



# CRED Tax Credit

COMMUNITY REVITALIZATION ENHANCEMENT DISTRICT TAX CREDIT

## DESCRIPTION

The Community Revitalization Enhancement District (CRED) Tax Credit provides an incentive for investment in community revitalization enhancement districts (as established under Ind. Code 36-7-13). The credit is established by Ind. Code 6-3.1-19.

## PROJECT ELIGIBILITY

The credit is available to taxpayers that make qualified investments for the redevelopment or rehabilitation of property located within a CRED. Residential projects are not eligible.

## ELIGIBLE QUALIFIED INVESTMENT COSTS

The applicant's qualified investment must be made for the redevelopment or rehabilitation of property located within a CRED, pursuant to a plan adopted by an advisory commission on industrial development under Ind. Code 36-7-13. Eligible costs may include:

- Acquisition costs, when necessary for redevelopment or rehabilitation
- Architectural and engineering fees
- Construction management and demolition costs
- Environmental remediation costs
- FF&E, if nonmovable
- Permitting costs directly related to rehabilitation
- Other hard costs

## INELIGIBLE INVESTMENT COSTS

- Legal and accounting fees
- Developer fees
- Feasibility studies
- Property insurance
- FF&E, if movable
- Loan costs
- Other professional fees not directly related to rehabilitation of the property
- Reserves
- Other soft costs

## CALCULATION

The IEDC intends to partner with local government in the revitalization of properties located within CREDs; therefore, any award under this program likely will not exceed the financial support offered by the locality. The credit amount is equal to the amount of qualified investment multiplied by 25%.

The credit may be claimed by the taxpayer, passed through, or assigned to a lessee. The credit is applied against the taxpayer's state tax liability and may be carried forward.

## APPLICATION

A complete application must be submitted before an investment is made. See the application on the IEDC's website for additional requirements.