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Connecticut Historic Structures Tax Credit - An Outline

Credits

- \$15 million per year total
- 25% of qualified rehabilitation costs, up to \$2,700,000
- May be assigned to other parties
- Credit may be claimed in the tax year the property receives its Certificate of Occupancy (CO)
- Credits may be carried over for up to five years
- For multi-phase projects, owner may claim a partial credit in proportion to the part of the project that receives a CO in a particular tax year

Eligibility

- Eligible properties are commercial or industrial properties listed individually in the National Register or located in a National Register district. The Connecticut Commission on Culture and Tourism (CCCT) must certify that the property contributes to the district
- The rehabilitation must be for residential use
- Eligible owners include individuals, firms, limited liability companies, nonprofit and for-profit corporations and other business entities
- Work must exceed 25% of the structure's assessed value

Process

- Request the CCCT to reserve credits and submit plans, specifications and cost estimates prior to beginning work
- Eligible costs include any costs except personal labor, new additions not code necessary and soft costs
- The CCCT will adopt standards to determine how the use and construction is consistent with the historic character of the district
- The credit is claimed, by way of a voucher, after the work is completed and verified
- The voucher can be used to offset the corporation tax, similar taxes on air carriers and insurers, or the tax on railroad, express, telegraph, cable, cable TV and utility companies
- Owners who start work prior to July 1, 2006 can request a credit reserve if the plan meets the standards of CCCT and the work is not substantially complete
- Multiple owners must pass the credit through to those designated as partners, members or owners. The owners must pass a pro rata share through to the designated parties or the portion determined by an agreed alternative distribution method

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