



**Wisconsin Economic Development Corporation
Program Guidelines for Calendar Year 2024**

Program Name: Historic Preservation Tax Credit (HTC)

Program Inception: 2013 Wisconsin Act 62

Lead Division: Business and Community Development

New **Revised** [Click here to enter a date.](#)

Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

The goal of the Historic Preservation Tax Credit (HTC) Program is to incent reinvestment into historic main streets, downtowns, and commercial districts in the state of Wisconsin.

Program Description:

The Historic Preservation Tax Credit program provides transferable tax credits to eligible entities rehabilitating certified historic buildings. The state program acts as a supplement to the federal program, allowing for a state credit of 20 percent of qualified rehabilitation expenditures for certified historic structures. A "certified historic structure" is a building that is listed individually in the National Register of Historic Places or is located in a registered historic district and is certified by the National Park Service as contributing to the historic significance of that district.

Eligibility Requirements:

Definitions:

- "Parcel" is defined as a real property parcel number as identified on the tax bill.
- "Project" is defined as a Part 1/Part 2 tax credit application as identified by the State Historic Preservation Office (SHPO) pursuant to Wisconsin Statutes. If the building is already individually listed in the National Register of Historic Places, a Part 1 is not required.
- "Certification date" is defined as the date on which the SHPO recommends conditional approval of the project (by forwarding the Part 2 application to the National Park Service) unless the tax credit recipient selects a later date and is the first date on which the eligibility to earn historic preservation tax credits begins.

Nonprofits are not eligible for certification unless 1) the entity is a 501(c)(3), and the entity intends to sell or otherwise transfer the credit¹, or 2) the entity is a nonprofit other than a 501(c)(3) as described above, and WEDC receives approval of the proposed Project from the Joint Committee on Finance under 14-day passive review.²

For taxable years beginning after December 31, 2013, applicants may be certified to claim tax incentives for qualified rehabilitation expenditures on eligible buildings and Projects.

Certification requires that the claimant provide the following to the WEDC:

- Evidence that the rehabilitation was recommended by the State Historic Preservation Officer (SHPO) for approval by the secretary of the interior before the physical work of construction, or destruction in preparation for construction, began.³
- Evidence that the taxpayer obtained written certification from SHPO that the property qualifies under any of the following:
 - Listed in the National Register of Historic Places in Wisconsin or the State Register of Historic Places;
 - Determined by the Wisconsin Historical Society (WHS) to be eligible for listing in the National Register of Historic Places or the State Register of Historic Places;
 - Located in a historic district that is listed in the National Register of Historic Places or the State Register of Historic Places and is certified by the SHPO as being of historic significance to the district; or
 - An outbuilding of an otherwise eligible property certified by the SHPO as contributing to the historic significance of the property.⁴
- The costs were not incurred before the state historical society approved the proposed preservation or rehabilitation plan.⁵
- The cost of the person's qualified rehabilitation expenditure, as defined in section 47 (c)(2) of the Internal Revenue Code, is at least \$50,000.⁶
- The rehabilitated property is placed in service after December 31, 2013.⁷
- The proposed preservation or rehabilitation plan complies with standards promulgated under § 44.02 (24), Wis. Stats. and the completed preservation or rehabilitation substantially complies with the proposed plan.⁸
- No physical work of construction or destruction began prior to the recommendation of the proposed preservation or rehabilitation by the SHPO.⁹

¹ Wis. Stat. §238.17(3)(a)

² Wis. Stat. § 238.17(3)(b).

³ Wis. Stat. §§ 71.07(9m)(c)1; 71.28(6)(c)1; 71.47(6)(c)1.

⁴ Wis. Stat. §71.07(9m)(c)2.a.; 71.28(6)(c)2.a.; 71.47(6)(c)2.a.

⁵ Wis. Stat. §71.07(9m)(c)2.d.; 71.28(6)(c)2.d.; 71.47(6)(c)2.d.

⁶ Wis. Stat. §71.07(9m)(a)2m; 71.07(9m)(a)3; 71.28(6)(a)2m; 71.28(6)(a)3; 71.47(6)(a)2m; 71.47(6)(a)3

⁷ Wis. Stat. §71.07(9m)(a)2m; 71.07(9m)(a)3; 71.28(6)(a)2m; 71.28(6)(a)3; 71.47(6)(a)2m; 71.47(6)(a)3

⁸ Wis. Stat. §71.07(9m)(c)2.b.; 71.28(6)(c)2.b.; 71.47(6)(c)2.b.

⁹ Wis. Stat. § 71.07(9m)(c)1; 71.28(6)(c)1; 71.47(6)(c)1

- The eligible costs are not incurred to acquire any building or interest in a building or to enlarge an existing building.¹⁰
- The rehabilitated property must be used for income-producing purposes, i.e., used in a trade or business or for the production of rental income.¹¹

WEDC may deny certification to an otherwise eligible Project based on funding availability or other application criteria. Funding certifications will be effective for two years commencing on the initial Certification Date and must be claimed based on actual qualified rehabilitation expenditures by the conclusion of the two-year period; however, a Project may be approved for five years if the rehabilitation is substantial and occurring in phases. WEDC may extend certification windows at its discretion.

If a person who claims a credit under this subsection and a credit under section 47 of the Internal Revenue Code for the same qualified rehabilitation expenditures is required to repay any amount of the credit claimed under section 47 of the Internal Revenue Code, the person shall repay to the Department of Revenue a proportionate amount of the credit claimed under this subsection.¹²

Incentives and Available Funding (CY23):

The incentive through this program is a 20% transferable tax credit of qualified rehabilitation expenses. Fund certifications are awarded on a rolling basis, at the discretion of WEDC. In accordance with 2017 Wisconsin Act 280, the maximum amount of credits for all Projects undertaken on the same Parcel may not exceed \$3,500,000.¹³

Activities and Expected Outcomes:

Assist 20 community Projects and achieve a 5:1 leverage of other investment.

Performance Reporting:

Recipients will be required to submit a performance report upon Project completion.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

WEDC may impose additional reporting requirements to evaluate Project performance and to ensure compliance with contract deliverables.

¹⁰ Wis. Stat. §71.07(9m)(c)2.c.; 71.28(6)(c)2.c.; 71.47(6)(c)2.c.

¹¹ I.R.C. Section 47(c)(1)(A)(iv).

¹² Wis. Stat. §71.07(9m)(i); 71.28(6)(i); 71.47(6)(i)

¹³ Wis. Stat. § 238.17(2).



Application and Awards Process:

The HTC program has a continuous application process. WEDC certifications for Certified Historic Buildings will adhere to the following process:

1. Applicant must submit Part I and II of the Historic Preservation Certification Application to WHS.
2. WHS will provide to WEDC evidence that the planned rehabilitation is recommended by the SHPO.
3. WEDC, upon review, may issue a Historic Preservation Tax Credit Certification.

Certifications may be amended by submitting the Project through SHPO's Part II amendment process or upon completion of the Part III Historic Preservation Certification Application. WEDC will determine if the amendment warrants an increase in certified funds.

For more information on application review, internal process, and award distribution, please refer to the WEDC's award administration policies and procedures.

Revision History:

Effective Date	Description of Change
7/1/2017	Revised reporting requirements to use DOR Schedule HR instead of IRS form 3468
7/1/2017	Clarified eligibility requirements for certified historic structures and qualified rehabilitated buildings
9/23/2017	Pursuant to 2017 Act 59, prohibited nonprofits from eligibility for certification except under certain circumstances
9/23/2017	Pursuant to 2017 Act 59, recipients are required to repay a proportionate amount of the state credits in cases where claimants were required to repay any portion of the federal credits
7/1/2018	Pursuant to 2017 Wisconsin Act 280, the maximum amount of credits for all projects undertaken on the same parcel may not exceed \$3,500,000
7/1/2018	Pursuant to 26 U.S.C. § 47 (2017) (as amended in 2017 by Pub. L. No. 115-97), eliminated eligibility for qualified rehabilitated buildings
7/1/2018	Added statutory citations
7/1/2019	Clarified definitions in consultation with the Wisconsin State Historic Preservation Office; added statutory citations; clarified performance reporting requirements; removed unnecessary language from the application and awards process
7/1/2020	Eliminated NPS Part III performance reporting requirement
4/20/2021	Aligned program guidelines with the calendar year
7/22/2021	Revised the duration of the certification period per guidance from the State Historic Preservation Office

PROGRAM REVIEW:

This document has been reviewed by the following parties (Check all that apply):

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior Director of Policy: Flannery Geoghegan

Date 1/17/2024

Division Vice President: Michael Ward

Date 1/17/2024

Senior Vice President of Strategic Investment & Evaluation: Shilly Bran

Date 1/17/2024

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date 1/17/2024