

Instructions for Form 5803, "Michigan Historic Preservation Tax Credit for Plans Approved after December 31, 2020"

Purpose

To allow eligible taxpayers to claim the Michigan Historic Preservation Tax Credit for plans approved after December 31, 2020. This form is limited to credits for plans approved after December 31, 2020. To claim a credit for a plan approved prior to 2012, see "Michigan Historic Preservation Tax Credit" (Form 3581).

The credit is reported here and then carried to the appropriate form, according to the type of taxpayer. Individual and Fiduciary filers carry the figures to the "Michigan Individual Income Tax Return" (Form MI-1040), and the "Fiduciary Income Tax Return" (Form MI-1041), respectively.

For more information see the State Historic Preservation Office (SHPO) website www.michigan.gov/shpo.

What is the Historic Preservation Tax Credit

This is a nonrefundable credit that provides tax incentives for homeowners, commercial property owners and businesses considered "qualified taxpayers" to rehabilitate historic resources located in the State of Michigan. A qualified taxpayer has qualified expenditures that meet the threshold and may be an assignee, own the resource to be rehabilitated, or have a long-term agreement with the owner of the historic resource.

Qualified taxpayers may receive a credit equal to 25 percent of their qualified expenditures. Only those expenditures that are paid or incurred during the time periods prescribed for the credit under Internal Revenue Code (IRC) 47(a)(2), shall be considered qualified expenditures.

A qualified taxpayer must initially claim the credit within 5 years after the Certificate of Completed Rehabilitation (Certificate) is issued (additional limitations apply to assignments). Otherwise, the Certificate is no longer valid, and the qualified taxpayer is no longer eligible to claim a credit for that rehabilitation plan.

A qualified taxpayer may assign all or a portion of its credit to any assignee. The credit assignment cannot be revoked, but an assignee may subsequently reassign a credit, or any portion of an assigned credit, to one or more assignees. For assignments, both the initial assignment of the credit by the qualified taxpayer to the first assignee(s) and the subsequent reassignment by the first assignee(s) to reassignee(s) **must** be done and claimed in the tax year in which the Certificate is issued. SHPO provides the form and approves the assignment or reassignment of the credit.

If a credit, plus any carryover from the prior tax year, exceeds the tax liability, the portion that exceeds the tax liability can be carried forward for up to 10 years or until exhausted.

If, in less than five years after the Certificate was issued, the resource is sold, is disposed of, or the Certificate is revoked, a percentage of the credit may be subject to recapture. The recapture of an assigned credit is the responsibility of the qualified taxpayer that received the Certificate. [See Schedule 1, line 9 instructions for more information on calculating the recapture amount.](#)

Eligibility

The Michigan Historic Preservation Tax Credit is available to eligible assignees and owners or long-term lessees of qualified historic resources who undertake rehabilitation projects that are certified by SHPO, for plans approved after December 31, 2020.

Other Supporting Forms and Schedules

To claim this credit, include Form 5803 with the taxpayer's "Michigan Individual Income Tax Return" (Form MI-1040) or "Fiduciary Income Tax Return" (Form MI-1041), and include the documents listed below with the return.

- Certificate of Completed Rehabilitation
- Certification of historic significance related to the historic resource (Part 1 of SHPO application)
- Rehabilitation Plan (Part 2 of SHPO application)
- Certificate of Completed Rehabilitation (Part 3 of SHPO application)
- If the qualified taxpayer is an assignee, a completed assignment form
- For flow-through entity members, provide a copy of the "Schedule K-1" with the "Schedule K-1" notes, or any other documents to support the credit claimed.

Line-by-Line Instructions

Lines not listed are explained on the form.

Line 1: Enter the project number assigned by SHPO. Complete one Form 5803 for each project completed during the tax year.

Line 3: Enter the qualified expenditures for the rehabilitation of the historic resource as stated on the Certificate.

Line 5: If assigned the credit, enter the amount of the assigned credit from the completed certificate of assignment or reassignment, provided by SHPO. Flow-through entity members provide a copy of the "Schedule K-1" with the "Schedule K-1" notes, or any other documents to support the credit claimed.

Line 6: If you have a credit forward from a plan certified prior to 2012, see Form 3581. Do not enter a carry forward from form 3581.

If you are completing more than one Form 5803, or if you also have a completed Form 3581, add the credit totals and report them on Form MI-1040, line **21** or Form MI-1041, line 15.

Telephone Options

517-636-4486

Automated Information Service

With Treasury's automated phone system, you can:

- Request the status of your refund
- Check the status of letters you have sent to Treasury
- Request information on estimated payments
- Order current tax year forms.

While most questions can be answered by the Automated Information Service, customer service representatives are available from 8 a.m. to 4:30 p.m., Monday through Friday. Assistance is available using TTY through the Michigan Relay Service by calling 711.