



## Historic Preservation Newest Colorado Tax Credit

Colorado is putting its money where its mouth is in investing in protecting the state's land, environment and history. Following the conservation easement and environmental remediation credits, comes the commercial historic preservation tax credit. This generous credit can be as much as \$1M per year for a qualifying project.

This tax credit promotes revitalizing historic buildings in Colorado for commercial use. To qualify, the building must be a Certified Historic Structure that is at least 50 years old. Certified Historic Structures may be listed on the National Register of Historic Places, State Register of Historic Places or a local governmental landmark in a designated historic district. Qualified applicants can be Colorado taxpayers or an entity exempt under section 501(c) of the internal revenue code.

The types of work that qualify are repairs or alterations that meet the standards for rehabilitation of the US Secretary of the Interior. Non-qualifying expenditures are accounting, legal and permitting fees, landscaping and additions. History Colorado can answer questions about specific projects and whether the costs will qualify. See [www.h-co.org/statetaxcredit](http://www.h-co.org/statetaxcredit).

To determine the amount of credits you can receive, it first depends on where your building is located. Thirty-seven Colorado counties that have had a disaster declaration in the past six years qualify for an additional 5% credit. For non-disaster counties, you earn a 25% credit for the first \$2M in expenditures and a 20% tax credit for expenditures over \$2M. For counties that have declared a disaster, you earn a 30% credit for the first \$2M in expenditures and a 25% credit for expenditures over \$2M. For any county, the maximum credit you can earn is \$1M.

The program is limited to \$5M in credits for 2016, \$10M in 2017, \$10M in 2018 and \$10M in 2019. The program sunsets at the end of 2019. Credits can be carried forward for up to ten years or transferred.

Tax Credit Connection is excited to have another credit available for its buyers. Buyers will now have a choice between three different types of Colorado tax credits they can purchase. We plan to keep the pricing the same for buyers of all three types of credits and sellers will still earn 83% of the value of the credits they choose to sell.

Although historic preservation credits cannot be issued until July 1, 2016, it's not too early to register your project with the Office of Economic Development and International Trade. They have a very sophisticated website that allows you to create an account and register for the credits with a few clicks of your mouse. See [www.advancecolorado.com/hptc](http://www.advancecolorado.com/hptc).

### **For more information, please contact:**

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*This information is not intended to be legal or financial advice. Please consult your own advisor.*