

2002 MICHIGAN Historic Preservation Tax Credit

Issued under authority of P.A. 534 and 535 of 1999. Filing is voluntary.

1. Filer's First Name, Middle Initial and Last Name or Business Name	2. Project Number	3. Filer's Social Security No. or Business FEIN/TR No.
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4. **State Equalized Value (SEV).** Enter the State Equalized Value (SEV) of the resource. (If multiple projects, see instructions.) 4. _____ .00
5. **Qualified Expenditures.** Enter the qualified expenditures for the rehabilitation of the historic resource 5. _____ .00
6. Multiply line 5 by 25% (.25) 6. _____ .00
7. Enter the total amount of credit claimed on U.S. 3468, Investment Credit, line 1c 7. _____ .00
8. Current year Michigan Historic Preservation Tax Credit. Subtract line 7 from line 6 8. _____ .00
9. Enter assigned credit from Form 3614 9. _____ .00
10. Carryover Historic Preservation Tax Credit from 2001 10. _____ .00
11. **Michigan Historic Preservation Tax Credit.** Add lines 8, 9 and 10 11. _____ .00

Single Business Tax filers - Carry the amount from line 11 to C-8000MC, line 53.

Individual Income Tax filers - Carry the amount from line 11 to MI-1040, line 24a.

Fiduciary Income Tax filers - Carry the amount from line 11 to MI-1041, line 19a.

Tax Liability Limitation - Individual Income Tax filers and Fiduciary filers:

12. Complete the worksheet below to determine the amount of credit needed to offset the current tax liability. Credit, in excess of the current liability, can be carried forward for up to ten years to offset a future liability.
- a. Tax from your 2002 MI-1040, line 18 or 2002 MI-1041, line 13 a. _____ .00
- b. Total nonrefundable credits from your 2002 MI-1040, lines 19b, 20b, 21b, 22b, 23b and 25 or 2002 MI-1041, lines 15b, 16b, 17b and 18b b. _____ .00
- c. Subtract line 12b from line 12a (if less than zero, enter zero) c. _____ .00
- d. Enter the amount from line 11 above d. _____ .00
- e. **Michigan Historic Preservation Tax Credit.**
Enter the smaller line 12c or 12d.
Carry the amount from line 12e to your 2002 MI-1040, line 24b or to line 19b of your 2002 MI-1041 e. _____ .00
- f. Carryover to 2003. If line 12c is smaller than 12d, subtract 12c from 12d. This is the amount you may carry forward f. _____ .00

Instructions for Form 3581, Michigan Historic Preservation Tax Credit

What Is the Historic Preservation Tax Credit?

The Michigan Historic Preservation Tax Credit provides tax incentives for homeowners, commercial property owners and businesses to rehabilitate historic commercial and residential resources located in the State of Michigan.

The Michigan Historic Preservation Tax Credit is a nonrefundable credit. However, if the credit exceeds the taxpayer's tax liability, the balance of the credit may be carried forward up to ten years.

This credit is available to qualified taxpayers with a rehabilitation plan certified after December 31, 1998. The credit must be claimed in the year that the certification of completed rehabilitation of the historic resource was issued, and within five years of the year the rehabilitation plan was certified.

Taxpayers may receive a Michigan credit equal to 25 percent of their qualified expenditures. For taxpayers eligible for the federal credit under Section 47(a)(2) of the Internal Revenue Code (IRC), the Michigan credit is 25 percent of the qualified expenditures less the amount of the federal credit claimed.

NOTE: If the resource is sold or the certification of completed rehabilitation is revoked less than five years after the credit is claimed, a percentage of the credit will be subject to recapture.

Eligibility

The Michigan Historic Preservation Tax Credit is available to eligible assignees, owners or long-term lessees of qualified historic resources who undertake rehabilitation projects that are certified by the State Historic Preservation Office (SHPO), Michigan Historical Center.

Property owners undertaking rehabilitation projects on depreciable properties that qualify for the federal historic preservation tax credit must first apply for the federal credit.

Qualified Expenditures

Qualified expenditures are capital expenditures that would qualify under Section 47(a)(2) of the IRC except that

the expenditures were made for a non-qualifying historic resource under IRC. A taxpayer with qualified expenditures eligible for the federal credit must claim and receive the federal credit to qualify for the Michigan credit. The expenditures must be paid after December 31, 1998 for the rehabilitation of a historic resource but not more than five years after the certification of the rehabilitation plan.

The amount of the qualified expenditures must be equal to or greater than 10 percent of the State Equalized Value (SEV) of the rehabilitated property. If the historic resource to be rehabilitated is part of a historic or non-historic resource, only the SEV for that portion can be used. If the SEV has not been determined for the historic portion, or the historic resource to be rehabilitated does not have an SEV, the total qualified expenditures must be equal to or greater than 5 percent of the resource's appraised value.

Line - By - Line Instructions

NOTE: If this claim is for a carryover or an assigned credit do not complete lines 4 through 8.

Line 2: Project Number. Enter the project number assigned to you by the State Historic Preservation Office.

Line 4: State Equalized Value (SEV). If you have multiple projects, leave this line blank and attach a separate list which includes the property name, SEV and qualified expenditures for each project.

Line 5: Qualified Expenditures. If multiple projects, enter the total qualified expenditures for all projects. Qualified expenditures **must be paid after December 31, 1998** but not more than five years after the certification of the rehabilitation plan.

Line 7: If you are eligible, you must claim the Federal Rehabilitation Credit on U.S. 3468, Investment Credit. Enter the amount from U.S. 3468, line 1c, attributable to Michigan expenditures made after December 31, 1998.

Line 9: If you were assigned the Historic Preservation Credit, enter the amount of the assigned credit from the authorized

Michigan Historic Preservation Credit Assignment, Form 3614.

Line 12: Individual and fiduciary income tax filers, calculate the amount of historical credit needed to offset your tax liability. Carry the amount from line 12e to your 2002 MI-1040, line 24b, or to your 2002 MI-1041, line 19b. Credit in excess of the tax liability may be used in subsequent years.

Attachments

To claim your credit, you **must** attach the forms listed below to your MI-1040, MI-1041 or C-8000.

- *Michigan Historic Preservation Tax Credit* (Form 3581)
- Historic Preservation Certification Application, Part 1 Evaluation of Eligibility signed and dated
- Historic Preservation Certification Application Part 3, Request for Certification of Completed Work, signed and dated
- Copy of "Michigan Verification of Taxable Credit Eligibility," if applicable
- A detailed list of qualified expenditures, and dates paid
- Authorized *Michigan Historic Preservation Tax Credit Assignment*, Form 3614, if applicable

Where to Get Treasury Forms

- Michigan Department of Treasury Web site at: www.michigan.gov/treasury



Questions

For questions regarding the tax credit, contact the Michigan Department of Treasury:

Individual Income Tax: 1-800-827-4000
Single Business Tax: 517-636-4700

For questions regarding federal and state certification, contact the State Historic Preservation Office, Michigan Historical Center, at (517) 373-1630.

For Additional Information

State Historic Preservation Office
www.michigan.gov/shpo

Federal Historic Preservation Tax Incentives
www2.cr.nps.gov/