

How to Research, Plan and Apply for the Application for the Indiana Residential Historic Rehabilitation Credit (State Form 50743)

Overview: This guide is provided as a resource to assist those interested in this credit. *The DNR will have final say and should be consulted for questions and before beginning any work.*

The credit is available to Indiana state income taxpayers who undertake certified rehabilitations of historic buildings that are principally used and occupied by the taxpayer as the primary residence. The credit allows for up to 20% of total qualified rehabilitation or preservation cost. The minimum expenditures are \$10,000. The project may be broken into phases not to exceed a 5-year period. Any unused portion of the tax credit that results from limited annual tax liability may be carried forward for up to 15 years. There is no fee to apply for this credit. Please note, the state allocates \$250,000 annually for this program on a first-come, first served basis. *You must live in the home at least 5 years after claiming the credit to avoid a repayment requirement.*

See additional details and potential repayment obligations here: <https://www.in.gov/dnr/historic-preservation/help-for-owners/financial-assistance/rehabilitation-credit/>

Step 1: Review the Emerson Heights National Register Nomination and Determine if Property is Contributing or non-contributing: <https://goo.gl/AhLSED>. If contributing, you may qualify. If non-contributing, stop and seek help from the Historic Architecture Specialist at the DNR's Division of Historic Preservation and Archaeology. Contact: Ashley Thomas, Historic Architecture Specialist, Indiana DNR · asthomas@dnr.in.gov · (317) 234-7034

Step 2: Create a Plan for Your Work. This can be broken down into phases over up to 5 years.

Step 3: Download and Start the Application for Residential Historic Rehabilitation Credit form, indicating total phases anticipated, total costs across all phases (this is likely an estimate subject to change), and provide a summary of the rehabilitation plan and all phase one costs. Form Link: <https://forms.in.gov/Download.aspx?id=5843>

Step 4: Begin to Take Before Photos. Examples: photos of old roof, old wiring, damaged flooring

Step 5: Take After Photos. Document similar views to the before photos. As you begin work, keep all receipts. This is not required for the application, but you will want to keep them in case you are audited by the IRS after claiming this credit.

Step 6: Detail all Actual Expenses on the Credit Form. This can be for a single phase or the first phase. Submit to the Division of Historic Preservation and Archaeology as noted on the form. You will also need printed (hard copy) before/after photos included with your application. E-mail forms and photos are not accepted as the state does not budget for printing expenses of your photos. Keep in mind that they will keep the photos and forms submitted, so it's best to have additional copies kept at home.

Step 7: Review Process. Keep an eye out for e-mail correspondence from the Architecture Specialist at the e-mail address specified in your application. All work must follow the Secretary of the Interior's Standards for Rehabilitation (and the Guidelines for Rehabilitating Historic Buildings), available here: <https://www.nps.gov/tps/standards.htm>

Step 8: Claiming Credit. You receive a completed form and letter that indicates a project number, tax credit amount and the fiscal year in which it can be claimed. Keep both and provide to your accountant or tax preparer.