Year Three: 60%

Year Four: 40%

Year Five: 20%

APPROVAL AUTHORITY

This program is jointly overseen by the Wisconsin State Historic Preservation Office and the Wisconsin Department of Revenue. By law, the SHPO's responsibilities are limited to certifying the historical significance of properties and that work meets the Secretary of the Interior's Standards for Rehabilitation. All other aspects of the program are the responsibility of the DOR, including the interpretation of tax laws. For questions about tax laws relating to this program, contact the DOR at 608-266-2772.

DENIAL OF CERTIFICATION OF COMPLETED WORK

Administrative Code HS 3.07 (5) states, "The officer shall deny the part 3 application if the officer determines that the rehabilitation work does not conform to the part 2 application. When the officer denies a part 3 application, the officer shall issue a letter to the property owner notifying the owner of the reasons for the denial, any remedial action that the owner may take that will result in the approval of the part 3 application, and a date by which the remedial action must take place. If by the given date the officer determines that the project has been brought into conformance with the part 2 application, the officer shall sign and return it to the owner indicating that the officer has approved the rehabilitation work; If by the given date the owner has not demonstrated that work has been brought into conformance with the part 2 application, the officer shall notify by letter the secretary of the department of revenue that the rehabilitation work does not meet the rehabilitation standards."

For other questions, please consult our FAQ page on this program:

wihist.org/Homeowner-FAQ