The Minnesota Rehabilitation Tax Credit was signed into law in April 2010 as an incentive to stimulate job growth, increase local tax bases, and revitalize communities across the state by encouraging private investment in historic properties (Laws of Minnesota, 2010, Chapter 216, Sections 11 & 17).

The state historic structure rehabilitation tax credit mirrors the federal historic preservation tax incentive and is used in conjunction with the federal credit. Property owners who are undertaking a historic rehabilitation project are eligible to receive a state income tax credit on qualified rehabilitation expenses equal to the federal tax incentive. Owners may elect to receive a grant-in-lieu-of-credit equal to 90 percent of the allowable credit.

The program is administered by the State Historic Preservation Office in partnership with the Minnesota Department of Revenue. The Minnesota Historic Structure Rehabilitation Tax Credit is set to expire after fiscal year 2021, unless it is reauthorized. The federal historic preservation tax incentives program is administered by the National Park Service in partnership with the Internal Revenue Service.

WHICH PROJECTS QUALIFY Property must be a certified historic structure:

- The building must be listed in the National Register of Historic Places or certified as contributing to a National Register Historic District.
- Building must be rehabilitated for income-producing use.
- Owner must apply for state credits before construction work begins.
- Cost of rehabilitation must meet a substantial rehabilitation test.
- National Park Service must approve the project plans and certify the completed work as meeting the Secretary of the Interior’s Standards for Rehabilitation.
- Taxpayer must be allowed the federal historic preservation tax incentive for the project.
THE APPLICATION PROCESS

The Minnesota application is a two-part form that accompanies the three-part federal application.

Evaluation of Significance:
Part 1 of the federal application should be submitted before applying for the state credit.

Description of Rehabilitation:
Part A of the MN application should be submitted with Part 2 of the federal application before construction begins.

Request for Certification:
Part B of the MN application should be submitted with Part 3 of the federal application after construction is complete.

The state charges nonrefundable application fees based on the amount of a project’s qualified rehabilitation expenses. The National Park Service charges a separate fee for the federal application, also based on project cost.

FOR MORE INFORMATION CONTACT:
Natascha Wiener, Historical Architect
651-201-3294 | natascha.wiener@state.mn.us

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

Website: mn.gov/admin/shpo/incentives/state