

HISTORIC REHABILITATION TAX CREDITS

RESIDENTIAL

The Rehabilitation Investment Tax Credit Program provides a West Virginia state income tax credit for the rehabilitation of historic private residences. This is a 20% state income tax credit which is based on the expenditures necessary to carry out material rehabilitation of historic private residences. The credit is applied directly against taxes owed by the owner. The credit may be carried forward for up to five years from the year it is earned.

Qualifying Provisions To qualify for the Rehabilitation Investment Tax Credit the project must meet the following:

1. The property must be a certified historic building. To be certified a building must be individually listed on the National Register of Historic Places or it must be a contributing building in an historic district that is listed on the National Register of Historic Places. It must be listed on the National Register of Historic Places before the Part 3 application can be certificated.
2. The building must be a private residence. This includes condominiums.
3. The rehabilitation must be carried out in accordance with the [Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings](#). The West Virginia State Historic Preservation Office (SHPO) will review all applications to determine if the rehabilitation work meets the Standards.
4. The project must meet the material rehabilitation test. The owner must spend an amount greater than 20% of the assessed value of the building, not including the value of the land. The expenditure necessary to qualify as material rehabilitation must take place in the 24 month period ending on December 31 of the taxable year for which the credit will be claimed.

Application Procedure

In order to obtain the Rehabilitation Tax Credit the owner must file an application with the West Virginia State Historic Preservation Office. The application must be filed prior to the beginning of construction and approved prior to the beginning of construction. Commencing work prior to submission and approval of the application puts the owner at risk of not receiving the credit. The work will be reviewed according to the Standards.

1. The owner should undertake a rough initial calculation to determine if the proposed rehabilitation will meet the material rehabilitation test.
2. The owner should contact the SHPO to determine if the building qualifies as a certified historic structure. An initial review of eligibility for the National Register of Historic Places is helpful. The owner can complete the State Historic Inventory Form for evaluation by staff or simply file a Part 1 application.

3. The owner should obtain the appropriate application form, guidelines and instructions from the SHPO. A site visit by SHPO staff will often be arranged.
4. A completed application should be submitted to the SHPO for review. The original application form must be signed by the owner in appropriate locations and must be accompanied by supporting documentation such as maps, photographs, plans and specifications as specified in the instructions and the application form. SHPO staff will be happy to review preliminary or draft applications.
5. When the project is complete the owner must file with the SHPO an Historic Preservation Certification Application Request for Certification of Completed Work.
6. After approval of the application by the SHPO, the owner will receive written notification that must be filed with the proper state income tax form.

Notes and Cautions

The allowable costs for the rehabilitation tax credit are any costs properly chargeable to a capital account including interior work, plumbing, electrical, mechanical systems, roof work and some soft costs.

The West Virginia State Historic Preservation Office does charge a review fee to review applications.

Approval of a rehabilitation project by any other group, organization or governmental agency does not insure approval by the SHPO or NPS. Main Street Organizations, Historic Landmarks Commissions, Preservation Consultants, Architects and others may provide advice and assistance but approval for the credits rests solely with the West Virginia State Historic Preservation Office.

Please contact our office about the tax credits available for residential buildings. For additional information, application forms or a site visit to discuss your particular project contact the West Virginia State Historic Preservation Office at 304/558-0240.

CHECKLIST - WEST VIRGINIA RESIDENTIAL TAX CREDIT

Part 1 ELIGIBILITY OF PROJECT/ NATIONAL REGISTER LISTED

Even if the property is individually listed on the National Register, you must complete the owner information and contact information for this form.

____ One (1) copy of completed Part 1 application with signatures. Cover sheets should be on a golden yellow form.

____ One (1) set of photos depicting general view of exterior of building and any special interior features. Photos will be used to evaluate if building is eligible to be listed on the National Register; or to ascertain that the building still reflects the historic character from time of listing.

____ *If the building is already listed on the National Register:* On the cover sheet provide the name of the individual property or the historic district where the building is located. Under description, state if the building appears the same as the time of listing, or if changes have occurred. Provide a short history under the statement of significance.

____ *If the building is not yet listed on the National Register:* Complete Part 1.

Part 2 PLANNED REHABILITATION

____ One (1) copy of completed Part 2 with signatures. Cover sheet should be on a golden yellow form.

____ One (1) set of “before” photos of each planned construction activity; photo numbers should be tied to the numbered box on the form and to a floor plan. **Digitized photos not accepted.**

____ One (1) copy of any specs or blueprints. (This may depend on the scale of the project).

Part 3 COMPLETION OF PROJECT

____ One (1) copy of completed form with signatures.

____ One (1) set of “after” photos of each planned construction activity listed on the application under Part 2. Also send good photos of general changed appearance of project whether interior or exterior. **Digitized photos not accepted.**

Mail to:

Tax Credit Coordinator
West Virginia State Historic Preservation Office
The Cultural Center
1900 Kanawha Boulevard East
Charleston, WV 25305-0300
304/558-0240