

Downtown and Village Center Tax Credit Program

Tax Credit Matrix

	20% Historic (Federal)	10% Historic (State)	25% Façade (State)	50% Code (State)
Eligible buildings	Income-producing property listed OR eligible for listing in the National Register.	Approved federal application and located within a Designated Downtown or Village Center.	At least 30 years old and located within a Designated Downtown or Designated Village Center.	
Eligible applicants	Individuals and businesses.	Individuals, businesses, and non-profit organizations.		
Eligible work	Hard and some soft costs. Exceptions include site work and additions, including elevator towers.	All costs eligible for the 20%. Cost exceeding \$100K for elevator and sprinklers are eligible.	Improvements to the front of the building only as approved by DHCD staff.	Elevator, Sprinkler, and Lift and code work as required by the Department of Public Safety (DPS).
Design Standards	Secretary of the Interior's Standards for Rehabilitation.			
Minimum investment	More than \$5,000 OR the adjusted basis of the property, whichever is greater.		More than \$5,000 AND less than the building's adjusted basis.	
Credit Cap Total credits capped at \$2.6 M per state fiscal year. Community cap of no more than 30% of total credit amount available.	None. May be combined with the state 10% Historic, and 50% Code credits.	10% of the first \$500,000 in project costs and half the costs exceeding \$500,000. May be combined with the 50% Code credit.	\$25,000. May be combined with the 50% Code credit.	\$50,000 for a sprinkler system; \$75,000 for an elevator; \$60,000 for a LULA; \$12,000 for a lift; \$50,000 for other code work. May be combined with the Federal 20%. If eligible, the credit may be combined with the 10% historic credit OR 25% Façade credit but never both.
Time limit	24 months; 60 months for phased project.	Project must be completed within 3 years from date of allocation (60 months for phased federal project) or the credits are forfeited.		
Carry forward	claimed over 5 years (4% each year)	9 years		
Application Process	No deadline. Pre-construction consultation strongly encouraged. Approved Part 1 and 2. Part 1 certifies the building as historic. Part 2 describes the proposed rehabilitation.	Applications due July 1 until credits are exhausted. Eligible projects must have approved Part 2 from NPS. Application reviewed by Vermont Downtown Board.	Applications due July 1 until credits are exhausted. Pre-construction consultation recommended. Application reviewed by Vermont Downtown Board.	Applications due July 1 until credits are exhausted. Proof of DPS inspection required to apply. Application reviewed by Vermont Downtown Board.
	Part 3 certified by the NPS. File IRS Form 3468.	Credits issued to applicant or as a Bank Credit Certificate or Insurance Credit Certificate. Attach approved Tax Credit Certificate to State Forms. *To determine tax implications for sale of tax credits specific to your circumstances, consult accountant or tax attorney.		