

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**  
**DEPARTMENT OF REVENUE**  
**DIVISION OF TAXATION**  
**ONE CAPITOL HILL**  
**PROVIDENCE, RI 02908**  
[www.tax.ri.gov](http://www.tax.ri.gov)

***Important Notice to Taxpayers regarding Historic Tax Credits***

House Bill 8016 Sub A and Senate Bill 2846 Sub A signed into law make significant changes to Rhode Island's Historic Preservation Investment Tax Credit Program.

The new law allows projects that have submitted Part 1 Application - Request for Historical Certification to the Rhode Island Historic Preservation and Heritage Commission (RIHPHC) prior to January 1, 2008 an option of continuing under the new rules. A moratorium on projects without a completed Part 1 Application would go into effect as of January 1, 2008.

**Major changes to the Rhode Island Historic Tax Credit Program**

- All projects placed in service prior to January 1, 2008 will receive 30% tax credit. Part 3 Applications must be submitted to RIHPHC and fee of 2.25% paid to Division of Taxation on or before May 15, 2008. **Projects that fail to submit Part 3 Application or fail to make payment by May 15, 2008 will not be eligible to receive tax credits.**
- The new law restricts future eligibility to projects that submitted a Part 1 Application to RIHPHC prior to January 1, 2008. Projects that submitted a Part 1 Application to RIHPHC after December 31, 2007 will not be eligible for the program.
  - Projects that wish to continue in the program must pay a processing fee ranging from 3% to 5% of Qualified Rehabilitation Expenditures, with 2.25% of Qualified Rehabilitation Expenditures due on or before May 15, 2008, and the balance due on or before March 5, 2009.
  - Projects may opt for one of the following combinations of processing fees and tax credits:
    - 27% credit with a 5% processing fee
    - 26% credit with a 4% processing fee
    - 25% credit with a 3% processing fee
- All projects continuing in the program will enter into a contract with the Division of Taxation stating the estimated amount of Qualified Rehabilitation Expenditures for the project, the tax credit percentage, and the amount of fees. The contract will constitute a State guaranty that the stated amount of tax credits will be available when earned. Projects will not be allowed to claim additional tax credits based on an increase in the Qualified Rehabilitation Expenditures. If final Qualified Rehabilitation Expenditures should be less than the amount stated in the contract, the Division of Taxation will refund the overpayment of fees.
- Upon completion of the Project, developers must:
  - Submit Part 3 Application to RIHPHC for certification that the rehabilitation is consistent with specified standards, and
  - Submit to the Division of Taxation a detailed statement of cost. The statement of cost must be certified by a certified public accountant licensed in Rhode Island.

For more information concerning the historic tax credit program, please reference Emergency Regulation HTC08-01, which can be found on the Division of Taxations web site at [www.tax.ri.gov](http://www.tax.ri.gov). If you have additional questions please contact Michael Canole at 401-574-8729.