

Tax Credits for Rehabilitating Historic Buildings

Do you own a commercial building located in a historic district? Does it need to be fixed up? Will it be used for a business or rental housing? If you own a property along Germantown Avenue, and you are considering improving your property, you may be eligible for federal tax credits. This tool, combined with the City of Philadelphia's Storefront Improvement Program (SIP) will assist property owners with improving your property. The SIP offers a 50% rebate (up to \$8,000) on storefront improvements and the Federal Historic Preservation Tax Incentives program offers 20% federal tax credit for qualified rehabilitation expenses.

Tax Credit Basics

In general, a tax credit is a dollar-for-dollar reduction in the amount of taxes you owe. The amount of credit under this program equals 20% of the qualifying cost of your rehabilitation. A project must be "substantial" in that your qualifying rehabilitation expenses must exceed the greater of \$5,000 or the adjusted basis of the building. Your building has to be certified as historic, or in and contributing to Historic District, by the National Park Service. Rehabilitation work has to meet the Secretary of the Interior's Standards for Rehabilitation as determined by the National Park Service. The Process is straight forward, and the tax savings can be significant. For example, a property owner planning a project estimated to cost \$60,000 could realize a tax credit of \$12,000 on their federal income taxes. Applicants are encouraged to consult their accountant or tax advisor to make sure that this federal tax credit is beneficial to them.

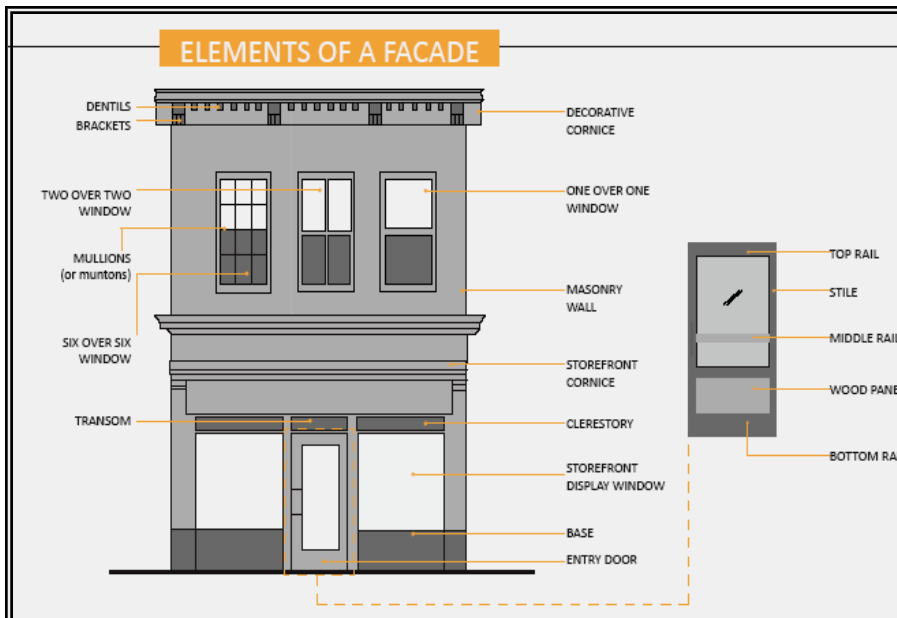
Three Steps to Determine if a Project is Eligible for Tax Credits

First: Does your building contribute to a historic district recognized by the National Park Service? The easiest way

to determine if your building is located in an historic district is to contact the Philadelphia Historic Commission or your local corridor relationship manager. If your property is located in one of these districts, it still must be designated by the National Park Service as a structure that contributes to the historic character of the district and thus qualifies as a "certified historic structure."

Second: Will your rehabilitation be substantial? The cost of a project must exceed \$5,000 or the building's adjusted basis. The following formula will help you determine if your project will meet the substantial rehabilitation test:

- $A - B - C + D = \text{adjusted basis}$
- A = purchase price of the property
- B = the part of the purchase price attributed to the land cost
- C = depreciation taken for an income-producing property
- D = cost of any capital improvements made since purchase



Third: How does your project become "certified"? To qualify for the tax credits you need to complete a 3-part application. In Part 1 of the application, you provide information to the National Park Service determine if your building qualifies as a "certified historic structure." In Part 2, you describe the condition of the building and the planned rehabilitation

work. The proposed work will be evaluated based on the Secretary of the Interior's Standards for Rehabilitation - a set of ten widely accepted standards of practice for historic preservation. Part 3 of the application is submitted after completion of the project and is used by the National Park Service to certify that the project as completed meets the Standard and is "certified rehabilitation."

Taken from "Introduction to Tax Credits for Rehabilitating Historic Buildings." Drawing courtesy of the Community Design Collaborative. For more information about Federal Tax Credits, visit the National Park Service website at www.nps.gov/history/hps/tpls/ or contact the Philadelphia Historic Commission. For more information on Storefront Improvement Program, contact Sloane Folks @Sloane.folks@verizon.net



“If residents are looking for a variance from the ZBA, they need to pay their taxes” said Commissioner of Licenses and Inspections and Ex-Officio member of the ZBA Fran Burns.



CITY REQUIRES APPLICANTS TO BE CURRENT ON TAXES PRIOR TO GRANTING ZONING

As of January 1, 2011 residents who wish to apply for a variance from the Zoning Board of Adjustments (ZBA) must submit a tax clearance form along with their application to prove that they are in tax compliance. The intent of this law, sponsored by Councilman-at-Large Frank Rizzo and ultimately implemented by the ZBA, is to better ensure that Philadelphians looking for variances have paid their taxes.

“If residents are looking for a variance from the ZBA, they need to pay their taxes” said Commissioner of Licenses and Inspections and Ex-Officio member of the ZBA Fran Burns. “During this economic crisis, the City needs the tax revenue due to it more than ever.”

Residents can access the form by visiting the websites of the

Revenue Department and the Department of Licenses and Inspections or . Applicants should fill in the required information, press submit, and then print the following screen, which is the applicant’s certificate of tax suitability. The applicant should then submit the tax suitability form along with their request for an appeal to the ZBA. Applicants that experience difficulty obtaining a tax suitability form should contact the Revenue Department at (215) 686-6600.

Individuals or groups who fall into one of the following three categories are excluded from the tax clearance requirements:

If the applicant is a tenant in the property and not the owner, the applicant must only provide certification that his property taxes are current or he is in a payment plan.

If the applicant is a non-profit entity that acquired the property from the City or another public agency but the property has prior outstanding taxes, the applicant must only certify that taxes on the property are current from the time of the sale forward and all of the applicant’s other taxes are current or in payment agreement as well.

If the applicant is a homeowner who acquired the property from the City, another public agency, or a non-profit who previously acquired the property from the City or another public agency but the property has prior outstanding taxes, the applicant must only certify that taxes on the property are current from the time of the sale forward and all of the applicant’s other taxes are current or in payment agreement as well.

CENTRAL GERMANTOWN COUNCIL AND GSSD LAUNCH NEW WEBSITE

If you have searched for business information about Central Germantown over the past few years, and come away disappointed with the information on the CGC web-site, we have great news for you. Over the past two months CGC has worked with Cheltenham Computer Communication to update all information regarding Central Germantown, including links to City Government and the

Germantown Market Place. This link allows a virtual stroll through the Central Germantown business corridor. Browsers will view all 298 properties within the Central Germantown business corridor. Soon browsers will be able to link to the websites of all businesses in the corridor from the Germantown Marketplace link, as well as view vacant property information which will include;

real-estate agent information, tax information, zoning, square footage, and rental or purchase rates. There is also a link to ask questions about the corridor and business activity. Although presently up and running, all links should be available by the end of July, 2011, and will continue to evolve. Visit us at central-germantowncouncil.com.

GREATER GERMANTOWN BUSINESS ASSOCIATION: SO YOU WANT TO BE IN BUSINESS?

The mission of the Greater Germantown Business Association is to build an inclusive culturally diverse business association that will positively influence the sustainable economic development of the Greater Germantown business corridor. The vision is to create a vibrant, diverse and safe atmosphere that invites consumers and businesses from every cultural background to live work eat and enjoy life in the Greater Germantown Community.

GGBA's New Green Initiative

In an effort to revitalize the community and business corri-

dor, Liberation Fellowship CDC along with the Philadelphia University and Lafayette College have been looking to into the possibilities of restoring Germantown's Town Hall located at 5928 Germantown Avenue. The Greater Germantown Business Association is refocusing its efforts to study the feasibility of creating a Green Business District near the Town Hall. Green Businesses are defined as businesses that seek to be energy efficient, attempts to leave a minimal carbon footprint, produces or sells products and services that are consumer safe and environmentally friendly

and offers access to Green Collar jobs for neighborhood residents.

What are the benefits of my business joining GGBA? GGBA member enjoy support through the network of businesses that are members, as well as monthly meetings which focus on topics that improve your bottom line—SALES.

To find out more about GGBA membership and upcoming meetings, go to www.greatergermantownba.com.



CENTRAL GERMANTOWN PARTNERS WITH THE WELCOMING CENTER TO ASSIST IMMIGRANT BUSINESSES

Central Germantown Council has partnered with the Welcoming Center for New Pennsylvanians to offer immigrant entrepreneurs language access programming and training. The Welcoming Center for New Pennsylvanians connects immigrant entrepreneurs to economic opportunities in our region so that they can successfully integrate into their new homeland. The result: A Shared Prosperity. Their clients find their economic footing and our region benefits from fresh talent and new consumers.

Opportunity Calls - Every month, the Welcoming Center

sends a free announcement by phone to business owners all over Philadelphia.

"Opportunity Call" includes 3-5 items, such as announcements about new workshops for business owners, free tax help, loan opportunities, etc.

Espanol

Cada mes, el centro Acogiendo con beneplácito envía un anuncio gratis por teléfono a los dueños de negocios en Philadelphia. Nuestro "oportunidad de llamar" incluye 3-5 elementos, tales como anuncios sobre nuevos talleres para los propietarios de negocios, libre impuestos ayuda,

préstamos oportunidades, etc..

Viet

Hàng tháng, trung tâm Welcoming sẽ gửi một thông báo miễn phí qua điện thoại để chủ doanh nghiệp trên toàn Philadelphia. Cửa chúng tôi "cơ hội gọi" bao gồm 3-5 mục, chẳng hạn như thông báo về cuộc hội thảo mới cho các chủ doanh nghiệp, trợ giúp miễn phí thuế, cho vay cơ hội, vv.

"Using Social Media to Market Your Business" will be an opportunity for business to look at social media platforms such as My-space, Facebook and Twitter as outlets to advertise and market their businesses goods and services.



General Information-City Services and non-emergency inquiries, dial 311 or if you're dialing from a non 215 number, dial 215/686-8686.



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Central Germantown Council (CGC) is a non-profit community development corporation that began operations in 1981. The mission of CGC is to improve the Central Germantown Community socially and physically through economic and commercial development. CGC is centrally located within Vernon Park at 5800 Germantown Avenue. CGC was founded after three years of community driven revitalization planning for the Central Germantown business district. Its creation resulted from a market study and plan developed by Urban Partners consulting firm in 1984. Further studies were undertaken in 1999, and the strategic strategy CGC is now using as a framework for activity was adopted in 2007.

www.centralgermantowncouncil.com

Upcoming Vernon Park Events

Greater Germantown Business and Professional Association Meeting - June 14, 2011, Elders Hall on the New Covenant Campus, 5722 Greene Street, 8:30-10:00 A.M. Dr. John Churchville, Entrepreneurial Training and New Business start-up assistance.

Vernon Park—June 25, 8-5 PM, Health Fair sponsored by St. Marks Church, , June 27, 1-7 PM, Health Fair sponsored by Liberation Fellowship CDC, July 2, 12-5 PM, July 9, 9-5 PM, Cat In The Hat children's production sponsored by Stars and Stripes, , August 6, 4-8 PM, Outreach Services sponsored by Calvary Chapel of Philadelphia, August 16, 10-6 PM, Community Flea Market sponsored by the 14th Police District.

14th Police District, June 29, 7:00 PM, Police Service Area 3 Meeting, 43 West Haines Street.



Central Germantown Council- Working to improve the livability of our community.