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Tax Credit Reservation Guidance

(A) General Provisions of the Reservation Process:

- For all State Commercial Tax Credit projects with Part 2 applications received by the State Historic Preservation Office (SHPO)--Division of Historic Preservation, on or after January 1, 2021, the maximum amount of credits available to be reserved shall not exceed \$125 million per calendar year.
- Any State Commercial Tax Credit amendment forms filed on or after January 1, 2021 that amend a Part 2 application that was submitted prior to January 1, 2021, are exempt from the credit reservation process.
- If the amount of tax credit reservations issued in a calendar year is less than \$125 million, the excess reservation amount shall be available for issuance in any subsequent calendar year. If a tax credit reservation is forfeited or rescinded, the forfeited or rescinded reservation amount shall be available for issuance.
- Reservations of credit shall be first-come first-served based upon the date of approval of a completed reservation form by the State Historic Preservation Office.
- If the total amount of credit reservations applied for in any calendar year exceeds the amount of tax credits available for that year, the excess shall be treated as having been applied for on the first day of the subsequent calendar year.
- All reservation forms received on the same business day shall be treated as received at the same time, and if the aggregate amount of the requests received on a single business day exceeds the total amount of available tax credit reservations, tax credits shall be reserved on a pro rata basis.
- Applicants may review the current amount of tax credit reservations available per any given year on the Division of Historic Preservation's website, www.louisianahp.org.
- Applicants must comply with all other program requirements set forth by the Division.
- Claims for the credit must also comply with any rules and regulations set forth by the Louisiana Department of Revenue (LDR). Upon approval by SHPO, the tax credit reservation form will be transmitted to LDR. The Department of Revenue may not issue more than what was reserved for any project--please visit LDR's website for the most up to date information on any rules or Revenue Information Bulletins pertaining to the award of the State Commercial tax credit.
<http://revenue.louisiana.gov/>

(B) The Reservation Process – Timing:

- Reservation requests will be accepted beginning July 1, 2021 for the 2021 calendar year, and on the second Monday in January each subsequent year for that year's reservations:
2021: Thursday, July 1st

2022: Monday, January 10th

2023: Monday, January 9th

2024: Monday, January 8th

2025: Monday, January 13th

Please note: the State Commercial Tax Credit program currently sunsets December 31, 2028.

- Tax credit reservation requests will not be approved prior to the state Part 2 application approval.
- The SHPO—Division of Historic Preservation shall issue reservations of tax credits generally no later than thirty days from the later of:
 - The date property completed reservation applications were received, or
 - The date the state Part 2 application is approved.
- Applicant must be able to demonstrate evidence that the project is progressing within twenty-four months of the date the credit reservation is issued (more in the Forfeiture or Rescission of the Tax Credit Reservation section, below).

(C) The Reservation Process – Phasing:

- Projects that will be completed in phases may file a tax credit reservation application for the entire project in conjunction with the Part 2 application OR may file a separate tax credit reservation form application, one for each phase, prior to the project or a particular separate phase being placed in service.

(D) Forfeiture or Rescission of the Tax Credit Reservation:

Rescission of the Tax Credit Reservation -

- Tax credit reservations shall be rescinded if the applicant fails to provide to the State Historic Preservation Office (SHPO)—Division of Historic Preservation, sufficient evidence that the project is progressing within twenty-four months of the date the credit reservation is issued. This evidence may include, but is not limited to:
 - An executed tax credit investor letter of intent;
 - Final construction drawings;
 - Approved building permits; or
 - Other evidence that construction has commenced.

These examples are illustrative, but not exclusive. Failure to submit evidence that a project is progressing may result in the rescission of the credit reservation.

- If, at any time, the SHPO has reason to believe that a project has become inactive or that it is not likely to be able to meet the requirements of the program, SHPO shall contact the applicant by registered or certified mail to request a status report that includes evidence showing the project is progressing. Status reports shall not be requested more than twice during a calendar year and SHPO may waive such reports at its discretion for extenuating circumstances including, but not limited to, force majeure events.
- Projects that have been denied during the application process by the SHPO shall have the credit reservation rescinded after all appeals have been exhausted.

Forfeiture of the Tax Credit Reservation by Applicant—

- Applicants may forfeit a tax credit reservation by submitting to the SHPO a statement that includes the information contained within the reservation form, with a request to rescind the tax credit reservation.

In Cases of Rescission or Forfeiture by SHPO—

- The SHPO shall notify the applicant in writing that the tax credit reservation has been forfeited or rescinded.
- The SHPO shall notify the Louisiana Department of Revenue (LDR) of all tax credit reservation requests that have been forfeited or rescinded.
- Applicants whose tax credit reservation has been forfeited or rescinded are not prohibited from submitting a new tax credit reservation.

(E) State Commercial Tax Credit Application Amendments and How They Affect Credit Reservations:

- An applicant may amend an existing State Commercial Tax Credit Part 1, Part 2, or Part 3 application.

- Any amendment that does not request an increased or decreased reservation amount shall not modify a previous reservation.
- Any amendment that decreases a reservation amount shall cause the decreased amount of tax credits to be available for issuance to other applicants.
- Any amendment requesting an additional reservation amount shall be treated as a new application but shall not modify any previous reservation with respect to that historic structure.
- State Commercial Tax Credit Part 2 applications that were submitted prior to January 1, 2021 and any Part 2 amendment to these applications are exempted from the credit reservation process.

(F) Appeals:

- Applicants may appeal any decision related to the tax credit reservation process to the State Historic Preservation Officer.
- Appeals must be received by the SHPO no later than thirty calendar day from the date of the decision being appealed. Appeals must detail specific reasons the denial should be partially or completely reconsidered or overturned.
- The State Historic Preservation Officer shall determine if a hearing is necessary, and if so, the appeal will be scheduled within thirty days of the request. The State Historic Preservation Officer, at his discretion, may hold a hearing in connection with the appeal.
- Upon review of the appeal and consideration of the hearing, if applicable, the State Historic Preservation Officer shall take one of the following actions:
 - Sustain, in full or in part, the denial; or
 - Overturn, in full or in part, the denial.
- The State Historic Preservation Officer's final written decision to any appeal must be issued no later than ninety days after receiving the full appeal.

Tax Credit Reservation Form Instructions

(G) Completing the Reservation Form:

- The tax credit reservation form must be completed in its entirety. Any incomplete reservation form will be denied.
- **DO NOT** fill in any information in the section marked "STATE OFFICE USE ONLY". Doing so will void the tax credit reservation request form and it will be denied. A new form may be submitted in such a circumstance.
- Type or print clearly in blue or black ink.
- Any questions regarding the tax credit reservation form should be addresses to a member of the tax incentives staff of the Division of Historic Preservation at (225) 342-8200

1. State Project Number: The number that has been assigned to the application by the State Historic Preservation Office upon receipt of the State Commercial Tax Credit Part 1 application. It is usually found at the top of the approved Part 1 and/or Part 2 application.

2. Name of Project or Site: If the building is individually listed in the National Register of Historic Places, or is part of a development that has a commonly-referred to name, include it here. This should correspond to the Name of Property on the Part 1 and/or Part 2 application.

Project Address: The address of the project should be the same as the address of the project on the Part 1 and/or Part 2 application.

Cultural District or Downtown Development District: The name of the eligible certified Cultural District or Downtown Development District, as noted on the Part 1 application.

3. Part 2 Approval

3A. Is this a Phased Project? If NO, date Part 2 approved by State Historic Preservation Office: If this project is not phased per the Part 2 application or subsequent amendment, then enter the date the Part 2 application was approved.

3B. Is this a Phased Project? If YES, indicate the phase for which a credit reservation is requested, and the dates the Part 2 or Amendment describing the phase was approved. If you are applying for a credit reservation on ONE phase of the project, use line (i) below. If all phases of the project were contained within the Part 2, then use line (ii) below.

(i) Phase # _____ Amendment # _____ Date Approved _____

(ii) All Phases of work (_____ of _____) approved in the Part 2 application Date Approved _____

3C. Is the State Commercial Part 2 pending approval? If the State Commercial Part 2 is pending approval, the reservation request form may still be submitted, but it will not be considered for approval prior to the Part 2 application approval.

- 4. Estimated Eligible Costs and Expenses:** Eligible costs and expenses are the qualified rehabilitation expenditures (QREs) as defined in Section 47c(2)(A) of the *Internal Revenue Code* of 1986, as amended. This is the amount that the anticipated state commercial tax credit would be based on, and excludes costs and expenses that are considered non-qualifying. This number should correspond to the number on the approved Part 2 application form. A list of costs and expenses that are generally determined to be eligible is located at www.louisianahp.org; however, only the Louisiana Department of Revenue can determine whether or not particular costs and expenses are credit-eligible.

4A. Estimate of eligible costs and expenses prepared by Certified Public Accountant attached? If the project is expected to incur at least \$500,000 of eligible costs and expenses, an estimate of the eligible costs and expenses, prepared by a Certified Public Accountant, **must be completed** on Page 3 of the Tax Credit Reservation Form. All sections highlighted on the Estimate of Costs and Expenses Prepared by a Certified Public Account **must be completed**. Reservation requests will not be approved without required estimated costs and expenses. If this is a phased project, include only the eligible costs and expenses associated with this phase.

- 5. Will this project, to the best of your knowledge, demonstrate reviewable progress within twenty-four (24) months of the reservation approval?** If the project does not demonstrate reviewable progress within twenty-four months of the reservation approval, this reservation request may be rescinded. Examples of evidence of reviewable progress is included in the Tax Credit Reservation Guidance, Section (D) Forfeiture or Rescission of the Tax Credit Reservation, above.
- 6. Amount of Tax Credit Reservation Requested:** The State Commercial Tax Credit is currently equal to 25% of eligible costs and expenses associated with the rehabilitation of a qualified building that are incurred after January 1, 2023, or 35% for designated rural areas as defined by Act 426. Qualified expenses incurred prior to January 1, 2023, are eligible for the previous credit rate of 20%. To calculate the amount of the tax credit reservation requested, multiply the Estimated Eligible Costs and Expenses found in Section 4 by 25% (0.25), or 35% (0.35) for designated rural areas. This amount should equal the Amount of Tax Credit Reservation Requested. If this is a phased project, the tax credit reservation is limited to the phase or phases referenced in Section 3, above.

7. Owner or Qualified Lessee Information

Name, Signature, and Date: The name and signature must correspond to the owner or qualified lessee shown on the Part 2 application, or on a subsequent amendment that updated the application to reflect a new owner or qualified lessee. The date the application was signed must be included. Both wet ink and electronic signatures are permitted.

Organization: The name of the owner's or qualified lessee's organization as shown on the Part 2 application, or on a subsequent amendment that updated the application to reflect a new owner or qualified lessee.

Social Security Number or Taxpayer Identification Number: The number associated with the applicant above.

Address: The mailing address of the owner or qualified lessee.

Phone Number and Email Address: Include the owner's phone number and email address that can be used for contact by the State Historic Preservation Office (SHPO)—Division of Historic Preservation staff.

- 8. Project Contact (if different than owner):** If the owner would like to designate a project contact in addition to the owner or qualified lessee, please include the name, phone number, and email address of the individual.

(H) Submitting the Reservation Form to the SHPO - Division of Historic Preservation:

- 9.** Double check the reservation form for accuracy, and make a copy for yourself. Remember, the tax credit reservation form must be completed in its entirety. Any incomplete reservation form will be denied.
- 10.** Verify that the information added to the form is typed or printed legibly in blue or black ink.
- 11.** If the eligible rehabilitation costs and expenses exceed \$500,000, make sure that you include a Certified Public Accountant's estimate.
- 12.** You may submit the reservation form with the Part 2 application, with an amendment to an existing application, or after either the corresponding Part 2 or amendment has been approved. The State Historic Preservation Office (SHPO) will not approve any reservation request form until either the corresponding Part 2 or amendment has been approved, however.
- 13.** Upon completion, form may be remitted in the following manner:

PREFERRED Via Dedicated Email: taxincentives@crt.la.gov

Completed reservation forms that have either been signed in wet ink and scanned OR electronically signed may be submitted via dedicated email address used solely for tax credit reservation form submissions. No other documents related to the Federal or State Commercial tax credit applications will be accepted at this address.

Tax credit reservations may be mailed to:

Via USPS:

Division of Historic Preservation
Tax Incentives Staff
P.O. Box 4427
Baton Rouge, LA 70804

Via Overnight Service:

Division of Historic Preservation
Tax Incentives Staff
Room 409
1051 N. Third Street
Baton Rouge, LA 70802

Hand Delivery:

Capitol Annex Building
1051 N. Third Street
Baton Rouge, LA 70802

Regular Office Hours: Monday – Friday 8:00AM – 5:00PM, excluding State holidays

- Tax credit reservation forms that are hand delivered to the physical office will not be reviewed upon delivery. Please contact a tax incentives staff member at (225) 342-8200 to make an appointment.
- The SHPO generally issues reservations of tax credits no later than thirty days from the later of either: the date the properly completed reservation application was received, or, the date the state Part 2 application is approved.

Have questions regarding the tax credit reservation form? Please contact a member of the Division of Historic Preservation's tax incentives staff at (225) 342-8200.

STATE HISTORIC PRESERVATION OFFICE USE ONLY WITHIN THIS SECTION

1. Date eligible, complete reservation form received
2. Total remaining reservation amount available for calendar year
3. Full tax credit reservation approved
4. If full reservation request is not available, indicate all applicable circumstances:
 - 4a. Pro Rata Award
 - 4b. Reservation Will Be Considered Applied for on _____ January 1,
5. Date reservation issued
6. Project must demonstrate reviewable progress within 24 months of the date the reservation is issued; otherwise, the reservation may be rescinded.

Director of the Louisiana Division of Historic Preservation or designated signatory

Office Telephone Number (225) 342-8200

APPLICANTS: COMPLETE THE SECTION BELOW, ITEMS 1 – 8

This form must be completed in its entirety. Any incomplete reservation form will be denied. Type or print clearly in blue or black ink. Reservations of credit shall be first-come first-served based upon the date of approval of a completed reservation form by the State Historic Preservation Office. If the total amount of credit reservations applied for in any calendar year exceeds the amount of tax credits available for that year, the excess shall be treated as having been applied for on the first day of the subsequent calendar year. All reservations received on the same business day shall be treated as received at the same time, and if the aggregate amount of the requests received on a single business day exceeds the total amount of available tax credit reservations, tax credits shall be reserved on a pro rata basis.

1. State Project Number _____

2. Name of Project or Site _____

Project Address: Street _____
 City _____ Parish _____ Louisiana Zip _____

3. Part 2 Approval

3A. Is this a Phased Project? If NO, date Part 2 approved by State Historic Preservation Office _____

3B. Is this a Phased Project? If YES, indicate the phase for which a credit reservation is requested, and the dates the Part 2 or Amendment describing the phase was approved. Include only the eligible costs and expenses and the amount of the tax credit reservation requested associated with this phase in Sections 4 and 6, below.

3B(i). Phase # _____ Amendment # _____ Date Approved _____

3B(ii). All phases of work (_____ of _____) approved in the Part 2 Application Date Approved _____

3C. Is the State Commercial Part 2 pending approval? YES NO

Reservation requests will not be approved prior to the Part 2 application approval.

4. Estimated Eligible Costs and Expenses \$ _____

If the project is expected to incur at least \$500,000 of eligible costs and expenses, the estimate of the eligible costs and expenses form on Page 3 must be completed by a Certified Public Accountant. Reservation requests will not be approved without required estimated costs and expenses. If this is a phased project, include only the eligible costs and expenses associated with this phase.

4A. Estimate of eligible costs and expenses prepared by Certified Public Accountant, on Page 3, completed? YES NO

ITEMS 5 – 8 CONTINUED ON SECOND PAGE

5. Will this project, to the best of your knowledge, demonstrate reviewable progress within twenty-four (24) months of the reservation approval? **Y / N** If the project does not demonstrate reviewable progress within twenty-four months of the reservation approval, this reservation request may be rescinded. **YES NO**
6. Amount of Tax Credit Reservation Requested \$ _____
Estimated Eligible Costs and Expenses x 0.25 (or 0.35 for rural areas) = Tax Credit Reservation Request. If this is a phased project, the tax credit reservation is limited to the phase or phases referenced in Section 3, above.
7. Owner or Qualified Lessee Information
I hereby certify that the information I have provided is, to the best of my knowledge, correct and that I am the owner or qualified lessee of the project referenced above.
Name _____ Signature _____ Date _____
Organization _____
Social Security Number or Taxpayer Identification Number _____
Street _____
City _____ State _____ Zip _____
Phone Number _____ Email Address _____
8. Project Contact (if different than owner)
Name _____ Phone Number _____ Email Address _____

UPON COMPLETION, FORM MAY BE REMITTED IN THE FOLLOWING MANNER:

PREFERRED Via Dedicated Email: taxincentives@crt.la.gov

Completed reservation forms that have either been signed in wet ink and scanned OR electronically signed may be submitted via dedicated email address used solely for tax credit reservation form submissions. No other documents related to the Federal or State Commercial tax credit applications will be accepted at this address.

Via USPS:

Division of Historic Preservation
Tax Incentives Staff
P.O. Box 44247
Baton Rouge, LA 70804

Via Overnight Service:

Division of Historic
Preservation
Tax Incentives Staff
Room 409
1051 N. Third Street
Baton Rouge, LA 70802

Via Hand Delivery:

Capitol Annex Building
1051 N. Third Street
Baton Rouge, LA 70802
Regular Office Hours:
Monday – Friday 8:00AM –
5:00PM,
excluding State holidays

If you have questions regarding the tax credit reservation form, please contact a member of the Division of Historic Preservation's tax incentives staff at (225) 342-8200.

Estimate of Costs and Expenses Prepared by a Certified Public Accountant

CATEGORY	ESTIMATED TOTAL COSTS AND EXPENSES	ESTIMATED INELIGIBLE COSTS AND EXPENSES	ESTIMATED ELIGIBLE COSTS AND EXPENSES
1. Acquisition Costs			
Land & Building			
Title & Recording			
Total Acquisition Costs			

2. Construction Costs			
Construction Contract			
Other Construction Costs			
Total Construction Costs			

3. Development & Construction Soft Costs			
Accounting Fees			
Appraisal & Market Study			
Architect Fees			
City Agencies/Fire Marshal/Permits & Fees			
Development Fees			
Environmental / Exterior Envelope			
Financing Fees			
Interest During Construction			
Reserves - Lease-Up/Working Capital			
Legal			
Miscellaneous			
Survey/Engineering			
R/E Taxes and Insurance			
Furniture, Fixtures & Equipment			
Total Development & Construction Soft Costs			

Total Development Costs			
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State Credit Rate **25%
(35% rural)**

State Historic Tax Credit Reservation Requested

\$

*This schedule is prepared for the purposes of satisfying the requirements of R.S. 47:6019(e) and all associated regulations. While the final amount of costs actually incurred (in the aggregate and within each line item) may vary materially from the amounts shown, the estimates contained herein are represented to be reasonable as of the date hereof.

Name of Certified Public Accountant:	Name of Applicant:
Certificate Number:	Project Number:
Authorized Signature:	Authorized Signature:
Date:	Date:

All sections highlighted in gold MUST be completed; if there is no dollar amount associated with a particular section, enter \$0.