

# MISSOURI HISTORIC TAX CREDITS

Historic tax credits are a valuable incentive for the redevelopment of both commercial and residential historic structures. This program promotes private sector rehabilitation of historic buildings and economic development. The Missouri Department of Economic Development (MODED) has established specific guidelines related to the tax credits.

CPAs can offer valuable cost savings advice for anyone venturing in the redevelopment of a historic building. If total project costs (excluding acquisition) are less than \$250,000, the applicant must engage a CPA to compile the list of project expenditures in the format specified by the MODED. If total project costs are \$250,000 or more (excluding acquisition), a CPA licensed in the State of Missouri must be engaged to perform an examination of the list of project expenditures, and opine that all costs adhere to program guidelines. The Anders Historic Tax Credit team has extensive experience working with a variety of other tax credit types including Neighborhood Preservation Act tax credits.

## THE ANDERS SOLUTION

Using in-depth knowledge of the Missouri Historic Tax Credit Program and contacts with the MODED, Anders has successfully produced significant savings for clients. A CPA is required for tax credit projects and we have provided invaluable advice to our clients. Some of the services we can provide include:

- Providing compilation and examination services required by the MODED guidelines
- Developing and formatting the MODED prescribed EXP-Form to summarize project costs
- Organizing invoices and bank statements to create an efficient process that eliminates excessive fees
- Identifying what costs are qualified versus non-qualified under the MODED's guidelines
- Providing tips and advice on how to maximize total qualified costs so that no dollar in credits is wasted

## STRUCTURE ELIGIBILITY

In the state of Missouri, a building must achieve certain requirements for it to be eligible to receive Historic Tax Credits. The structure must be:

- Individually listed on the National Register of Historic Places
- A contributing structure in a National Register Historic District (or be in a local historic district certified by the U.S. Department of the Interior)
- Rehabilitation costs must be 50% or more of the acquisition cost of the property
- Rehabilitation plans must be approved by the Missouri State Historic Preservation Office

**LEARN MORE ABOUT OUR SERVICES.**

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## SUCCESS STORIES

Our experience and expertise has led to significant successes for our Historic Tax Credit clients. CPAs are required for tax credit projects and Anders has provided invaluable advice to a variety of clients. Some successes include:

- Uncovered over **\$3,000,000 in cumulative tax credits** in 2014 and 2015 for our clients while performing nearly 30 Historic Tax Credit and Neighborhood Preservation Act Tax Credit cost certification examinations and compilations ranging from small apartment buildings to large commercial buildings
- Provided over **\$52,000** in additional credits by working with the MODED to qualify solar panel costs as eligible for tax credits
- Transformed a project that would have previously not been eligible for **\$250,000** in tax credits by planning to elect out of a **federal tax gain exclusion** to allow insurance proceeds to be qualified for Historic Tax Credits
- Found **\$193,340 in tax credits** that would have otherwise been lost by negotiating multiple extended due dates with the MODED for two historic renovation projects due to a contractor who was having difficulty finding and organizing his construction records
- Negotiated approval for two historic renovation projects that resulted in **\$197,638 in tax credits** that would have previously been denied
- Performed **extensive analysis and review** of general contractor payments for a recent historic renovation

