



Vermont Downtown Program

SUMMARY OF THE DOWNTOWN AND VILLAGE CENTER TAX CREDITS

There are three tax credits designed to assist with rehabilitation and code improvements for older and historic buildings located within designated downtowns and village centers:

- **10% State Historic Rehabilitation Tax Credit** – This credit applies to the costs for substantially rehabilitating a certified historic building, and piggy-backs on to the 20% Federal Rehabilitation Investment Tax Credit. All building related rehabilitation costs are eligible including exterior and interior improvements and code compliance. The first \$500,000 in costs receives a 10% credit along with half the costs over \$500,000.
- **25% Façade Improvement Tax Credit** – This credit applies to the rehabilitation of a building façade. Maximum award is \$25,000. It cannot be used for a building that is eligible under the 10% Historic Rehabilitation credit above.
- **50% Code Improvement Tax Credit** – This credit applies to the costs of bringing a building into compliance with state building codes, to abate hazardous materials, or to redevelop a contaminated property. It includes a maximum award of \$12,000 for a platform lift, \$50,000 for sprinkler systems, \$50,000 for elevators, and \$25,000 for the combined costs of all other qualified code improvements, as well as costs for hazardous material abatement and contaminated sites redevelopment. This credit may be used in conjunction with the other two credits, as long as the applicant does not request credits more than once on an eligible expenditure (i.e., no double dipping).

Standard provisions:

- Buildings must be located within the boundary of a Designated Downtown or Designated Village Center;
- Buildings must be constructed before 1983. Government and religious buildings, as well as single family residences, are not eligible;
- A minimum expenditure of \$5,000 must be made;
- Only one application may be made for a building during any 2 year period;
- Bank Credit Certificate – for applicants who do not have the tax liability to use a tax credit, the credit may be sold to a bank in exchange for cash or for adjustments to a mortgage.
- These tax credit programs are capped at \$1,600,000 annually, and no more than \$480,000 can be awarded to projects within any one municipality.

Application Guidelines are available at www.HistoricVermont.org. For questions or additional information contact Chris.Cochran@state.vt.us

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Department of Housing and Community Affairs
Division for Historic Preservation

National Life Building, Drawer 20 • Montpelier, Vermont 05620-0501
Phone 802-828-3211 • Fax 802-828-3206
www.HistoricVermont.org