

GENERAL INFORMATION

Tax Credits for Historic Income-Producing Buildings

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While we are working remotely, we continue to review preservation tax credit applications.

Please contact Jen Davel at jennifer.davel@wisconsinhistory.org.

Owners of historic income-producing properties in Wisconsin may be eligible for two income tax credits that can help pay for their building's rehabilitation.

The Federal Historic Preservation Tax Credit Program

This program returns 20 percent of the cost of rehabilitating historic buildings to owners as a federal income tax credit.



Frank DeBoth Building, 1887

De Pere, Wisconsin. This building on Main Street is a part of the Main Avenue Historic District. It is an example of a historic income-producing building that qualifies for tax credits. View the property record: [AHI 79530](#)

The Wisconsin Historic Preservation Tax Credit Program

This program returns 20 percent of the cost of rehabilitating historic buildings, up to \$3.5 million per parcel, to owners as a Wisconsin income tax credit.

How to Qualify for the Federal and State Historic Preservation Credits

This is a summary and is not intended to cover all program rules and guidelines. Additional information on the federal credit can be obtained through the [National Park Service](#).

While the goal of the program is to preserve significant buildings, it is also an income tax program. Applicants must meet IRS and Wisconsin Department of Revenue requirements. Before you apply, we suggest you talk to your accountant to see if the program will work for you.

How to Qualify:

① Own a Historic Building

A building is considered "historic" if it is listed in the National Register of Historic Places or if the NPS determines that it contributes to the character of a National Register historic district. A building can also receive a preliminary determination of eligibility for the Register through the tax credit application process. In this case, the owner must formally list the property in the National Register prior to claiming any tax credits.

If an owner is using only the state tax credit, a building is considered "historic" if it is listed in the State Register or the National Register of Historic Places or if it contributes to the character of a listed historic district. A building can also receive a preliminary determination of eligibility for the Register through the tax credit application process. In this case, the owner must formally list the property in the State Register or the National Register prior to claiming any tax credits.

② Use the Building for Income-Producing Purposes

Income-producing buildings are those used in a trade or business or for the production of rental income.

③ Formally Apply to the Wisconsin Historical Society

Prior to submitting application materials, we recommend you contact one of the preservation architects listed below. Depending on the complexity of your project, they may want to tour the building with you to determine if the proposed project meets the Standards. Application materials must be completed and mailed to the Society.

④ Rehabilitate the Building Following Program Standards

All work must comply with the Secretary of Interior's [Standards for Rehabilitation](#).

⑤ Spend the Minimum Amount Required on Rehabilitation

If an owner plans to spend an amount equal to or greater than the building's adjusted basis value or **\$5,000**, whichever is greater, then the owner can apply for the 20 percent federal tax credit.

If an owner plans to spend less than the building's adjusted basis value but more than **\$50,000**, the owner can apply for the 20 percent state tax credit.

If an owner plans to spend an amount equal to or greater than the adjusted basis value and greater than **\$50,000**, the owner qualifies for both the federal and state tax credits.

Both state and federal programs allow this amount of money to be spent in either a two-year or five-year period.

⑥ Claim the Credit for Eligible Expenses Only

The cost of all work on the historic buildings, inside and out, is eligible for the credit with the exception of moveable equipment. The cost of site work, such as landscaping or paving, and the cost of new construction (such as new additions) are not eligible expenses.

⑦ Maintain Ownership of the Building and the Building's Historic Character for Five Years

If within five years of the building being placed into service, it is sold or altered in a way that diminishes its historic character, the tax credit must be repaid to the IRS and to the Wisconsin Department of Revenue (DOR). Repayment is prorated over the five-year period after the building is placed in service. Once the completed work is approved, the owner may claim 20% of the total credit per year for five years. This new law applies to both the state and federal credits.