

City of Jacksonville Historic Preservation Commission SUMMER 2009 NEWSLETTER

Energy Credits Can Work with Preservation

Even if your home is in the historic district, you can make energy efficient improvements that are in keeping with the secretary of interior standards and take advantage of federal income tax credits now available. These improvements may also help save money on energy bills as well, effectively doubling the benefit!

The income tax credit amount is now 30% of the product costs for storm windows, insulation, and other parts of the building "shell." For improvements made in 2009 and 2010, you can get an income tax credit of up to \$1,500 (lifetime) for installing efficient insulation, roofs, and heating and cooling equipment. Efficiency criteria does vary dependant on when these items are "placed in service" (installed).

Preservation-friendly improvements that may be eligible for the tax credit include:

- Storm windows and storm doors
- Insulation
- Roofs (includes caulk and weather stripping)
- Central air conditioner, heat pump, furnace, boiler, water heater, or bio gas (e.g. corn) stove
- Hot water boilers
- Geothermal heat pumps (in a separate tax credit)
- Biomass fuel stoves with a thermal efficiency rating of 75% or more
- Advanced main air circulating fans

To be eligible for the federal credit, you must meet certain criteria, such as providing a 2-year warranty to demonstrate storm windows and doors, insulation, and roofs are expected to last at least 5 years. Manufacturers can certify (in packaging or on their web site) which of their products qualify for the tax credit.

Retailers, contractors, and manufacturers should be able to help you determine what levels of insulation and what other products qualify. Installation expenses for heating and cooling equipment are eligible.

Improvements must be installed in or on the taxpayer's principal residence in the United States. Individuals can also [search for qualifying heating and cooling products](#) on the Consortium for Energy Efficiency's web site.

There is a cap on the credit amount of \$1,500 for fiscal years 2009 and 2010 combined; thus the credit applies to up to \$5,000 in total costs.

The IRS defines "placed in service" as when the products or materials are ready and available for use. This

generally refers to the installation date, not the purchase date of the items.

The home improvements tax credit applies to installation completed from January 1, 2009, through December 31, 2010. Be sure to check for modifications to the criteria at www.irs.gov/newsroom/article/0,,id=154657,00.html Most modifications to the criteria were made on products placed in service after February 17, 2009, the date of American Recovery and Reinvestment Act passage: products installed through

February 16, 2009 are subject to the older criteria - except for exterior windows and skylights. Stricter criteria may apply for these items, and some are not preservation friendly, so check the regulations.

A "patch" to the Alternative Minimum Tax for tax year 2008 and 2009 allows this credit to be claimed by those paying the AMT. It is uncertain if this will be extended to 2010 and beyond. Again, check the regulations.

For "non-business energy property," [IRS Notice 2009-53](#), issued June 1, 2009, provides guidance, superseding previous IRS guidance in light of recent changes to the credits. It also clarifies some regulations related to items eligible for the credit and manufacturers' certification of eligible products.

This notice also includes transition rules to provide taxpayers with guidance concerning the interaction of the effective date and timing provisions of the Energy Policy Act, the Energy Improvement and Extension Act, and the American Recovery and Reinvestment Act. The publication of this notice provides specific information that taxpayers and manufacturers can rely upon in claiming the credit or certifying eligible products.

For property placed into service before January 1, 2008, the original IRS guidance applies:

[Notice 2006-26, Credit for Nonbusiness Energy Property](#)
[Notice 2006-53, Clarification of Notice 2006-26](#)

- Information obtained from EnergyStar.gov,
taxes.about.com/od/deductionscredits/qt/energytaxcredit.htm
and EnergyTaxCredit.com

"Individuals can make energy-conscious purchases that will provide tax benefits when filling out their tax returns next year. The new law provides tax credits for making your principal residence, which must be in the United States, more energy efficient and for buying certain energy efficient items." -- from the IRS



Illinois State Historic Preservation Agency Offers Tax Credit Program

IHPA Property Tax Assessment Freeze & Federal Historic Tax Credit Program offers eligible properties rehabilitation tax credits.

Eligibility includes rehabilitated properties that are listed or eligible for the national register or that qualify through an approved local historic preservation ordinance.

For owner occupied property, the Property Tax Freeze may be the best option. For income producing property, the Tax Credit Program may offer benefits. A State Historic Preservation Officer can help you determine which benefit to use, as well as what modifications will meet Secretary of Interior Standards to qualify. The SHPO visit can be arranged by contacting the Illinois Historic Preservation Agency, the Jacksonville Historic Preservation Commission, or Jacksonville Main Street.

Under the Property Tax Freeze, assessed valuation of qualified properties is frozen for eight years. With the Federal Tax Credit Program, property owners may qualify for a 20% tax credit on income (IRS 170(h)). State tax incentives under the "Real Property Conservation Rights Act (765 ILCS 120/1 et seq.) may also apply.

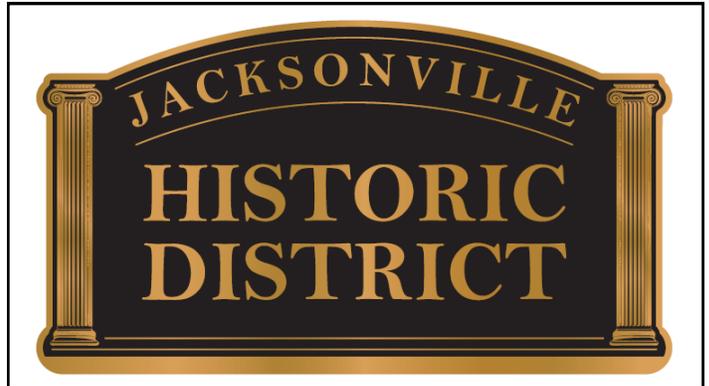
Work must be pre-approved in most cases, and certain documentation may be required, but it may be well worth the effort. Before you begin work, check into these incentives. Contact the Illinois Historic Preservation Agency at 217-785-4512 or visit www.illinoishistory.gov for more information.

Jacksonville Historic District Signage

The Jacksonville Historic Preservation Commission has developed designation signage to identify the Historic District at many intersections throughout town.

The Commission is working with the Jacksonville Streets Department to install the new signs on the top of existing street name signs.

Watch for these handsome signs that will demonstrate the pride we all have in our beautiful Historic District.



HELPFUL LINKS:

Use these internet links to get more preservation information...

PreservationDirectory.com

www.cr.nps.gov

www.preservationnation.org

www.illinoismainstreet.org

www.illinoishistory.gov

Jacksonville's Historic Preservation Commission is Here to Help You...

Our goal is to help preserve and promote the historical and architectural structures in Jacksonville's historic district, as well as the rest of our city. The Commission meets on the first Monday of each month, with individual committees meeting separately throughout the month. The committees also include other non-commission members of the community who have an interest in the preservation of Jacksonville.

The Commission has resource materials available to the public to help you in repair, restoration and renovation of your historic home. A resource library is being set up at the Jacksonville Public Library to provide specialized information to homeowners on maintaining or researching the history of your home.

Before you start any project, check with the City Development Office (formerly Building Inspections at 479-4620) to see what is required. Contact the Historic Preservation Commission early to get feedback and any required certificates before commencing work... you may qualify for even more incentives if you ask!

You can also offer to get involved with the Commission! Check us out on the web: www.jacksonvilleil.com