



Minnesota Historic Structure Rehabilitation
Tax Credit Application

PART A

INSTRUCTIONS

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Minnesota State Credit

The Minnesota Historic Structure Rehabilitation Tax Credit has been reinstated by the Minnesota Legislature beginning July 1, 2023 and expiring after June 30, 2030. Effective July 1, 2023, applications for historic structure rehabilitation projects in Minnesota that otherwise meet all other requirements of [Minnesota Statutes, section 290.0681, subdivision 3](#), and qualify for the Federal Historic Preservation 20% Tax Credit maybe be eligible for the Minnesota Historic Structure Rehabilitation State Tax Credit equal to the federal tax credit. [[Laws of Minnesota, 2023, Chapter 64, Article 1, Section 39](#)]

To become eligible for the Minnesota credit, applicants **must submit a complete *Minnesota Part A* application to the State Historic Preservation Office (SHPO) before the rehabilitation work begins.** Applicants may elect to receive a grant in lieu of the credit equal to 90% of the federal tax credit.

Minnesota State Credit Contacts:

Architectural review and the application process:

Natascha Wiener, Historical Architect
natascha.wiener@state.mn.us
651-201-3294

Catherine Sandlund, Project Design Reviewer
catherine.sandlund@state.mn.us
651-201-3295

Historic building eligibility:

Ginny Way, National Register Architectural Historian
ginny.way@state.mn.us
651-201-3293

Administration of the tax credit program by MN SHPO:

Amy Spong, Deputy SHPO
amy.spong@state.mn.us
651-201-3288

Administration of the tax credit program by the MN Department of Revenue:

Corps, SCorps, & Partnerships: Corporate Technical Advisor
651-556-3075
businessincome.tax@state.mn.us

Individuals: Tax Policy Lead
651-296-3781
individual.incometax@state.mn.us

Insurance: Insurance Unit
651-556-3024
insurance.taxes@state.mn.us

Minnesota Application Types:

- **Minnesota Part A** application must be submitted with a complete federal [Part 2-Description of Rehabilitation](#)
- **Minnesota Part B** must be submitted with federal [Part 3-Request for Certification of Completed Work](#)
- ~~**Minnesota Amendment** for use only to amend State applications during Part 2 (prior to issuance of the Allocation Certificate) and Part 3 (prior to issuance of the Credit Certificate) **~~

Resources:

See MN SHPO webpage [Historic Tax Credit FAQs and Tips](#) for additional guidance on pulling together successful applications.

Minnesota Application Fees

Nonrefundable application fees are charged for the *Minnesota Part A* and *Minnesota Part B*. Projects are invoiced upon receipt of the application. The application fee structure is as follows:

Qualified Rehabilitation Expenses (QREs)	Part A*	Part B*
\$500,000 or less	\$0	QRE x .10%
\$500,001 - \$2,500,000	\$500	(QRE x .20%) - \$500
\$2,500,001 - \$5,000,000	\$1,500	(QRE x .35%) - \$1,500
\$5,000,001 - \$8,000,000	\$3,000	(QRE x .50%) - \$3,000
\$8,000,001 and over	\$5,000	\$35,000

* A+B fees will not exceed \$40,000

** *Minnesota Amendment* forms are not in use.

State Application Review:

Minnesota Part A and federal *Part 2—Description of Rehabilitation* applications will be processed for review after the federal *Part 1—Evaluation of Significance* application has been reviewed by MN SHPO and sent to the National Park Service with a positive recommendation.

If a federal *Part 1—Evaluation of Significance* is not required for the property (i.e., the property is individually listed in the National Register of Historic Places) the *Minnesota Part A* and the federal *Part 2—Description of Rehabilitation* will be processed for review upon receipt.

Completing the *Minnesota Part A*:

NPS Project Number:

Enter NPS project number in upper right-hand corner, leave blank if a number has not yet been assigned.

Historic Property

Enter the property's historic name, address, county, and Property ID number (PID). PIDs can be found on your property tax records.

Properties listed on or eligible for the National Register of Historic Places will have historic names on record at the MN SHPO. Many properties located within historic districts will also have a historic name on file. If you would like to include a current or future name for the property, note it as such (e.g., "a.k.a. Riverside Apartments"). MN SHPO will track the project by the historic name.

Project Information

LINE 1: State tax credit, grant-in-lieu-of-credit, or a combination

Check one of the three boxes indicating whether you intend to request a state tax credit, grant-in-lieu-of-credit (GILOC), or a combination of the two when the project is completed.

If you select a combination, enter the approximate percentage of the project that will be requested as a tax credit and the approximate percentage that will be requested as a GILOC (these two percentages must add up to 100%).

This application information is used solely for the purposes of state budget forecasting; you are not bound by your selection. When the project is completed and approved, the tax credit and/or GILOC will be issued based on *Minnesota Part B* of the application.

LINE 2: Is the building subject to review by a local HPC?

Local heritage preservation commissions often have review authority over locally designated landmarks and landmark districts. Check "yes" if the property is a local landmark or located within a local landmark district and subject to design review. More information on HPCs is available online at:

<https://mn.gov/admin/shpo/preservation/clg/>

LINE 3: Did this project receive other federal or state licensing, grants, funding, financing, or permitting?

The SHPO reviews and consults on federal projects pursuant to Section 106 of the National Historic Preservation Act, as well as state projects pursuant to the Minnesota Historic Sites Act and other state laws. If the rehabilitation project will receive any of these forms of assistance or approval, then check "yes" and provide our office with the federal or state agency and a brief description of the Federal involvement. More information about the Section 106 review process is available online at:

<https://mn.gov/admin/shpo/environmental-review/legislation/>

LINE 4: Estimated rehabilitation costs (QRE)

Enter the dollar amount of the expected project costs that will meet the meaning for qualified rehabilitation expenditures (QREs) given in Section 47 of the Internal Revenue Code. More information on QREs can be found online at: <https://www.irs.gov/pub/irs-utl/qualified-rehabilitation-expenditures.pdf>

The amount entered here should match the amount of "Estimated rehabilitation costs (QRE)" entered on Part 2 of the federal application.

LINE 5: Non-Qualified Expenditures (non-QRE)

Enter the dollar amount of the expected project costs that will not meet the definition of a QRE under Section 47 of the Internal Revenue Code.

LINE 6: Estimated total project costs (QRE plus non-QRE)

Enter the total dollar amount of the expected project costs (i.e, QREs + non-QREs).

LINE 7: Estimated cost of materials

Enter the portion of the Estimated Total Project Cost expected to be spent on materials.

LINE 8: Estimated cost of labor

Enter the portion of the Estimated Total Project Cost expected to be spent on labor (construction and consultants).

LINE 9: Estimated number of jobs created during rehabilitation

Your contractor(s) should be able to tell you the number of full-time equivalents (FTEs) expected to be employed during the rehabilitation.

LINE 10: Estimated construction start date

Enter the date you expect construction to begin on the project. Note: because state law requires developers of a project to apply **before** the rehabilitation work begins for the project to qualify, this date must be after the date the application is submitted to the SHPO. If SHPO has any question about whether or not work began prior to application, we will ask for additional information confirming when construction began. The date entered here must be same as the "Start date (estimated)" entered on Part 2 of the federal application.

LINE 11: Pre-rehabilitation Adjusted Basis:

The cost of rehabilitation must exceed the pre-rehabilitation Adjusted Basis of the building. Generally,

this test must be met within 24-months or within 60-months for a project completed in multiple phases.

The cost of a project must exceed the greater of \$5,000 or the building's [adjusted basis](#). Provide the numbers for the requested values: purchase price of the property (building and land), the cost of the land at the time of purchase, depreciation taken for an income-producing property, cost of any capital improvements made since purchase, and the calculated adjusted basis. See item #2 on the TPS website for further information on adjusted basis, [Eligibility Requirements - Historic Preservation Tax Incentives \(U.S. National Park Service\) \(nps.gov\)](#)

LINE 12: Assessed property value in tax year before rehabilitation:

Enter the assessed value of the property in the tax year before rehabilitation begins. This amount can be found on your property tax records.

LINE 13: Project interested in being contacted by SHPO to share data related to carbon mitigation AND Project received a green building certification, such as LEED

Please check yes or no to indicate the project's interest in participating in a study to define the carbon mitigation benefits of reusing an existing building. Your project will be asked to share specific information regarding material quantities and other material-based items. Also, please check yes or no if the project plans to pursue green building certification.

LINE 14: Woman or Minority or Veteran Owned Applicant (optional)

Check yes or no.

LINE 15: Preparer's Name (if applicable):

If someone other than the applicant has prepared this document, such as a consultant, provide the requested information.

Applicant (Authorized Signature Required)

Enter the name and title of the Applicant of the property or the individual legally authorized to sign on behalf of an ownership entity.

This should *match* the Applicant information on federal *Part 2 – Description of Rehabilitation*.

Authorized signatures:

In accordance Statewide Electronic Signature Policy 19-01, MNSHPO will accept e-signatures that have been authenticated by a third-party digital software, such as DocuSign and Adobe Sign, when it includes the date and time of the signature, an authentication code, and is attributable to the person intending to sign the document.

MNSHPO can accept scans of handwritten wet signatures on the State application forms.

MNSHPO may reject e-signatures that cannot be authenticated. Under Minnesota Statutes Section 325L.09(b), an e-signature should be attributable to the person intending to sign the document.

See the following table for a list of e-signatures that are and are not accepted.

Types of E-Signature	Accepted w/ Authentication*	Not Accepted
*DocuSign	X	
*Adobe Sign	X	
Handwritten Signatures on Scanned Documents	X	
Image of a Signature that has been Copied onto a Document		X
Typed Signature Using a Cursive or Calligraphy Font		X
"/s/" Followed by a Typed Name		X

Application Fee Invoicing:

Nonrefundable application fees are charged for the *Minnesota Part A* and *Minnesota Part B*. Projects are invoiced upon receipt of the application. The application fee structure is as follows:

Qualified Rehabilitation Expenses (QREs)	Part A*	Part B*
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\$5,000,001 - \$8,000,000	\$3,000	(QRE x .50%) - \$3,000
\$8,000,001 and over	\$5,000	\$35,000

* A+B fees will not exceed \$40,000

Note the federal review fee is separate from the Minnesota Application Fee. Federal fees will be invoiced by the NPS at the time they receive the application, follow their instructions for payment online at: [Application Fees - Historic Preservation Tax Incentives \(U.S. National Park Service\) \(nps.gov\)](#)

Submitting a Completed Minnesota Part A:

Minnesota Part A application must be submitted with federal *Part 2-Description of Rehabilitation* application.

Save the PDF file of the *Minnesota Part A* separately from the Federal *Part 2-Description of Rehabilitation*.

The MN SHPO currently requires all Historic Tax Credit Application materials be submitted electronically through the MN SHPO FTP site.

- Email HistoricTaxSHPO@state.mn.us to request a file sharing folder(s), include the:
 - Historic building name, and the NPS project number (if the project already has one).
 - Type of applications being submitted: federal *Part 2-Description of Rehabilitation* and *Minnesota Part A*.
- MN SHPO will share a link to the FTP site (ShareFile) for PDF application uploads.
- When all the documents have been uploaded, email HistoricTaxSHPO@state.mn.us that the application is uploaded, and staff may begin a check for completeness:

- a. applications will not be accepted and logged in until SHPO has received an email confirmation that the application is fully uploaded
- b. all applicable parts of the form(s) must be completed in order have applications forwarded onto a content reviewer

When SHPO completes review of the application the project contact will be given further instruction. Our response could be a request for missing information, a request for more information, or notification that we have completed the SHPO review.

Please note:

- Do not send documents through email or in a different file sharing format, the State cannot accept them
- Do not mail hard copies of the application to SHPO
- Do not mail state application fees (you will receive an invoice after the application is received)

Issuance of an Allocation Certificate:

MN SHPO will issue the project a *State Allocation Certificate* after:

- ☐ the project shows that it meets the "substantial rehabilitation" as defined in 47(c)(1)(C) of the Internal Revenue Code
- ☐ the applicant submits complete federal *Part 2* and *Minnesota Part A* applications before rehabilitation begins
- ☐ all phases of work have been described and conditionally approved by the National Park Service through the *Part 2-Description of Rehabilitation* and other submitted federal *Amendment/Advisory Determinations*
- ☐ There must be a Certified Historic Structure:
 - Individually listed in the [National Register of Historic Places](#); or
 - Is contributing to a listed National Register of Historic Places historic district or local historic district that has been certified by NPS for tax credit purposes.

END OF INSTRUCTIONS