

Historic Preservation Fact Sheet

For Historic Properties

August 2010

The Homeowners Tax Credit

Numerous homeowners that live in National Register listed homes throughout Western New York now qualify for a new state tax credit for a wide variety of rehabilitation efforts on their historic homes.

A 20% Credit – What Work Qualifies?

This state credit is available for work costing over \$5,000, at least 5% of which must be on the exterior. Typical work that qualifies includes:

- Roofs
- Chimneys
- Porches
- Boilers
- Furnaces
- Air Conditioning Systems
- Stairs (interior and exterior)
- Electrical Work
- Window repair
- Painting (interior and exterior)
- Masonry
- Wall and Ceiling Repairs
- Doors
- and more

Remember, this credit is for enhancing historic buildings. Changes like vinyl siding or vinyl clad windows will not qualify. Proposed window replacements will be closely scrutinized to insure that replacement is necessary and that the replacement windows are appropriate to the historic structure.

Work outside the owner-occupied structure generally does not qualify (i.e. landscaping, fencing, decks, outbuildings).

What Properties are Eligible?

For a homeowner's property to be eligible, it must be owner-occupied and listed in the National Register of Historic Places. These properties may be individually listed or may be in National Register historic districts.

Buffalo also has some certified local districts that qualify. If in a district, the home must be 'contributing,' meaning that it must be an older building that retains its historic integrity.

In addition, the home must be in an 'eligible census tract' – where the average income is less than the state's median income; it is possible that some census tracts may change after the 2010 census is published.

Eligible Buffalo districts that are primarily residential include **Allentown**, the **West Village**, and **Linwood** (except a small portion of the Lindwood district north of Ferry is not in a census tract that qualifies for the credit). Maps showing these Buffalo districts are posted at <http://www.preservationbuffaloniagara.org/page/rehab-tax-credits/>.

Note: These and other Buffalo districts without significant residential properties, such as the Theatre and Ellicott Districts, are eligible for rehab credits for commercial properties – see reverse.

Niagara Falls has two residential districts that are eligible: **The Park Place National Register Historic District** and **The Orchard Parkway/Chilton Ave. Historic District** (this district should officially be on the National Register by September, 2010).

Elsewhere in Western New York Most National Register properties in Chautauqua, Cattaraugus, Wyoming and Orleans Counties, with a few exceptions, are in eligible census tracts. However, affluent suburban areas outside of Buffalo (i.e. Orchard Park) and Niagara Falls, and portions of Genesee County nearer Rochester, do not qualify.

(continued on reverse)

What Properties are Eligible? *(Continued)*

Some of Western New York's historic districts that qualify are the Oak Hill Park Historic District in Olean, East Main Street Historic District in Westfield, French Portage Road Historic District in Westfield, Lowertown Historic District in Lockport, Wyoming Village Historic District, the Silver Lake Institute Historic District in Wyoming County, and the Monument Circle Historic District in Warsaw.

Rehab Credits for Commercial Properties Owners of income producing properties listed in the National Register may be eligible for a 20% federal income tax credit and possibly for an additional 20% New York State credit for substantial rehabilitation projects. The work performed (both interior and exterior) must meet the Secretary of the Interior's Standards for Rehabilitation. Owners of income producing properties that have been approved to receive this federal credit automatically qualify for the additional state tax credit if the property is located in an eligible census tract. Rehabilitation expenditures up to \$5,000,000 can qualify for the state credit. Warning – as of July 2010, the state legislature was contemplating rules that would defer portions of the state's credit into future years.

How to Proceed

Warning – do not start work before your project is approved. However, homeowners should be able to complete the required application and certification process, which comes in three parts.

Part I. A one-page form for the homeowner's address, estimated project costs and some additional information. Must be accompanied by a map pinpointing the property (a Google map will suffice). Part I may be submitted with Part II.

Part II. Requires a building description, construction date, and a list of previous alterations (if significant), a description of the proposed work, and estimated costs. Photos are also required of the exterior and all areas of work, with a sketch of the floor plan (not an architectural drawing) showing the location and camera angle of the photos.

Part III. The owner's signature that the work is complete, with 'after' photos matching the photo angles shown in the Part II.

OPRHP then certifies that the project is complete, which enables the homeowner to claim the credit on Form IT-237. Homeowners are able to take the credit for the tax year when all the work of the

project is complete. Homeowners with combined income of less than \$60,000 may receive a tax refund.

Where significant work is needed, projects can be phased, as long as each phase meets the \$5,000 minimum and includes at least 5% exterior work for each phase. Program staff can explain how to take the credit for houses with rental units and for coop buildings.

Who Administers?

Residential Tax Credit Program
Division for Historic Preservation
Pebbles Island Resource Center
PO Box 189
Waterford, NY 12188-0189
www.nysparks.state.ny.us/shpo/

Call Sloan Bullough
(518) 237-8643 ext. 3252

Property owners, municipalities or civic organizations interested in perhaps nominating properties or districts to the National Registers should contact the state's National Register Unit at (518) 237-8643.

This flyer was produced by Preservation Buffalo Niagara for its Partners in the Field program. The mission of this effort is to provide field services and assistance in PBN's seven-county region. Andrea Rebeck is the program's Preservation Specialist. Contact her at Rebeck@P-B-N.org Partners in the Field is funded with a grant from the National Trust for Historic Preservation with matching support provided by the Community Foundation for Greater Buffalo, the Western New York Foundation and the Marks Family Foundation. Additional funding is being sought for year-three (2011-12) of this program.
