



WISCONSIN  
HISTORICAL  
SOCIETY

## HISTORIC HOMEOWNER'S INCOME TAX CREDIT APPLICATION

### INSTRUCTIONS

#### PART 1 – EVALUATION OF SIGNIFICANCE

##### 1. PROPERTY ADDRESS

If your house is individually listed on the National Register or State Register, use that name; otherwise, use the street address. Be sure to check the type of certification that you are requesting and give the name of the historic district, if applicable.

##### 2. OWNER'S NAME

Provide the name and contact information of the house's owner.

##### 3. PROJECT CONTACT

Complete this only if there is another person to whom inquiries should be made about the Part 1 application, such as an architect or a consultant.

##### 4. PHOTOGRAPHS

All applications require clear photographs of the current appearance of all sides of the building and its surroundings. If you are applying for preliminary certification, you also need to send interior photographs and any character-defining feature. These photographs should be color and a minimum of 4" x 6" in size. Digital photographs are acceptable if they are printed on quality paper at a high resolution and meet the 4" x 6" size requirement. Photo copies are not acceptable.



##### 5. OWNER'S CERTIFICATION

All owners must sign and date the application.

*Only complete Page 2, QUESTIONS 6 AND 7 if your house is not currently listed individually or contributing in an historic district.*

##### 6. BUILDING DATA

Indicate the date that the building was constructed and your source for that date. Indicate dates when the building was altered or moved. Describe your house's style and condition. Explain any additions or alterations you are aware of. Include drawings or sketches of the floor plan and site plan if outbuildings exist.

##### 7. DESCRIBE WHY THE PROPERTY IS IMPORTANT

A property's historical significance is more than a matter of age. It must be significant for specific reasons -- that is, it must meet criteria for listing in the state register. Also, it must have physical integrity; it cannot have been severely altered. Below are a few important considerations:

Is associated with events that have made a significant contribution to the broad patterns of our history; or

Is associated with the lives of persons significant in our past; or

Embodies the distinctive characteristics of a type, period, or method of construction or represents the work of a master architect or builder, or possesses high artistic values, or represents a significant or distinguishable entity whose components may lack individual distinction; or

Has yielded, or is likely to yield, information important to prehistory or history.

## PART 2 – DESCRIPTION OF PROPOSED WORK

### ITEMS 1-4

Repeat the information that you gave on the Part 1 application.

### 5. PROJECT DATA

Section 5a Tax Credit Eligible Work asks for information about work for which you plan to claim the tax credit. Eligible work includes virtually any repairs on the house's exterior (examples include roof replacement, tuckpointing, painting, windows, doors, porch repairs); at the interior – work is eligible if it pertains to the structural system; mechanical system; electrical system and plumbing system. Note light fixtures and plumbing fixtures are not eligible.

Section 5b - Ineligible Work asks for similar information about additional work that you may be undertaking, or have already carried out as part of a continuing project. Examples of ineligible work include new construction; wall/attic insulation; bath/kitchen remodels; wood floor refinishing; landscaping and sidewalks/driveways.

In addition to a listing of proposed work, sections 5a and 5b ask for the following:

#### **Estimated costs**

You must give an estimated cost for each of the work items and give a total cost at the bottom of the column. You do not have to obtain firm bids or sign contracts to fill out this section. These are only estimates. You give actual costs at the end of the project when you submit the "Request for Certification of Completed Work."

#### **Start date**

Estimate when work will begin for each item.

#### **Completion date**

Estimate when each work item will be completed. Remember that you only have 2 years to complete the eligible work. If the last completion date is more than 2 years after your earliest start date, you should consider submitting a five-year phasing plan.

### 6. PHOTOGRAPHS AND DRAWINGS

Because staff cannot visit every tax credit project, approvals are made on the basis of your photographs. Required photos for Part 2 can be the Part 1 application photos. Also submit detail photographs of those areas where you plan to carry out work, both interior and exterior. If the proposed work includes items such as replacement doors or windows for example, you must forward manufacturers' literature. If there are any proposed floor plan changes, you must send drawings or sketches. These do not have to be prepared by an architect but they must be adequate to illustrate what you are trying to achieve. If possible, drawings and other materials should be in 8 1/2" x 11" format.

### 7. DESCRIPTION OF WORK TO BE PERFORMED

Describe the work that you plan to perform, including both the eligible work in Section 5a and the ineligible work in Section 5b. You may include contractors' bids, but only if they include all required information. Projects that are not adequately described will be returned without action.

## SEND COMPLETED APPLICATIONS TO:

State Historic Preservation Office  
Wisconsin Historical Society – Room 312  
816 State Street Madison, WI 53706

## AFTER YOU COMPLETE THE APPLICATION

### AMENDMENTS

As you carry out your project, you may want to amend its details. You may amend at any time until the completed project is certified. Typical amendments would involve adding work items or revising construction details. To amend, you must send a written amendment and all changes must be approved in writing **and in advance**. A project needs to be formally amended so that there will be a clear indication of what is, and is not, included in the application in the event that a project is examined by the Wisconsin Department of Revenue (DOR).

To amend your project, send us a letter. There is no amendment form. The letter must contain the project address; WHS project number; a clear statement of what work you would like to revise; and the associated cost.

### CLAIMING THE CREDIT

Once your Part 2 application is approved, the Wisconsin Department of Revenue (DOR) allows you to claim the credit as you go, beginning 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 signed Part 2 application. If your tax credit is greater than your tax liability, you can carry unused portions of the credit forward until you use it up, or for 15 years, whichever comes first.

### PRORATION OF TAX CREDITS

If part of your house is also used for the production of income, you may be able to claim this tax credit for the portion 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 made on a square footage basis. The rules for prorating the credit are complicated. Contact Mark Buechel at 608-264-6491 or Jen Davel at 608-264-6490 for additional information. You may also contact the DOR at 608-266-2772 for further information about the proration of 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 prorated portion of the tax credit. If you carry out additional work during the recapture period, you must request and receive the written approval of the State Historic Preservation Officer (SHPO) before beginning the work.

#### Proration Schedule:

|                 |              |
|-----------------|--------------|
| Year One        | 100%         |
| Year Two        | 80%          |
| Year Three      | 60%          |
| Year Four       | 40%          |
| Year Five       | 20%          |
| After Year Five | No recapture |

### APPROVAL AUTHORITY

This program is jointly overseen by the Wisconsin Historical Society and the Wisconsin Department of Revenue (DOR). By statute, the Society's responsibilities are limited to certifying the historical significance of properties and certifying 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-related laws. For questions about tax laws relating to this program, contact the (DOR) at 608-266-2772.

## FREQUENTLY ASKED QUESTIONS

### What is a tax credit?

In this case, the tax credit is a dollar-for-dollar reduction in what you owe in Wisconsin income taxes. The amount of the credit is 25% of your costs of carrying out eligible work. If your credit is larger than the amount that you owe in state income taxes, you can carry the unused balance into future tax years (up to 15 years into the future) until the credit is used up.

### Will this reduce my property taxes?

No. This is an income tax credit; it does not affect property taxes.

### How long does it take to get a project approved?

Projects are usually approved in 3 weeks or less. We may be able to expedite the review under some circumstances. Please let us know if you have need of urgent approval.

### Can I submit my application materials via email?

No. We cannot accept official applications or subsequent amendments via email. You must hand deliver or mail all materials.

### I just heard about the program, but I've already done all of the work. Can I still claim the credit?

No. The statutes specifically require that work be pre-approved.

### How do I tell if my house is listed in the State Register?

If you have a computer with Internet access, please see our website: [wisconsinhistory.org/ahi](http://wisconsinhistory.org/ahi).

### If my house isn't listed, can I still qualify?

Yes, you can qualify if we determine your house is *eligible* for listing in the State Register. To make this determination (called a "preliminary certification"), we need to receive a Part 1 application, photographs, and information to indicate that it meets State Register listing criteria, which are given in the application package. NOTE: If successful, this process only qualifies you for the tax credit. It does **not** result in your property being listed in the State Register or National Register. If you elect to list your house in the registers, you must produce a formal nomination. [For more information about nomination procedures, please see our website [whist.org/NR-FAQ](http://whist.org/NR-FAQ) or contact Peggy Veregin, Wisconsin's National Register Coordinator, at 608-264-6501 or [peggy.veregin@wisconsinhistory.org](mailto:peggy.veregin@wisconsinhistory.org).]

### What is a project?

A project includes all of the work that you list in the application. For example, your application might include roof work, painting, and a new furnace. These items would comprise a "project."

### What kinds of work are eligible?

Wisconsin statutes define five categories of work eligible for the tax credit: 1) the exterior of a historic property; 2) the interior of a window sash if work is done to the exterior of the window sash; 3) structural elements of a historic property; 4) heating and ventilating systems; and 5) electrical or plumbing systems, but not electrical or plumbing fixtures.

### Do I have to wait until all of the work is done before I claim the credit?

No, you can take the tax credit year-by-year, based on 25% of your eligible costs during the year. Please remember that if you do not spend the required \$10,000 within the 2-year time limit (or 5-year limit if you submit a phasing plan) you will be obligated to pay back any credit that you have taken.

### I've heard that there is a maximum tax credit of \$10,000. What happens if I have a very large project? Can I submit more than one application?

Yes. We suggest that you do this if your project will include more than \$40,000 of eligible work. Even though one part of the statutes sets a \$10,000 maximum credit *per project*, you are not prohibited by statute from submitting a second or third project. If you have a project that exceeds \$40,000 in eligible work, you should consider breaking it down in to smaller projects between \$10,000 (the minimum investment) and \$40,000 (the point at which the credit is maximized). The Wisconsin DOR recognizes this interpretation as valid.

### **Why do you need overall photographs of my property?**

We need overall photographs: 1) to determine whether your house is historic; 2) to compare the “before” and “after” work that you are proposing; and 3) to have a record of your house in the event that additional work is carried out during the 5 year recapture period.

### **Do I need to send you my financial records?**

No. At the end of the project you send us a single dollar figure representing the total cost of your eligible work. Keep the financial records in your files in case the Department of Revenue wants to know how you arrived at the amount of your claim.

### **Do I have to get bids for the work before I apply?**

No. Although formal bids are the most desirable; sometimes applicants have to use a “best guess,” particularly for work that is to take place in future years.

### **I had a 2-year project, but we’re having trouble getting the work completed. Can I extend the tax credit period?**

No. The statutes require that you submit a phasing plan at the time that you submit the Part 2 application. Unless you’ve done that, you’re limited to a two-year expenditure period. Please note that, the two-year “clock” doesn’t start until the work actually begins. For example, if your project was approved on June 1, 2010, but the contractor didn’t show up until August, 2010, you would have until August 2012 to complete the project. If you’re nearing the end of your 2-year expenditure period, there is another possible resolution. If you have more than \$10,000 of eligible work remaining, you can close out your existing project and submit an application for a second project.

### **Why do you need to see all of the work? Can I submit only the work that is eligible for tax credits and leave out the work that will not be approved?**

No. We must see the entire project, including work that is not eligible. Ineligible work must be listed and described in the application. The tax credit, which is a public subsidy, must be used for work that benefits, not detracts from, the historical significance of your house. If, for example, you wanted tax credits to repair your roof but planned a large addition on the front of your house, the historical significance of your house would be severely diminished and the tax credits would not have been used as intended: to promote exemplary preservation work. For this reason, we need to examine your whole project.

### **What happens if the cost of my project is different from the actual costs?**

Differences between estimated and actual construction costs are commonplace and do not require any special action other than reporting the true costs at the end of your project.

### **What happens if the contractors discover additional work that needs to be carried out?**

Projects can be amended easily to include new work.

### **I use part of my house as a business. Can I still qualify for the tax credit?**

Yes, but you must prorate the tax credit by square footage. For example, if 60% of the square footage of your house is used as your residence, you may apply for the homeowner’s tax credit and multiply it by 60%. As a rough example, if you spent \$20,000 on eligible work, you would be able to claim \$3,000 in tax credits (\$20,000 times 25% times 60%). **NOTE:** depending on circumstances, it may also be possible to claim a prorated federal tax credit for that portion devoted to your business.

### **I have other questions. Who should I contact?**

To find out whether your property is listed in the State Register or how to nominate your property:

Ian Gort at 608-264-6502 or [ian.gort@wisconsinhistory.org](mailto:ian.gort@wisconsinhistory.org)

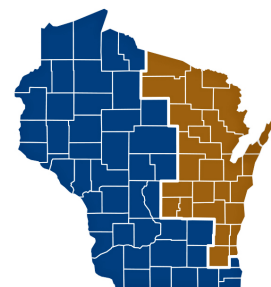
For specific advice about the tax credit program:

#### **Western District:**

Claire Bushemi at 608-264-6490 or [claire.bushemi@wisconsinhistory.org](mailto:claire.bushemi@wisconsinhistory.org)

#### **Eastern District:**

Paul Porter at 608-264-6491 or [paul.porter@wisconsinhistory.org](mailto:paul.porter@wisconsinhistory.org)



### **Wisconsin Tax Credit Districts**

Western  
District

**Claire Bushemi**

608.264.6490

[claire.bushemi@wisconsinhistory.org](mailto:claire.bushemi@wisconsinhistory.org)

Eastern  
District

**Paul Porter**

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