

CT Historic Tax Credits

The CT Historic Rehabilitation Tax Credit Program (C.G.S. [Sec. 10-416c](#)) establishes a 25% tax credit on the Qualified Rehabilitation Expenditures associated with the rehabilitation of a Certified Historic Structure for either 1) residential use of five units or more, 2) mixed residential and nonresidential use or 3) nonresidential use consistent with the historic character of such property or the district in which such property is located. An additional credit is available for projects that include affordable housing as provided in section 8-39a of the general statutes. Other program highlights include:

Program Specifics:

- 25% tax credit of the total qualified rehabilitation expenditures
- 30% tax credit of the total qualified rehabilitation expenditures if the project includes an affordable housing component provided at least 20% of the rental units or 10% of for sale units qualify under CGS Section 8-39a.
- \$31.7 million in tax credit reservations are available each fiscal year
- per project cap is up to \$4.5 million in tax credits
- qualified rehabilitation expenditures are hard costs associated with rehabilitation of the certified historic structure; site improvements and non-construction costs are excluded
- buildings must be listed on the National or State Register of Historic Places, either individually or as part of an historic district
- all work must comply with the Secretary of the Interior's Standards for Rehabilitation
- state tax credits may be combined with the 20% federal historic preservation tax credits provided the project qualifies under federal law as a substantial rehabilitation of depreciable property as defined by the Internal Revenue Service
- tax credit vouchers are issued after completion of rehabilitation work or, in phased projects, completion of rehabilitation work to an identifiable portion of the building placed in service (see Appendix B for instructions on phased projects)
- tax credits are available for the tax year in which the building or, in phased projects, an identifiable portion of the building is placed in service
- tax credits can only be used by C corporations with tax liability under Chapters 207 through 212 of the Connecticut General Statutes

tax credits can be assigned, transferred or conveyed in whole or in part by the owner to others up to three times

Eligible Costs

Not every expense associated with a rehabilitation project contributes toward the calculation of the tax credit. Eligible costs, or Qualified Rehabilitation Expenditures, include only the hard costs related to the repair or improvement of structural and architectural features to the Certified Historic Structure.

Please note only costs incurred after approval of the Part 2 application are eligible for the purpose of calculating the tax credit. These costs may include:

- Walls
- Partitions
- Floors
- Ceilings
- Permanent coverings, such as paneling or tiles
- Windows and doors
- Components of central air conditioning or heating systems
- Plumbing and plumbing fixtures
- Electrical wiring and lighting fixtures
- Chimneys
- Stairs
- Escalators, elevators, sprinkler systems, fire escapes
- Other components related to the operation or maintenance of the building

Ineligible expenditures include:

- Acquisition costs
- Appliances
- Carpeting (if tacked in place and not glued)
- Decks (not part of the original building)
- Demolition costs (removal of a building on property site)
- Fencing, landscaping, parking lots, sidewalks, retaining walls

- New construction

- Window treatments