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Executive Director
Department of
Heritage & Arts



Brad Westwood
Director

April 12, 2018

Don Armstrong, President
International Real Estate Solutions, Inc.
6839 Bufflehead Drive
Park City, Utah 84098

Dear Mr. Armstrong:

I am responding to your inquiry about the feasibility of receiving historic tax credits for the rehabilitation of the buildings that are part of the Bishop Place project. As you may be aware, our office administers both the federal and state tax credit programs in Utah, each of which offers a 20% tax credit for eligible rehabilitation costs for buildings listed in the National Register of Historic Places.

According to our records, all of the buildings in question are currently evaluated as "contributing" buildings in the Capitol Hill Historic District, and therefore would be eligible candidates for both the federal and state tax credits. The basic conditions for qualifying for the credits are as follows:

- The buildings would have to be used for residential purposes (owner-occupied or rental) in order to qualify for the **state tax credit**.
- The buildings would have to be used for "income-producing" purposes to qualify for the **federal tax credit**. Residential rental use would enable the buildings to qualify for **both tax credits**, which would be a combined 40% tax credit on all eligible rehab costs.
- All of the rehab work would have to meet the Secretary of the Interiors Standards for Rehabilitation, and the appropriate forms would have to be filled out and approvals received from our office for the state tax credits and from the National Park Service for the federal tax credits.
- Any work that does not meet the Standards would disqualify that rehab project (each building would be reviewed separately) from receiving the tax credits.

Until we know more specifics about your proposed rehabilitation work, it will be difficult to give you a more precise answer about whether the buildings would indeed qualify for the tax credits. In theory, they could all qualify if the appropriate preservation standards are followed. And many of the costs associated with making the buildings viable would be eligible for the tax credits, including new foundations, structural repairs, installing and connecting utilities, system upgrades (electrical, plumbing, mechanical), architectural and engineering fees, and, of course, basic interior and exterior rehab work. The federal tax credit has an application fee, which would be approximately \$1,445 per building (based on a \$400,000 rehab). There is no fee for the state tax credit. Please let me know if you have further questions.

Sincerely,

Roger Roper
Deputy State Historic Preservation Officer
rroper@utah.gov 801.245.7251