



Historic Preservation Tax Credit

Program Guidelines for Calendar Year 2025	
Lead Division: Business and Community Development	
<input type="checkbox"/> New	<input checked="" type="checkbox"/> Revised (1/1/2025)
<input type="checkbox"/> Grant	<input type="checkbox"/> Loan <input checked="" type="checkbox"/> Tax Credit <input type="checkbox"/> Technical Assistance

Introduction

Background Information: The Historic Preservation Tax Credit (HTC) 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.

Program’s Purpose: The goal of the HTC Program is to incent reinvestment into historic Main Streets, downtowns, and commercial districts in the state of Wisconsin.

Eligibility Requirements

Certification:

Nonprofits are not eligible for certification unless (1) the entity is a 501(c)(3) that 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, began³
- 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

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.

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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 the building's adjusted basis value and equal to 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 Wis. Stat. §44.02(24), 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
- 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

Available Incentives

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.

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

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).



Impact: The HTC Program reinforces community infrastructure by making updates to historically significant buildings more affordable, which preserves community character. The program supports a more resource-efficient development approach through renovation of existing structures rather than demolition and new construction. Completed projects may aid in the revitalization of an area through a conversion from vacancy to commercial and/or residential growth, often situated in or around a community’s historic commercial corridor.

Metrics:

Metrics for the HTC Program include but are not limited to:

- Leverage – Total
- Capital Investment

Application Guideline

Timeline: The HTC Program has a continuous application process.

Review Considerations: WEDC may take the following into account when evaluating applicants:

- Project has a conditional approved Part 2 from the State Historic Preservation Office.
- Project meets eligibility requirements of Historic tax credit program.

How to Apply: An interested applicant should contact a WEDC Account Manager to determine if their project is right for the program. Upon review of the project and alignment with eligibility criteria, an applicant will be invited to submit their application through Network Wisconsin.

Award Process:

WEDC certifications for Certified Historic Buildings will adhere to the following process:

1. Applicant must submit Part I (or be listed in the National Register of Historic Places) and Part 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 an HTC Certification.

Certifications may be amended in coordination with SHPO. WEDC will determine if the amendment warrants an increase in certified funds.

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 documentation 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.

Helpful Information:



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 HTCs begins.

Revision History

Program Inception – 2013 Wisconsin Act 62 – Fiscal Year 2014

- 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
- 1/1/2025: Clarified that the minimum amount of Qualified Rehabilitation Expenditures must be at least the building's adjusted basis and at least \$50,000.

PROGRAM REVIEW:

This document has been reviewed by the following parties:

- ✓ Chief Operating Officer
- ✓ Chief Legal Officer
- ✓ Chief Financial Officer
- ✓ Senior Vice President of Strategic Investment & Evaluation
- Senior Director of Policy - VACANT



Division Vice President: Michael Ward

Date: 12/5/2024

CEO or Designee: [Signature]

Date: 12/5/2024