

Montana Main Street

How to Apply for Historic Preservation Tax Credits

Montana Department of Commerce

Community MT Division

The [Federal Historic Preservation Tax Incentives](#) Program encourages private sector investment in the rehabilitation and reuse of historic buildings. It creates jobs and is one of the nation's most successful and cost-effective community revitalization programs. Since 1976, \$127.12 billion in private investment has been leveraged to preserve more than 50,000 historic properties. The National Park Service, through its [Technical Preservation Services](#) Division, and the Internal Revenue Service, administer the program in partnership with state historic preservation offices.

In Montana, successful federal tax credit projects qualify for an additional Montana State tax credit equal to 20% of the federal credit amount, usually equal to 5% of the approved rehabilitation costs.

Applying for historic tax credits involves a structured process to ensure compliance and maximize funding opportunities. Following these steps will help property owners navigate the application successfully.

Step 1

Identify Eligibility

Prior to beginning any rehabilitation work, determine if your planned project will qualify for Historic Preservation Tax Credits.

- **Confirm historic designation:** Check with the [Montana State Historic Preservation Office](#) to determine whether the property is listed in the [National Register of Historic Places](#), either individually or as a contributor to a national register-listed historic district.
- **Determine project eligibility:** Identify whether the project qualifies for Historic Preservation Tax Credits. Both federal and Montana State tax credits apply only to income-producing properties, and must be substantial rehabilitation projects that follow the [Secretary of Interior's Standards for the Treatment of Historic Properties](#).
- **Review program requirements:** Contact the [Montana SHPO](#) to discuss your project and receive guidance on how to move forward with the program.
- **Next step:** Once eligibility is confirmed, the official application process begins.

Step 2

Apply for Federal or State Tax Credits

Submitting an application involves multiple approvals at both the state and federal levels.

- **Federal historic tax credit:** The federal HTC involves a three-part application process:

Part 1 confirms that the property is listed in the national register.

Part 2 conveys detailed information about each aspect of the project, including narrative descriptions, drawings and photographs. Part 2 demonstrates that the project meets the SOI's standards.

- **Follow the Secretary of the Interior's Standards for Rehabilitation:** These guidelines ensure that historic features are preserved while allowing for necessary updates.
- **Obtain necessary approvals:** Both the National Park Service and the Montana SHPO will review and approve rehabilitation plans before work begins.
- **Monitor compliance throughout construction:** Any design changes during rehabilitation may require additional approval to maintain tax credit eligibility.

Part 3 provides the project certification documents. These items include photographs and narratives that demonstrate that the applicant completed the project according to the plans approved in Part 2.

- **State HTC:** Once NPS has certified the federal HTC, the applicant may claim state credit on their state income tax filing. **Key timing requirement:** Tax credits must be approved before rehabilitation begins to ensure compliance with program requirements.

Final note: Successfully completing these steps ensures that historic buildings are preserved while leveraging valuable tax incentives.

List of Montana Historic Tax Credits Projects Since 2015

- Modern Hotel, Whitehall, 2015
- Dykman Building, Butte, 2015
- Arvon Block, Great Falls, 2015
- Montana Block, Livingston, 2015
- Helena YWCA, Helena, 2016
- Price Motors, Billings, 2016
- 668-670 S. Montana St., Butte, 2017
- Fort Harrison, Helena, 2020
- 136 Main St., Kalispell, 2021
- Gallatin Laundry, Bozeman, 2022
- Northern Hotel, Great Falls, 2023
- Livingston Memorial Hospital, Livingston, 2023
- Crowley Block, Lewistown, 2024
- Dion Block, Glendive, 2024
- Elmore Hotel/Roberts Building, Great Falls, 2025
- James F. Battin Building, Billings, 2025