

Regulations of Connecticut State Agencies

TITLE 10. Education and Culture

Agency

Department of Economic and Community Development

Subject

Historic Structures Rehabilitation Tax Credits

Inclusive Sections

§§ 10-416a-1—10-416a-12

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Historic Structures Rehabilitation Tax Credits

Sec. 10-416a-1. Definitions

As used in sections 10-416a-1 to 10-416a-12, inclusive, of the Regulations of Connecticut State Agencies, the following terms shall have the following meanings:

(1) “Assignor” means an owner or multiple owners of a certified historic structure to whom the tax credit voucher is originally issued by the department;

(2) “Assignee” means a holder of a tax credit voucher as a result of a transfer by the assignor;

(3) “Certified historic structure” means a certified historic structure as defined in section 10-416a of the Connecticut General Statutes;

(4) “Certified Rehabilitation” means certified rehabilitation as defined in section 10-416a of the Connecticut General Statutes;

(5) “Complex” means a property that either is listed individually on the National or State Register of Historic Places or is located in a district listed on the National or State Register of Historic Places and that has two or more buildings that have been functionally related historically;

(6) “Contributing taxpayer” means a third-party taxpayer with tax liability under Connecticut General Statutes Chapters 207, 208, 209, 210, 211 or 212 named by the assignor to receive the tax credit voucher;

(7) “Department” means the Department of Economic and Community Development;

(8) “Identifiable portion of the building” means an entire floor, a section of the building separated from another section by an historic firewall or, in buildings with several periods of construction, a section that represents a distinct period of construction;

(9) “Inspection” means an on-site visit by an authorized representative of the department for the purposes of reviewing and evaluating the significance of the certified historic structure and the proposed, ongoing or completed rehabilitation work;

(10) “Multiple owners” means either direct owners in the form of tenants-in-common or indirect owners in cases where the limited liability partnership or limited liability company undertaking a certified rehabilitation includes more than one person or business entity as partners or members;

(11) “Officer” means the State Historic Preservation Officer as defined in section 10-416a of the Connecticut General Statutes;

(12) “Owner” has the same meaning as provided in section 10-416a of the Connecticut General Statutes;

(13) “Phased project” means an undertaking where the proposed rehabilitation work to a certified historic structure is to be completed in two or more stages of development;

(14) “Placed in service” has the same meaning as provided in section 10-416a of the Connecticut General Statutes;

(15) “Project” means an undertaking involving rehabilitation work to a certified historic structure and any attached or adjacent new construction, associated demolition or improvements on the site that may affect the historic character or significance of the certified

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historic structure;

(16) “Qualified rehabilitation expenditures” has the same meaning as provided in section 10-416a of the Connecticut General Statutes;

(17) “Rehabilitation” means the preservation of a historic building, its component elements and its structural system by means of repairs or selective replacement of worn out materials and alterations that are consistent with the building’s historic character;

(18) “Rehabilitation plan” has the same meaning as provided in section 10-416a of the Connecticut General Statutes;

(19) “Registered historic district” means a district that is listed on either the National or State Register of Historic Places;

(20) “Residential Use” means individual residential apartment or condominium units as well as communal facilities including, but not limited to exercise rooms, laundry rooms, lounges and tenant storage spaces;

(21) “Standards” means the Standards for Rehabilitation as specified under section 10-416a-7 of the Regulations of Connecticut State Agencies; and

(22) “Substantial rehabilitation” has the same meaning as provided in section 10-416a of the Connecticut General Statutes.

(Adopted effective January 2, 2007; Amended June 12, 2009; Amended August 2, 2012)

Sec. 10-416a-2. General rules

(a) Who May Apply

(1) Applications shall be submitted by the owner of a property listed on the National or State Register of Historic Places or, in cases of multiple owners, applications may be made by a duly authorized joint owner, partner or member on behalf of the owners.

(2) For purposes of sections 10-416a-3 and 10-416a-5 of the Regulations of Connecticut State Agencies, a person or business entity that is not the owner of a property listed on the National or State Register of Historic Places shall be eligible to apply provided such person or business entity submits evidence that the owner has been informed of the application and has no objection to the filing.

(3) If a complex constitutes more than one legal parcel and the parcels are under separate ownership, the owner of the legal parcel who is seeking tax credits shall be eligible to apply.

(b) How to Apply

(1) The owner shall submit requests for approvals, certifications, reservation of tax credits and issuance of a tax credit voucher on forms prescribed by the department. In cases where the owner also seeks to claim the federal historic preservation investment tax credit for a building located in a district listed on the National Register of Historic Places, applications for determination of historic structure status and approval of proposed rehabilitation plan may be made on the Part 1 or Part 2 applications, respectively, of the Historic Preservation Certification Application used by the National Park Service, with such additional forms and information as may be required by the department.

(2) The owner may apply at any time during a state fiscal year, subject to the application

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requirements under sections 10-416a-3, 10-416a-5, 10-416a-8, 10-416a-10 and 10-416a-11 of the Regulations of Connecticut State Agencies.

(c) Department Review

(1) The department shall review and issue a decision not more than thirty calendar days after receipt of a complete application.

(2) If an application is incomplete, not more than thirty calendar days after receipt the department shall notify the owner in writing and indicate what information is needed to undertake or complete review.

(3) The department shall not commence review of applications for preliminary certification and reservation of tax credits, and for issuance of tax credit vouchers until receipt of the required fee payments as indicated under section 10-416a-12 of the Regulations of Connecticut State Agencies.

(4) The department may undertake an inspection of the historic structure prior to any application approvals or certifications.

(5) Department decisions are made in writing by the officer or other duly authorized representative of the department. The signature of the owner or duly authorized agent on any application form is a representation to the department that the facts contained in the application are true and correct.

(6) In cases where the owner has submitted Part 1 or Part 2 applications of the Historic Preservation Certification Application used by the National Park Service, and any additional application materials required by the department, if, pursuant to 16 USC 470 and in accordance with section 10-409 of the Connecticut General Statutes, a recommendation is made to the National Park Service for approval, such recommendation shall be considered certification or approval action under sections 10-416a-3 and 10-416a-5 of the Regulations of Connecticut State Agencies, respectively.

(Adopted effective January 2, 2007; Amended June 12, 2009; Amended August 2, 2012)

Sec. 10-416a-3. Determination of historic structure status

(a) Application Requirements

(1) No application requesting determination of historic structure status is required for a property that contains a single building and is individually listed on either the National or State Register of Historic Places.

(2) If a property is located in a registered historic district, prior to filing a request for approval of a proposed rehabilitation plan under section 10-416a-5 of the Regulations of Connecticut State Agencies and a request for preliminary certification and reservation of tax credits under section 10-416a-8 of the Regulations of Connecticut State Agencies, the owner shall obtain a determination of historic structure status from the officer.

(3) If the property is a complex, whether individually listed on the National or State Register of Historic Places or listed as part of a registered historic district, the owner shall apply for a determination of historic structure status for the building that is to be rehabilitated as part of a single or multi-building project.

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(4) The owner shall provide (A) photographs of the building and its surroundings; (B) a map showing the boundaries of the complex or registered historic district and the location of the building; and (C) a statement of historic and architectural significance.

(5) The owner shall provide a certificate of title or title insurance, or if the application is submitted by the owner's duly authorized agent, a written statement from the owner in accordance with section 10-416a-2 (a) (2) of the Regulations of Connecticut State Agencies.

(6) The officer shall review and issue a decision not more than thirty calendar days after receipt of a complete application. If an application is incomplete, not more than thirty calendar days after receipt the officer shall notify the owner in writing and indicate what information is needed to undertake or complete review. The owner shall have thirty calendar days after the date of notification by the officer to respond in writing and provide the requested information. Upon written request by the owner on or before the original deadline, the officer shall grant an extension to the owner of not more than thirty calendar days.

(7) The owner may satisfy the application requirements under subdivision (4) of this subsection if the owner (A) has obtained a recommendation of approval from the officer of the Part 1 application of the Historic Preservation Certification Application used by the National Park Service for a building located in a district listed on the National Register of Historic Places; and (B) provides evidence of said recommendation of approval.

(b) Certification Actions

(1) If a building located in a registered historic district meets the criteria under section 10-416a-4 of the Regulations of Connecticut State Agencies, the officer shall determine that the building qualifies as a certified historic structure.

(2) For purposes of evaluating whether a building in a complex contributes to the historic character of the complex, the officer shall use the criteria under section 10-416a-4 of the Regulations of Connecticut State Agencies. If a building located in a complex meets the criteria, the officer shall determine that the building qualifies as a certified historic structure.

(3) If a building located in a complex or registered historic district does not meet the criteria under section 10-416a-4 of the Regulations of Connecticut State Agencies, the officer shall determine that the building shall not qualify as a certified historic structure. The officer shall provide a written explanation citing the reason for denial.

(Adopted effective January 2, 2007; Amended June 12, 2009; Amended August 2, 2012)

Sec. 10-416a-4. Criteria for evaluating historic character within a registered historic district

A building shall be considered contributing to the historic character of the registered historic district in which it is located if by design, setting, materials, workmanship, integrity and association it adds to the district's sense of time and place and historical development.

(Adopted effective January 2, 2007; Amended June 12, 2009; Amended August 2, 2012)

Sec. 10-416a-5. Approval of proposed rehabilitation plan

(a) Prior to requesting a preliminary certification and reservation of tax credits under

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section 10-416a-8 of the Regulations of Connecticut State Agencies, the owner shall apply for approval of a proposed rehabilitation plan for a certified historic structure.

(b) Application Requirements

(1) The owner shall provide (A) a rehabilitation plan; (B) photographs of the interior and exterior of the certified historic structure; (C) a written description of the project; (D) a project site plan that includes the location of the certified historic structure, and any associated new construction, demolition and site improvements; and (E) such additional architectural or other drawings or technical information as are necessary to evaluate rehabilitation work.

(2) The owner shall provide a certificate of title or title insurance, or if the application is submitted by the owner's duly authorized agent, a written statement from the owner in accordance with section 10-416a-2 (a) (2) of the Regulations of Connecticut State Agencies.

(3) In phased projects, the application shall indicate the number of phases, the timeframe for each and include sufficient information to evaluate whether all phases of the proposed rehabilitation work meet the standards.

(4) The officer shall review and issue a decision not more than thirty calendar days after receipt of a complete application. If an application is incomplete not more than thirty calendar days after receipt the officer shall notify the owner in writing and indicate what information is needed to undertake or complete review. The owner shall have thirty calendar days after the date of notification by the officer to respond in writing and provide the requested information. Upon written request by the owner on or before the original deadline, the officer shall grant an extension to the owner of not more than thirty calendar days.

(5) The owner may satisfy the application requirements under subdivision (1) of this subsection if, prior to the commencement of construction, the owner (A) has obtained a recommendation of approval from the officer of the Part 2 application of the Historic Preservation Certification Application used by the National Park Service for a building located in a district listed on the National Register of Historic Places or for a building individually listed on the National Register of Historic Places; and (B) provides evidence of said recommendation of approval.

(c) Approval Actions

(1) All elements of a rehabilitation plan shall meet the standards.

(2) If the rehabilitation plan meets the standards, the officer shall issue an approval.

(3) If the rehabilitation work as described in the application appears to meet the standards, but additional material is needed to document one or more items of proposed rehabilitation work, and such material is not available in the timeframe established for the owner's substantive response, the officer may issue a conditional approval of the rehabilitation plan. The owner shall submit such additional material required to meet the condition imposed prior to filing an application for a preliminary certification and reservation of tax credits. If the condition has been met, the officer shall approve the proposed rehabilitation plan. No preliminary certification and reservation of tax credits shall be issued by the officer until the condition imposed has been met.

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(4) If the rehabilitation plan does not meet the standards, the officer shall notify the owner in writing what modifications to the rehabilitation work are needed for conformance to the standards. The owner shall have thirty calendar days after the date of notification by the officer to respond in writing indicating how the owner intends to bring the rehabilitation work into conformance. Upon written request by the owner on or before the original deadline, the officer shall grant an extension to the owner of not more than thirty calendar days. If the rehabilitation plan is not brought into conformance with the standards, the officer shall deny approval and provide a written explanation citing the reason for denial.

(5) Approval of a rehabilitation plan for a certified historic structure shall not constitute certification for purposes of a reservation of tax credits as specified in section 10-416a of the Connecticut General Statutes.

(6) The owner shall inform the officer of any changes to the approved rehabilitation plan and file an amendment in accordance with section 10-416a-6 of the Regulations of Connecticut State Agencies.

(Adopted effective January 2, 2007; Amended June 12, 2009; Amended August 2, 2012)

Sec. 10-416a-6. Amending an approved rehabilitation plan

(a) The owner shall file an amendment with the officer for approval of any changes to the approved rehabilitation plan. Such changes include deleting work items, adding new work items or modifying the details of work items already approved. All proposed changes shall meet the standards in order for the owner to qualify for a preliminary certification and reservation of tax credits, and for final certification.

(b) The officer shall review and issue a decision not more than thirty calendar days after receipt of a complete application. If an application is incomplete not more than thirty calendar days after receipt the officer shall notify the owner in writing and indicate what information is needed to undertake or complete review. The owner shall have thirty calendar days after the date of notification by the officer to respond in writing and provide the requested information. Upon written request by the owner on or before the original deadline, the officer shall grant an extension to the owner of not more than thirty calendar days.

(c) If the proposed change to the rehabilitation plan meets the standards, the officer shall approve the amendment.

(d) If the proposed amendment does not meet the standards, the officer shall notify the owner in writing what modifications to the rehabilitation work are needed for conformance to the standards. The owner shall have thirty calendar days to respond in writing indicating how the owner intends to bring the proposed rehabilitation work into conformance. Upon written request by the owner on or before the original deadline, the officer shall grant an extension to the owner of not more than thirty calendar days.

(e) If the proposed change to the rehabilitation plan does not meet the standards, the officer shall not approve the amendment and shall provide a written explanation citing the reason for denial.

(Adopted effective January 2, 2007; Amended June 12, 2009; Amended August 2, 2012)

Sec. 10-416a-7. Standards for rehabilitation

The following standards shall be used by the officer in evaluating proposed or completed rehabilitation work to a certified historic structure:

(1) The historic character of a building shall be retained and preserved. The removal or alteration of features and spaces that characterize a building shall be avoided.

(2) Each building shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.

(3) Changes that have acquired historic significance in their own right shall be retained and preserved.

(4) Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a building shall be preserved.

(5) Deteriorated historic features shall be repaired rather than replaced. Where severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.

(6) Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used.

(7) Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.

(8) New additions, exterior alterations, or related new construction shall not destroy historic materials or elements that characterize the building. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale and architectural features to protect the historic integrity of the building and its environment.

(9) New additions and adjacent or related new construction shall be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic building and its environment will be unimpaired.

(Adopted effective January 2, 2007; Amended June 12, 2009; Amended August 2, 2012)

Sec. 10-416a-8. Preliminary certification and reservation of tax credits

(a) Application Requirements

(1) The owner shall submit (A) a certificate of title or title insurance to the certified historic structure for which a reservation of tax credits is requested; (B) if the owner is a business entity, a certificate of legal existence; (C) documentation required under rating criteria in accordance with section 10-416a-9 (a) of the Regulations of Connecticut State Agencies; (D) an itemized budget of estimated qualified rehabilitation expenditures prepared by a qualified professional and signed by the preparer in accordance with subsection (b) of this section; and (E) evidence of assessed value of the certified historic structure as indicated in legal records not more than sixty calendar days before submission of a request for preliminary certification and reservation of tax credits.

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(2) The owner shall submit evidence of approval issued by the officer in accordance with section 10-416a-5 of the Regulations of Connecticut State Agencies. If a conditional approval was given by the officer in accordance with section 10-416a-5 (c) (3), the owner shall demonstrate that the conditions have been met prior to the certification of completed rehabilitation.

(3) If the rehabilitation plan has not received prior approval by the officer and construction commenced after July 1, 2006, and is in progress at the time the owner files for a preliminary certification and reservation of tax credits, the owner shall be eligible to apply provided (A) the application is for a certified historic structure; (B) the owner submits the application information required under section 10-416a-5 of the Regulations of Connecticut State Agencies and obtains approval of the rehabilitation plan from the officer; and (C) the owner submits a description of all completed, ongoing and proposed rehabilitation work and indicates all phases, as applicable. All elements of the rehabilitation plan, including completed, ongoing and proposed rehabilitation work, shall meet the standards. If the rehabilitation plan has not received approval by the officer prior to construction as provided for in section 10-416a-5 of the Regulations of Connecticut State Agencies, only those qualified rehabilitation expenditures incurred after the date of approval of the rehabilitation plan shall be considered for purposes of computing the reservation of tax credits.

(4) The owner shall remit with the application the required fee payment as indicated in section 10-416a-12 (a) of the Regulations of Connecticut State Agencies.

(b) Itemization of Costs

(1) Costs attributable to the rehabilitation include (A) in general, all interior and exterior work to a certified historic structure necessary to execute an approved rehabilitation plan; (B) abatement of lead paint, asbestos or other hazardous building materials; (C) removal of mold or other biological growths posing risks to human health; (D) installation of new electrical, plumbing, and HVAC systems; (E) construction of any handicapped access ramp which is physically connected to the certified historic structure; (F) demolition of non-historic portions of a building prior to restoration of a documented historic appearance; (G) reconstruction of now-missing historic architectural features based on documentary, physical or pictorial evidence; (H) demolition of a portion of a certified historic structure owing to severe structural failure as documented in a structural engineer's report prepared by a qualified professional; and (I) rental equipment directly related to rehabilitation of a building, including dumpsters or scaffolding. Allowance for contractor's overhead and profit, and general requirements, shall not exceed fifteen percent of the total qualified rehabilitation expenditures.

(2) Costs attributable to new construction and not considered qualified rehabilitation expenditures include (A) new additions, except as permitted under section 10-416a of the Connecticut General Statutes; (B) surface or structured parking; (C) roads, driveways and sidewalks; (D) fencing; (E) landscaping; (F) environmental remediation of the site; and (G) rehabilitation work to buildings or structures that are not intended for residential use.

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(3) Provision of site utilities, and new sewer or water lines outside the envelope of the certified historic structure shall not be considered rehabilitation.

(4) Kitchen and laundry appliances are considered moveable property and shall not be considered rehabilitation.

(5) Provision by the owner of blinds and shades shall not be considered rehabilitation.

(6) In cases where rehabilitation commenced after July 1, 2006, but prior to approval of the rehabilitation plan in accordance with 10-416a-5 of the Regulations of Connecticut State Agencies, itemization of costs shall (A) indicate as excluded those rehabilitation costs incurred prior to the date of approval of the rehabilitation plan; and (B) provide such documentation as necessary for the officer to make a determination of qualified rehabilitation expenditures.

(c) Department Actions

(1) The department shall review and issue a decision not more than thirty calendar days after receipt of a complete application. If an application is incomplete not more than thirty calendar days after receipt the department shall notify the owner in writing and indicate what information is needed to undertake or complete review. The owner shall have thirty calendar days after the date of notification by the department to respond in writing and provide the requested information. Upon written request by the owner on or before the original deadline, the department shall grant an extension to the owner of not more than thirty calendar days.

(2) If the application requirements under subsection (a) of this section are met, the department shall issue (A) a preliminary certification; and (B) a reservation of tax credits in accordance with subsection (d) of this section.

(d) Reservation of Tax Credits

(1) In accordance with section 10-416a of the Connecticut General Statutes, the department shall reserve tax credits based on the total estimated qualified rehabilitation expenditures indicated in subsection (a) (1) of this section.

(2) In cases where a certified historic structure is converted to non-residential as well as residential uses, the reservation of tax credits shall be only for the portion of the certified historic structure that is for residential use. The total rehabilitation costs shall be divided by the square footage of the building to determine a per square foot cost. The square footage of the non-residential portion shall be subtracted from the total square footage of the building. Qualified rehabilitation expenditures shall be based on the square footage costs of only the square footage in residential use. In cases where there are shared common areas, including entries, lobbies, or code required means of egress, the square footage will be considered residential use and the square footage costs included as qualified rehabilitation expenditures.

(3) Reservation of tax credits shall be subject to availability in any state fiscal year.

(4) If at the time the department completes review of a request for preliminary certification and reservation of tax credits, the amount of available tax credits to reserve is less than twenty-five percent of the qualified rehabilitation expenditures for which

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application is being made under subsection (a) of this section, the owner shall be notified. The department shall, at the request of the owner, reserve tax credits equal to the amount available. The owner shall be eligible to request the balance of tax credits when tax credits become available, provided the owner submits written confirmation that the rehabilitation plan as approved remains unchanged. Such request shall not be considered a new application for preliminary certification and reservation of tax credits.

(5) In any state fiscal year, if, at the time of receipt of a request for preliminary certification and reservation of tax credits, no tax credits allowable under section 10-416a of the Connecticut General Statutes are available, the department shall notify the owner in writing and place the application on a waiting list. No preliminary certification action shall be taken by the department, but the department shall provide the owner with an advisory review of the application. Applications placed on a waiting list shall be reviewed in the order of receipt when tax credits become available.

(6) If in the same state fiscal year that the tax credit is reserved, the owner notifies the department in writing that the project has been cancelled, the tax credit reservation shall be cancelled and tax credit may be reallocated by the department in the same state fiscal year for pending or new applications in order of their receipt.

(7) The tax credit reservation shall expire sixty months from the date of issuance. Requests for final certification shall be made prior to the expiration date of the tax credit reservation.

(Adopted effective January 2, 2007; Amended June 12, 2009; Amended August 2, 2012)

Sec. 10-416a-9. Rating criteria for preliminary certification

(a) The following materials documenting project readiness and credibility shall serve as the rating criteria:

(1) Statement indicating sources of existing, pending, and proposed financing, including private lenders, municipal, state or federal funds, state or federal tax credits and the approximate dollar values for each source of funding.

(2) Evidence of applicable federal, state and municipal approvals necessary to execute the project.

(3) Evidence of project consistency with municipal or regional plans of conservation and development, including municipal historic preservation plans, historic preservation component of a municipal plan of conservation and development or other land-use management plans.

(4) Evidence of project conformance to applicable building and fire codes. A building permit is not required.

(b) No application for preliminary certification and reservation of tax credits shall be approved until all documents required under subsection (a) of this section have been submitted.

(Adopted effective January 2, 2007; Amended June 12, 2009; Amended August 2, 2012)

Sec. 10-416a-10. Final certification

(a) Prior to the department issuing a tax credit voucher, the owner shall obtain final certification of completed work. The owner may apply for final certification for a certified historic structure in its entirety, or, in the case of phased projects, for the completed rehabilitation to an identifiable portion of the building.

(b) Application Requirements

(1) The owner shall provide photographs of the interior and exterior of a certified historic structure and its surroundings which document the completed rehabilitation.

(2) The owner shall (A) indicate the date the building was placed in service or, in phased projects, indicate which phase and identifiable portion of the building was placed in service pursuant to an approved rehabilitation plan under section 10-416a-5 of the Regulations of Connecticut State Agencies; and (B) submit a copy of a certificate of occupancy issued by the municipal authority having jurisdiction.

(3) The owner shall provide a certificate of title or title insurance.

(4) The officer shall review and issue a decision not more than thirty calendar days after receipt of a complete application. If an application is incomplete not more than thirty calendar days after receipt the officer shall notify the owner in writing and indicate what information is needed to undertake or complete review. The owner shall have thirty calendar days after the date of notification by the officer to respond in writing and provide the requested information. Upon written request by the owner on or before the original deadline, the officer shall grant an extension to the owner of not more than thirty calendar days.

(c) Certification Actions

(1) If the completed rehabilitation work conforms to the approved rehabilitation plan, the officer shall issue a final certification.

(2) If the completed rehabilitation work does not meet the standards, the officer shall notify the owner in writing what modifications to rehabilitation work are needed for conformance to the standards. The owner shall have thirty calendar days to respond in writing indicating how the owner intends to bring the rehabilitation work into conformance prior to the expiration date of the tax credit reservation. Upon written request by the owner on or before the original deadline, the officer shall grant an extension to the owner of not more than thirty calendar days. If the completed rehabilitation work is not brought into conformance with the standards, the officer shall deny approval of the application and provide a written explanation of the reason for denial. In such cases, the reservation of tax credits under section 10-416a-8 of the Regulations of Connecticut State Agencies shall be revoked and the owner shall be so notified.

(Adopted effective January 2, 2007; Amended June 12, 2009; Amended August 2, 2012)

Sec. 10-416a-11. Issuance of tax credit vouchers

(a) As used in this section, the term “contributing” means providing funds, including cash, grants, and extensions of credit, with, in cases of extension of credit, the tax credit being applied toward the reduction of the amount owing on the extension of credit.

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(b) Application Requests

(1) In order to obtain a tax credit voucher, the owner shall (A) provide a certificate of title or title insurance; (B) if the owner is a business entity, provide a certificate of legal existence; (C) provide evidence of final certification; (D) attach a copy of the reservation certificate; and (E) submit a certification of costs in accordance with subsection (c) of this section.

(2) The owner shall indicate the phase or phases for which the application is being made.

(3) The owner shall request that the department issue a tax credit voucher to (A) the owner; (B) a contributing taxpayer; (C) multiple owners; or (D) in cases where there is a written agreement among multiple owners, a single business entity which is the limited liability partnership or limited liability company in whose name the deed to the certified historic structure is recorded. The owner may request that the tax credits be allocated to one or more contributing taxpayers or one or more owners or both.

(4) For each contributing taxpayer, the owner shall provide a taxpayer identification number, Federal Employer Identification Number (FEIN) or Connecticut Tax Registration Number, as applicable, and a contact name and address. If two or more taxpayers are so named, the owner shall specify the percentage of the tax credits to be allocated to each recipient.

(5) In cases of multiple owners, the application shall (A) list the names and addresses of multiple owners and indicate for each a social security, taxpayer identification number, Federal Employer Identification Number (FEIN) or Connecticut Tax Registration Number, as applicable; and (B) indicate the percentage of the tax credits to be allocated to each owner.

(6) If, pursuant to a written agreement among multiple owners, the department is requested to issue a single tax credit voucher to an assignor, the assignor's taxpayer identification number, Federal Employer Identification Number (FEIN) or Connecticut Tax Registration Number, as applicable, shall be provided.

(7) Upon request by the department, the owner shall remit the required application fee payment as indicated in section 10-416a-12 (b) of the Regulations of Connecticut State Agencies.

(c) Certification of Costs

(1) The owner shall submit a certification of costs prepared by an independent certified public accountant.

(2) The accountant's certification shall include (A) the total of qualified rehabilitation expenditures incurred prior to the date of submission of a request for final certification under section 10-416a-10 of the Regulations of Connecticut State Agencies; (B) separate itemization of qualified rehabilitation expenditures and costs that are not qualified rehabilitation expenditures for the certified historic structure in its entirety or, in cases of phased projects, qualified rehabilitation expenditures and costs that are not qualified rehabilitation expenditures for the identifiable portion of the building placed in service; (C) verification of qualified rehabilitation expenditures by the examination of invoices, cancelled checks, settlement sheets and related documents; and (D) verification that the

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substantial rehabilitation test as required pursuant to section 10-416a of the Connecticut General Statutes has been met based on the evidence of the assessed value of the certified historic structure submitted at the time of application for preliminary certification and reservation of tax credits.

(3) In cases where construction commenced after July 1, 2006, and prior to approval of the rehabilitation plan, the certification of costs shall indicate as qualified rehabilitation expenditures only those costs attributable to rehabilitation, which were incurred after the date of approval of the rehabilitation plan.

(4) In cases of phased projects, the certification of costs shall include verification that the substantial rehabilitation test has been met in accordance with section 10-416a of the Connecticut General Statutes.

(5) In cases where the certified historic structure has been converted to nonresidential as well as residential uses, the certification of costs shall calculate qualified rehabilitation expenditures in accordance with section 10-416a-8 (d) (2) of the Regulations of Connecticut State Agencies.

(d) Department Actions

(1) The department shall issue one or more tax credit vouchers in accordance with section 10-416a of the Connecticut General Statutes not more than thirty calendar days after receipt of a complete application.

(2) If an application is incomplete not more than thirty calendar days after receipt the department shall notify the owner in writing and indicate what information is needed to undertake or complete review. The owner shall have thirty calendar days after the date of notification by the department to respond in writing and provide the requested information. Upon written request by the owner on or before the original deadline, the department shall grant an extension to the owner of not more than thirty calendar days.

(3) The department shall notify the State of Connecticut Department of Revenue Services of the issuance of a tax credit voucher not more than fifteen calendar days after issuance.

(e) Notification Requirement for Transfer of Tax Credits

(1) If an assignor wishes to transfer in whole or in part its interest in tax credits, the assignor shall endorse the original tax credit voucher and indicate the name and address of the assignee, the assignee's taxpayer identification number, Federal Employer Identification Number (FEIN) or Connecticut Tax Registration Number, as applicable, the amount of the tax credits transferred, and the date of transfer. The assignee shall attach the endorsed original tax credit voucher to the required State of Connecticut Department of Revenue Services tax form to claim the credit.

(2) An assignor shall notify the department of a transfer of tax credits to an assignee not more than thirty calendar days from the date of the transfer. Such notification shall include a certified copy of the endorsed tax credit voucher and shall indicate the amount of tax credits previously claimed by the assignor and the amount of tax credits that remain unclaimed. The department shall notify the state of Connecticut Department of Revenue Services of the transfer not more than fifteen calendar days after receipt.

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(3) If the tax credits allocated to the assignor have not been claimed in their entirety, the assignor may request the department to issue a new tax credit voucher for the remaining unused allocated tax credits.

(4) Upon receipt of notification of transfer and written request by the assignor, the department shall issue a new tax credit voucher to the assignor in the amount of the remaining unused allocated tax credits in not more than thirty calendar days. The department shall notify the state of Connecticut Department of Revenue Services of issuance of a tax credit voucher in not more than fifteen calendar days after issuance.

(5) The assignor may transfer, in whole or in part, the remaining unused allocated tax credits by following the procedures under subdivisions (1) through (4), inclusive, of this subsection.

(Adopted effective January 2, 2007; Amended June 12, 2009; Amended August 2, 2012)

Sec. 10-416a-12. Fees for processing applications

(a) The department shall charge a fee of one thousand dollars upon request for a preliminary certification and reservation of tax credits. Such one thousand-dollar fee shall be credited toward the total fee charged.

(b) The department shall charge a fee in an amount equal to one-tenth of one percent of the total qualified rehabilitation expenditures upon request for issuance of a tax credit voucher.

(c) The total of all fees charged shall not exceed ten thousand dollars.

(d) No fee shall be charged for the issuance of additional tax credit vouchers as provided in section 10-416a-11 (e) of the Regulations of Connecticut State Agencies.

(e) All payments shall be made by check and payable to Treasurer, State of Connecticut. Fees shall not be refundable.

(Adopted effective January 2, 2007; Amended June 12, 2009; Amended August 2, 2012)

*****THE DOCUMENT HAS ERRORS*****

1. There is overmatter content.Check annotations in PDF rendition
2. There is overmatter content.Check annotations in PDF rendition