

## Questions/ Answers from 9/25/18 Historic Preservation Tax Credit Webinar

### **1. Are awards for the full QRE amount, or can they be made for less?**

Typically, highest scoring projects are registered for the full maximum credit until allocation exhaustion. However, IEDA may offer partial awards to projects, depending on demand for credits, number of applications and other factors.

### **2. Is this process for both large and small applications?**

No, ONLY Large projects applying for registration, Part 2B, need to utilize IowaGrants.org at this time. Small Projects, in entirety, and all other Parts for Large projects will continue to utilize CACTAS until and unless given other direction by IEDA.

### **3. If the building is owned through an LLC (such as may be the case of a nonprofit). Is evidence of the LLC being the fee simple owner sufficient?**

The applicant must be the fee simple owner or qualified lessee (defined below) to be eligible. The applicant entity must match the owner of the property.

You must be one of the two to claim the credit at the end of the process.

### **4. What is the definition of a qualified lease?**

Internal Revenue Code Section 47(c)(2)(B)(vi) provides that a lessee is eligible to claim a rehabilitation tax credit when the lessee incurs the cost of rehabilitation and the lease term is greater than the recovery period determined under Internal Revenue Code Section 168(c) - currently 39 years for non-residential real property and 27.5 years for residential rental. The lessee, under these conditions, can claim the rehabilitation tax credit on qualified rehabilitation expenditures provided the substantial rehabilitation test is met.

### **5. What is the process for a project where the applicant changes after the Part 1 has been submitted?**

An applicant should amend an approved Part 1 application if the property changes ownership OR if the applicant's name or address changes prior to submission of a Part 2 application.

This will be done in CACTAS. An amendment form is available in the "Forms" tab located on CACTAS.

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- 6. For demonstrating ownership, can a PDF be submitted of a county assessor listing that includes the owner's name? What about for projects where the ownership has not yet changed with the county assessor?**

A copy of the County Assessor report is acceptable as proof of ownership. If not updated, a copy of the deed should be provided.

- 7. What is the process if a less-than-full STC award is made? Do applicants have to register again for the remaining amount?**

Yes, a partially awarded project (registered below maximum amount) may return in the next eligible registration round and apply for the remaining amount.

- 8. Is a Fed Tax Exempt 501(c)(3) organization eligible for the program?**

Yes

- 9. Can any team member sign electronically, or should this be a legal signatory for the organization?**

The owner/applicant should be the one to sign and therefore certify the information is correct and accurate to their knowledge.