

Minnesota Historic Rehabilitation Tax Credit

The Program At-A-Glance

November, 2011

The Minnesota Historic Rehabilitation Tax Credit Program (HRTC) was established by the State of Minnesota in 2010 through the Jobs Stimulus Bill, Session Laws 2010, Chapter 216. The program is an incentive to catalyze job creation in the construction industry through historic preservation. Minnesota was the 31st state in the nation to enact a HRTC program after 11 years of advocacy by the Preservation Alliance of Minnesota and the Minnesota Historical Society with dozens of other partners including the Building Jobs Coalition.

How Does It Work?

- Allows credit on state income taxes equal to 20% of the qualified cost of a historic rehabilitation or a grant-in-lieu-of-credit of 90% of the allowable credit; the applicant chooses the incentive;
- Parallels federal historic rehabilitation 20% tax credit leveraging additional financial sources; unlike the federal credit, Minnesota's is refundable (no carry-back or -forward);
- Useful for income-producing property including commercial, residential, and industrial developments;
- Minnesota's credit is certificated, so it may be sold to credit buyers or used against own income liability;
- The HRTC program has the guaranty that if you qualify and meet all of the requirements, you will receive the allocation; it is not a competitive program;
- The HRTC program current sunsets in 2015.



Renaissance Box, Saint Paul

The historic O'Donnell Shoe Factory was re-born as Renaissance Box in 2011, an affordable housing project. Developer Aeon purchased the vacant building out of foreclosure. The first Developer to complete a HRTC project, Aeon credits the program for making Renaissance Box a reality.

Photo courtesy of Aeon

What Types of Properties and Projects are Eligible?

- Those listed in the National Register of Historic Places, or Contributing in a National Register District or Certified Local District;
- Must be a building;
- Must be an income producing property;
- Must meet the IRS substantial rehabilitation test—to meet or exceed the Adjusted Basis;
- Must meet the Secretary of the Interior Standards for Rehabilitation;
- Must be allowed the Federal Historic Rehabilitation Credit

How Do I Apply?

- The HRTC is administered by the Minnesota State Historic Preservation Office (SHPO) and the National Park Service (NPS); application is made to SHPO for both the state and federal programs;
- Contact Natascha Wiener at Natascha.Wiener@mnhs.org or 651.259.3462;
- For more information, visit www.mnhs.org/shpo or www.nps.gov/tps

