

Kansas Rehabilitation Tax Credit Application Instructions

Read the following instructions carefully before completing the application for the Kansas State Rehabilitation Tax Credit program. Please type or print clearly. If additional space is needed, use continuation sheets or attach blank sheets.

Please contact the State Historic Preservation Office (SHPO) if this is your first tax credit project, if you have any questions, or if you need any assistance filling out the forms.

All forms should be submitted to the State Historic Preservation Office at the following address (unless otherwise noted):

ATTN: Tax Credit Program
Cultural Resources
Division Kansas Historical
Society 6425 SW 6th
Avenue Topeka, KS
66615-1099

Or email application materials (except photos) to kshs.shpo@ks.gov

The State Preservation Office is given 30 days, per statute, to review the project from the date of receipt. Please submit your application with enough time to allow the state office time to complete its review. **You will receive a letter of receipt from our office when we have received your application.** If items were entered incorrectly or if items of the application are missing the letter will detail any of those missing items. *Your project will be on HOLD until we receive the updated or complete information.* If you submit your application via email and do not receive an email acknowledging that receipt within 7 days of your submission please follow up with our office to verify that the information was indeed received.

There are three parts to this application.

- **Part 1** is the Qualified Historic Structure Certification (Contributing Status Certification).
- **Part 2** is the Qualified Rehabilitation Certification (Scope of Work).
- **Part 3** is the Rehabilitation Completion Certification (Closing paperwork).

There is important additional information about photographic requirements detailed in the last two pages of these application instructions. Photographs are a required part of the application and must be submitted in the proper method in order for the application submission to be considered complete.

Part 1 and Part 2 are to be completed and submitted and approved BEFORE the rehabilitation project begins. Part 3 is submitted when the project is completed. Please refer to the specific project sections below for instructions on completing each portion of the application.

Once the complete application is given to the Tax Credit Reviewer, the Reviewer will look over the provided information and will compile any questions. The Reviewer will ask the property owner or project contact for more information if there are scope items that are unclear or missing. At no time will a project be denied without the reviewer inquiring and asking for further details or information. Our office will always discuss any issues or concerns regarding the proposed work.

For this reason, we do not accept "preliminary" applications. Descriptions of the work with as much detail as can be provided should be prepared and submitted. Sending a draft application for comments and suggestions by the

reviewer will not be accepted and will not be considered an application submission. Only completed and signed applications will be accepted, reviewed and commented on by the SHPO.

If you are applying for the Federal Tax Credit program (only available for commercial buildings) you do not need to fill out a separate State Tax Credit application. You will need to submit two copies of the Federal Tax Credit application to the State Historic Preservation Office. One copy stays on file in our office and the other copy is sent to the National Park Service (NPS) for its review of the project. It will be necessary to prepare a separate State Tax Credit Part 3 Submission upon completion of the project or individual defined phase. Please contact our office if you have any questions about the Federal Tax Credit program.

At the time the Part 3 is submitted, you will also be required to submit Schedules 1 and 2 detailing the expenses associated with the rehabilitation work. The instructions for the Schedules are not found in these forms. Please contact the SHPO, or visit our website at kshs.org/14666 if you need copies of the Schedules or instructions.

PART 1 – QUALIFIED HISTORIC STRUCTURE CERTIFICATION

Kansas State Rehabilitation Tax Credits are available for any qualified project on a qualified historic structure. Qualified historic structures are those buildings listed on the National Register of Historic Places or the Register of Historic Kansas Places, or are located in a registered historic district and are certified as contributing to that district. To check whether your property is listed individually or as part of a district, you may consult our website at kshs.org/14638 and search the database to find your property.

Applicants with buildings listed individually on the National or State register do not need to file Part 1 of this application unless the property owner is a 501(c)3 organization. Part 1 is used to certify that buildings within registered historic districts are contributing to the historic significance of that district and to certify that property owners with IRS certification letters documenting their 501(c)3 status are eligible for a 30% tax credit.

If using these forms to change the contributing status of a building in a historic district, the information included in Part 1 must be sufficient enough to allow the reviewers to make a judgment about how the building relates to the district as a whole and to determine what features of the building encompass its historic character. Usually the information provided on the form along with supporting photographs is sufficient. The State Historic Preservation Office will contact you if more information is needed.

If your building is located in a historic district and was previously considered as a contributor but has undergone significant alteration since listing, your building status may be changed to non-contributing, making your project ineligible for Tax Credits. Please contact our office if you have any concerns or questions about changes to the building or changes in the building's integrity.

The following National Park Service Standards govern whether buildings within a historic district contribute to the significance of the district.

1. A building contributing to the historic significance of a district is one, which by location, design, setting, materials, workmanship, feeling and association adds to the district's sense of time and place and historical development.
2. A building not contributing to the historic significance of a district is one that does not add to the district's sense of time and place and historical development; or one where the location, design, setting, materials, workmanship, feeling and association have been so altered or have so deteriorated that the overall integrity of the building has been irretrievably lost.
3. Ordinarily buildings that have been built within the past 50 years shall not be considered to contribute to the significance of a district unless a strong justification concerning their Historical or Architectural merit is given or the historical attributes of the district are considered to be less than 50 years old.

COMPLETING PART 1 FORMS:

Property Name: Many historic buildings have a given historic property name. Generally, this is related to the most prominent resident or the person who built the structure. If you do not know the historic name of your building you may contact the SHPO; you may also look up the property on ksks.org/14638 to see if there is a listed historic name. Or you may fill in the property address.

Historic District: Please give the name of the National or State Register Historic District in which the property is located.

Currently Contributes to District: If your property is currently listed as a contributor (denoted as C) to a historic district, please check the "yes" box. If your building is currently a non-contributor (denoted as NC) please check the "no" box. If you are unsure of your property's status, please check our website at the link given above for a listing of all districts and properties. If your building is individually listed, please check the appropriate box.

Historic Date of Construction: If known, please include the date the building was originally constructed.

Associated Structures Located on Property: If there are additional buildings historically associated with the property (garages, barns, gazebos, etc.) please list those structures and their dates of construction.

Address of Property: Please provide a complete address, including the street, city, county, state, and zip code for the property.

Legal Property Owner: Only the owner of a property may apply for the Rehabilitation Tax Credit. The current Legal property owner must enter their name.

Type of Ownership: Please check the box indicating the type of owner for the Legal Property Owner. If the owner is a LLC or LP, information must be provided for each of the shareholders within that ownership group. Please submit a completed Additional Ownership Form with the application (found with the Part 2 application).

If the property is owned by more than one owner, information must be submitted for each building owner, including the ownership percentage. Please fill out the Additional Ownership Form and submit with the application (found in the Part 2 application forms).

Daytime Phone and Email: Please enter a phone number and email that you can be reached at if there are any additional questions about your application.

Signature and Date: All applications must be signed and dated by the legal property owner, or someone authorized to sign for the owners. Unsigned applications are considered incomplete and will not be reviewed until a signature has been received.

Non Profit Owners: If the organization that owns the property is an IRS Certified 501(c)3 tax-exempt organization, then they may be entitled to a 30% Tax Credit (instead of the 25% Credit). The organization seeking the 30% credit must verify that they have approved 501(c)3 status by providing a copy of the documentation. If you are unsure, or seeking to gain 501(c)3 status, please contact the IRS for further information. www.irs.gov

Photographs: Provide several general views of each visible exterior side of the property and all associated structures. Be sure the building can be seen from top to bottom in the photographs.

Please refer to the Photo Requirements section later in this document for specifications for submitting photos.

Send the completed form with the owner's original signature and supporting photographs to the State Historic Preservation Office (address above). When the application has been reviewed and approved a copy of the approved and signed Part 1 form will be mailed to the property owner. Parts 1 and 2 of this application may be submitted together.

PART 2 – QUALIFIED REHABILITATION CERTIFICATION

The Part 2 forms must be completed and signed by all persons seeking to have rehabilitation projects certified for the purposes of the Kansas State Rehabilitation Tax Credit program. If more than one owner owns the property, additional owners and their ownership percentages must be given on the Additional Ownership form. If a property is owned by an LLC, a breakdown of the partners and their ownership percentage must be submitted on the Additional Ownership form.

Part 2 must be approved by the SHPO prior to initiation of the project, no exceptions. The State Historic Preservation office will review all applications in the order in which they are received, and within 30 days of the receipt of a complete application. A letter of receipt will be sent to the property owner when our office receives your application. If the application is missing any information, the receipt letter will notify the owner of the missing information. All incomplete applications will be placed on HOLD until all information is received. Applicants will be notified in writing when their application is approved.

All projects are reviewed and evaluated in accordance with the Secretary of the Interior's *Standards for Rehabilitation*. The entire proposed rehabilitation project must meet the Standards in order to be approved. If portions of the project do not meet the Standards, the Tax Credit Reviewer will contact you to discuss other options.

The Secretary of the Interior's Standards for Rehabilitation have been developed to guide work undertaken on historic buildings. The "Rehabilitation" Standards, used for all Tax Credit Projects, assume that some repair or alteration of historic buildings will be needed in order to provide for an efficient contemporary use; however, these repairs and alteration must not damage or destroy historic materials, features, or finishes that are important in defining the building's historic character.

The Secretary of the Interior's Standards for Rehabilitation:

1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.
2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will 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 elements from other historic properties, will not be undertaken.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
10. New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

Applicants must submit a sufficient number of good, clear photographs with Part 2 to document the areas of proposed work prior to any rehabilitation work. When the project involves both interior and exterior changes, both areas must be documented. The more photographs provided, the better reviewers are able to evaluate the project. Additional photographs may be requested by the SHPO during preliminary review. All photographs must be submitted digitally on a cd, flash drive, or through an online file sharing programing like dropbox or Microsoft OneDrive. Emailed images are not accepted unless prior permission has been granted by the Tax Credit Reviewer to send in that format. All photographs become the property of the Kansas Historical Society. (Please see the Photo Requirements section for further information.)

Application Fee:

Rehabilitation projects will not be approved until the appropriate processing fee is received by the SHPO. Fees are based on the total estimated qualifying expenses. Please submit your processing fee with your application forms. Checks may be made out to the Kansas Historical Society (write "Tax Credit" in the memo). You may fill out the credit card payment form with your credit card information and submit that with your application forms, you may pay online at the online store at: <http://store.kshs.org/>. Scroll down and click on "Tax Credits" link. Or call our office and give your payment information to Marsha Longofono 785-272-8681 ext. 240 your application will not be approved until payment has been received.

Qualified Estimated Expenditure:	Required Fee:
\$5,000--\$25,000.....	\$200
\$25,001--\$50,000.....	\$350
\$50,001--\$100,000.....	\$500
\$100,001--\$500,000.....	\$900
\$500,001--\$1,000,000.....	\$1,500
Over \$1,000,000.....	\$2,000

Completing Part 2 Forms:

Part 2 Cover Sheet: This form is to be signed by the building owner, and contact person (if applicable) to indicate that the applicants have read these instructions and the Secretary of the Interior’s Standards for Rehabilitation. According to the State Tax Credit program regulations, all work undertaken during an ongoing project must meet the Standards in order for credits to be awarded. Please sign the cover sheet to acknowledge that you understand that the projects are subject to these rules.

The SHPO will assign the project a number upon receipt of the application.

Property Name: Many historic buildings have a given historic property name. Generally this is related to the most prominent resident or the person who built the structure. If you do not know the historic name of your building you may contact the SHPO, you may also look up the property on kshs.org/14638 to see if there is a listed historic name. Or you may fill in the property address.

Address of Property: Please provide a complete address, including the street, city, county, state, and zip code.

Project Data: Please complete the following information about the project.

- Provide date of construction for the structure and list the primary materials that make up the historic building (i.e. masonry, wood frame, concrete).
- Give the historic use of the building; and the current or proposed use for the building.

- Enter the estimated date that work on the project will begin (mm/dd/yy) and the estimated completion date of the project (mm/dd/yy). The rehabilitation project may take longer than the date provided, this is just an estimate.
- Provide the estimated total cost of the rehabilitation. There is no need to submit official bids or estimates from contractors.
- List any grant funds, insurance money, or any other ineligible money that will be utilized for this project.
- Please enter the total square footage of the structure before and the proposed square footage after the proposed project is completed.

Contact the SHPO Office if you have any questions about how to structure your project.

Project Contact: Provide the name, address, and daytime telephone and email of the person to whom inquiries regarding specifics of the Scope of Work should be made. This does not necessarily need to be the property owner, but it should be someone who can discuss the project in detail.

Legal Property Owner: Only the owner of a property may be the applicant for the Rehabilitation Tax Credit. The current Legal property owner must enter their name.

Type of Ownership: Please check the box indicating the type of owner for the Legal Property Owner. If the owner is a LLC or LP, then information must be provided for each of the shareholders within that ownership group, please submit a completed Additional Ownership Form with the application.

If the property is owned by more than one owner, information must be submitted for each building owner, including the ownership percentage. Please fill out the Additional Ownership Form and submit with the application.

If you have any questions, please contact the SHPO.

Daytime Phone and Email: Please enter a phone number and email that you can be reached at if there are any additional questions about your application.

Signature and Date: All applications must be signed and dated by the legal property owner, or someone authorized to sign for the owners. Unsigned applications are considered incomplete.

Detailed Description of Rehabilitation/Preservation Work: In the numbered blocks, provide a description of the project work. Describe the entire project, even if portions are not considered qualified expenses or are work not done on “historic” portions of the property. The entire project must be reviewed and must meet the Secretary of the Interior’s Standards for Rehabilitation to qualify for the state rehabilitation tax credit.

Use separate blocks to describe each feature or work item. In the top box, identify the architectural feature requiring the work and indicate the approximate date of the feature. Describe the current condition of the feature. Accompanying photographs should be numbered to coordinate with the work that is submitted. Enter the photograph numbers at the bottom of the left block. Similarly, if drawings accompany the application, number them and enter the number at the bottom of the left block.

Please refer to the Photo Requirements section for details on photo submissions.

Use the bottom box to describe, in detail, the rehabilitation work to be undertaken. Describe the effect (visual, structural, or other) the work will have on the feature. If the project has architectural plans or drawings, please submit those drawings in an electronic PDF format, and follow the instructions for submittal described in the photo guidelines. Use enough boxes to completely describe your project. If you have more than 10 items feel free to add additional pages or use the continuation sheets.

A Sample application showing how to fill out the boxes and describe the proposed work items may be requested by contacting the SHPO office. Please describe all work in as much detail as possible. Be sure to include a description of the materials, methods and specifics of the project. Feel free to attach detailed bid documents, proposals, estimates as *supplemental* materials.

Continuation/Amendment Sheet: Part 2 contains 10 blocks for description of rehabilitation work. If more blocks are needed, please use the blank forms and fill in the numbers as necessary. Be sure that all work items are described in detail and use as many pages/boxes as needed.

If, during the course of the project, plans for rehabilitation work change from those set forth in the approved Part 2 application, owners must submit an amendment sheet detailing those changes or additional work items to the SHPO for review. This is to insure that the new treatment meets the Secretary of the Interior's *Standards for Rehabilitation*. **Any work not submitted in writing and reviewed by the SHPO office is not considered part of the approved project and those expenses are not eligible for tax credits.**

PART 3 – REHABILITATION COMPLETION CERTIFICATION

A project does not become a “certified rehabilitation” eligible for tax incentives until the physical work is completed and approved by the SHPO and the costs are certified by the Kansas Department of Revenue. Upon completion of the rehabilitation project property owners must submit Part 3 along with photographs documenting all areas of completed work as well as Schedule 1 and Schedule 2 costs sheet. A copy of the forms will be provided to the Kansas Department of Revenue. Please see the following Photographic Requirements section for photo requirements (last page of instructions).

Completing Part 3 Forms:

Property Name: Many historic buildings have a given historic property name. Generally this is related to the most prominent resident or the person who built the structure. If you do not know the historic name of your building you may contact the SHPO, you may also look up the property on kshs.org/14638 to see if there is a listed historic name. Or you may fill in the property address.

Address of Property: Please provide a complete address, including the street, city, county, state, and zip code for the property.

Completed Project Data:

- Enter the date (month/day/year) the project started and the date of completion (month/day/year).
- Enter the square footage of the building when the project started, and the square footage of the building when the project was completed (if there was not change, then enter “SAME”)
- Enter the total amount spent on qualifying expenses and the total amount spent on non-qualifying expenses in the appropriate boxes. Completing Schedules 1 and 2 will help determine your qualifying and non-qualifying costs. If you are unsure of what may be qualifying, enter all expenses.

Legal Property Owner: Only the owner of a property may be the applicant for the Rehabilitation Tax Credit. The current Legal property owner must enter their name.

Type of Ownership: Please check the box indicating the type of owner for the Legal Property Owner. If the owner is a LLC or LP, then information must be provided for each of the shareholders within that ownership group, please submit a completed Additional Ownership Form with the application.

If the property is owned by more than one owner, information must be submitted for each building owner,

including the ownership percentage. Please fill out the Additional Ownership Form and submit with the application.

If you have any questions, please contact the SHPO.

Daytime Phone and Email: Please enter a phone number and email that you can be reached at if there are any additional questions about your application.

Signature and Date: All applications must be signed and dated by the legal property owner, or someone authorized to sign for the owners. Unsigned applications are considered incomplete.

Schedule 1 and Schedule 2:

Schedule 1 and Schedule 2 are required by the Kansas Department of Revenue for all projects that are requesting State Tax Credits. The Schedules are used to determine the qualifying expenditures for each project. The forms may be found on our website at kshs.org/14666 or contact the SHPO for copies.

Please submit copies of your invoices and receipts along with your schedules. If there are any questions about your expenses during their certification process, you may be contacted by someone from the Dept. of Revenue.

****Please contact a tax professional about possible state and federal tax implications related to transferring and claiming State Income Tax Credits.**

If you have any questions or need any assistance with the forms, please contact the State Historic Preservation Office staff at 785-272-8681 ext. 240 or kshs.shpo@ks.gov

STATE REHABILITATION TAX CREDIT PHOTOGRAPHIC REQUIREMENTS

Photographs must accompany all Tax Credit Applications and Amendments. If submitting a Federal Tax Credit application, you must submit one copy of printed photographs, per Federal Photographic Documentation Requirements, and one set via Microsoft OneDrive, Dropbox, a USB Drive, or on CD as outlined below.

For all State Tax Credit submissions, please submit digital photographs via Microsoft OneDrive, USB Drive or CD, or 4x6 photo prints on photo paper.

Do not send photo attachments via email.

- Photos must be in color.
- Photos must be well-composed, focused and clearly illustrate all areas of proposed work
- Each photo must be labeled as is outlined below. Be sure to include a photo number that corresponds to the number given in the Scope of Work
- CD's must be labeled with permanent ink (no labels on the CD) with the building address, building name (if available) and the appropriate "Part" of the State Tax Credit Application that the photos show.
- Do **NOT** use a photo CD program that does not allow images to be saved or transferred (some CDs printed by photo processing centers do not allow for images to be changed or saved). If you submit unusable CDs the application will be placed on hold and you will be asked to resubmit the photos in one of the other accepted methods.
- Do **NOT** submit photos submitted as imbedded within a Word Document, PDF Document, Powerpoint, or any other embedded non-photo format. If you submit photos in this method the application will be placed on hold and you will be asked to resubmit the photos in one of the other acceptable methods.
- Do **NOT** email any photos with the application or directly to the project reviewers. Emailed photos get lost easily and take significantly more time to process and download and may hold up the application review. If you email photos the application will be placed on hold and you will be asked to resubmit the photos in one of the other methods.

Digital File Sharing uploading:

- If you wish to send digital photos through an online file sharing program, please use Microsoft OneDrive, Dropbox, or Google Drive to share your photos.
 - After you have uploaded your photos to the OneDrive account, email a link to the OneDrive file to kshs.shpo@ks.gov (please do not "share", it is much harder to open by staff)
 - If you are using Dropbox, please grant access to kshs.shpo@ks.gov or send a link.
 - If you are using Google Drive, please grant access to KansasSHPO@gmail.com or send a link.
- If you do not have access to or are having trouble sharing through the online systems, please contact the SHPO office for alternative options.
- If our office is unable to see or access the photos, the application will be considered incomplete. The issue will be noted on the receipt email sent by our office and you will be asked to remedy the situation, and share the images with us or submit them using a different method.

Labeling instructions

CD Label:

123 Main Street, Anytown, KS
Weston House
Part 2 Photos

Photo File Label:

Address_Photo#.jpg

Part 1 Photographs:

If your building is in a Historic District, you are required to submit a Part 1 of the State Tax Credit Application. A photograph of the front façade and all other visible facades of the building must accompany the Part 1. All photos should clearly show the building as it currently appears. This is required to determine if the building is still a contributor to the district.

Part 2 Photographs

Photos should clearly illustrate the work that is to be done. Some items are not possible to photograph such as plumbing and electrical systems within walls, but any other items that are to be repaired, replaced, or removed must be clearly documented in photographs. Some items may be difficult to photograph, please do your best and attempt to demonstrate the problem as a whole with a few detail shots showing the problems up close.

Part 3 Photographs:

Photos should show all completed work. All items addressed in the Part 2 should have a corresponding Part 3 photo showing the completed work.

All images will be archived at Kansas Historical Society. Some general images may be uploaded to the Historic Resources Inventory Database as a record of the building at: <http://khri.kansasgis.org/>

Failure to include clear photos of work items will result in your project being considered incomplete and will delay the review and approval of your project.

If you have any questions or need any assistance with the forms, please contact the SHPO staff at 785-272-8681 ext. 240 or kshs.shpo@ks.gov