

Welcome!

Session 1: Tax Credit Essentials & What Makes a Good Tax Credit Project



A.F. Bernot Brothers Building, Philadelphia – Before and After Rehabilitation



Historic Tax Credits are a Preservation & Economic Development Tool

- A **20% income tax credit** for the rehabilitation of historic, income-producing buildings
- In PA, FFY 2017 figures were **39 completed projects** for a total rehab costs of **\$331 million**
- From 1977-2018, PA has **2,500 completed projects** for total rehab costs of almost **\$7 billion**



Program Eligibility



"**Certified** historic structure"



Building must be **depreciable**



Rehabilitation must be **substantial**



Rehabilitation work must meet the **Standards**



Federal Tax Credit Application Process

Part 1

- Evaluation of Significance

Determines whether the building(s) is or is likely to be a Certified Historic Structure



Part 2

- Description of Rehabilitation

Determines whether the proposed rehabilitation work will meet the Secretary of the Interior's (SOI) *Standards for Rehabilitation*



Part 3

- Request for Certification of Completed Work

Determines whether the proposed rehabilitation work was completed as stated and meets the SOI *Standards*



For More Information:

Tax Incentives National Park Service website:

www.nps.gov/tps/tax-incentives

Federal Tax Credits PHMC/PA SHPO website:

www.phmc.pa.gov/Preservation/Grants-Funding/Pages/Federal-Tax-Credits

Internet Search:

historic tax credits

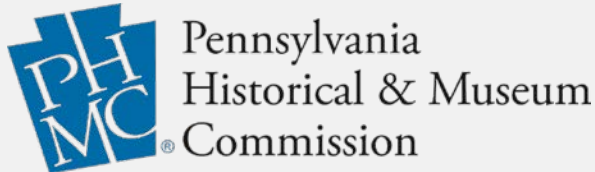


Question #1:

What role do you/your organization typically play in a federal historic tax credit project?



Panelists



Scott Doyle
Preservation Incentives Division Manager,
PA SHPO



Marcy Hart
Partner, Fox Rothschild LLP



Stephanie Caragher, CPA
Senior Manager, Cohn Reznick LLP

Question #2:

In 2017, Congress passed a new tax code and one of the many changes related to the historic tax credit.

What are these changes and how do they affect the value and use of the federal historic tax credit?



Question #3:

Is there an ideal building type, condition, new use, or team for a project that uses the historic tax credits?



Question #4:

From each of your perspectives, what is important to know about partnerships, syndication, and when *not* to use the historic tax credit to fund a project?



Question #5:

What should developers be aware of when trying to combine HTCs with other credits such as New Market tax credits and Low Income Housing tax credits?



Questions?



Pennsylvania State Historic Preservation Office

PENNSYLVANIA HISTORICAL AND MUSEUM COMMISSION

Investing In History Session 1:
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In closing...

If you could leave only one piece of advice for someone here today considering a tax credit project, what would it be?

