

**Supporting Statement A for
Paperwork Reduction Act Submission
“Historic Preservation Certification Application – 36 CFR Part 67”
OMB Control Number #1024-0009**

Terms of Clearance. None.

1. Explain the circumstances that make the collection of information necessary.

Sections 47 and 170 of the Internal Revenue Code require the Secretary of the Interior to make certain “certifications” for owners of historic buildings seeking Federal tax incentives for historic preservation. Department of the Interior regulations 36 CFR 67 contain a requirement for completion of an application form for an owner of an historic building to receive these certifications for the Federal tax incentives. These incentives include a 20% Federal income tax credit for the rehabilitation of historic buildings and an income tax deduction for the donation of easements on historic properties. The Internal Revenue Code also provides a 10% Federal income tax credit for the rehabilitation of non-historic buildings built before 1936, and owners of non-historic buildings in historic districts must also use the application to obtain a certification from the Secretary of the Interior that their building does *not* contribute to the significance of the historic district before they can claim this lesser tax credit for rehabilitation.

2. Indicate how, by whom, how frequently, and for what purpose the information is to be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, explain how the collection complies with all applicable Information Quality Guidelines.

Part 1 of the application (Form 10-168) must be completed by owners (or lessees with concurrence of the owner) of structures within Registered Historic Districts to request a determination from the Secretary of the Interior that the structure is a “certified historic structure” (for the 20% credit for the rehabilitation of historic buildings and for the income tax deduction for the donation of conservation easements) or that the structure does not contribute to the historic significance of the district (for the 10% credit for non-historic buildings built before 1936). The following specific justifications are keyed to items listed in 36 CFR 67: (a) The name and address of the property and the name of the National Register or State or local historic district in which the property is located are needed to allow the authorized officer to identify the structure for which the applicant wishes a determination of significance or non-significance to be made. (b) The nature of the request must be indicated in order that the authorized officer can undertake the appropriate analysis of the structure. (c) The name, address, and telephone number of the authorized project contact are needed in order to permit the reviewer to obtain expeditious answers to questions raised in the review. (d) The name, address and telephone number of the owner are needed to allow the agency to communicate with the applicant. The Social Security or Taxpayer Identification Number is needed to provide required notifications to the Internal Revenue Service, Department of the Treasury. (e) The description and physical appearance of the property are needed to allow the authorized officer to assess the physical integrity of the structure. (f) The statement of significance is needed to

order to assess the relative historic significance of the resource to the historic district in which it is located. (g) Photographs and maps are needed to establish the appearance, condition, and location of the structure.

Part 2 of the application form (10-168a) must be completed by all owners of certified historic structures requesting that their rehabilitation project be "certified" (that is, approved) by the Secretary of the Interior as being consistent with the historic character of the structure and, where appropriate, with the district in which the structure is located, thus qualifying as a "certified rehabilitation" for purposes of the tax incentives for rehabilitation contained in the Internal Revenue Code. This application may be submitted when work is being planned or is in progress. (a) The name and address of the property are needed to allow the authorizing officer to identify the structure that has been or will be rehabilitated. The name of the National Register historic district in which the structure is located or the date of listing in the National Register of Historic Places is needed in order to retrieve additional information from the National Register files concerning the structure that may expedite review. The information that a Part 1 application has or has not been submitted for the property is necessary to prevent inadvertent certification of structures that have not yet been designated "certified historic structures." (b) The information on the existing structure (the construction date and type, the original use, and the number of housing units) is needed to allow the authorizing officer to assess the nature of the structure that has been or will be rehabilitated. (c) The data on the rehabilitation project will be used to establish the size and duration of the work that has been or will be performed on the structure. (d) The name, address, and telephone number of the authorized project contact enable the agency to communicate with key project personnel in order to expedite reviews. (e) The owner's name, address, and telephone number are needed to allow the agency to communicate with the applicant. The Social Security or Taxpayer Identification Number is needed by the IRS. (f) The detailed description of rehabilitation work is needed to assess the current condition of each architectural feature of the structure and to judge the effect of proposed rehabilitation work on each feature and on the overall historic character of the structure.

The Amendment Sheet (10-168b) may be completed by applicants who wish to propose changes to a form submitted earlier, or to seek approval of a finished phase of a multi-phased project. (a) The name and address of the property are needed to identify the property for which an application was previously submitted. (b) The name, address, and telephone number of the authorized project contact enable the agency to communicate with key project personnel in order to expedite reviews. (c) The owner's name, address, and telephone number are needed to allow the agency to communicate with the applicant. The Social Security or Taxpayer Identification Number is needed by the IRS. (d) The boxes to be marked by the applicant ("Amends Part 1," "Amends Part 2," "Amends Part 3," "Request approval of a phase") identify the nature of the request. (e) The NPS project number identifies the material as part of a previous application.

Part 3 of the form (10-168c) must be completed by owners of certified historic structures requesting that the Secretary of the Interior "certify" (approve) completed rehabilitations. (a) The property name and address are necessary to allow the authorizing officer to identify the structure that has been rehabilitated and that has already undergone the review requested in Part 2 of the application. (b) The data on the project allow the agency to identify the project by number, to identify the date the project was completed, and the costs associated with the project. (c) The name, address, and telephone number of the authorized project contact enable the agency to communicate with key project personnel. (d) The owner's name and address are needed to allow the agency to communicate with the applicant. The Social

Security or Taxpayer Identification Number is needed by the IRS.

- 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology; e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden [and specifically how this collection meets GPEA requirements.].**

The agency has made use of electronic media to make the process of applying for Federal historic preservation tax incentives easier: a wealth of program material is available on-line; the information collection (the program application) itself is also available on-line for downloading from the program's website, and can be completed using computers. However, a number of factors make submission and review of the application itself via electronic means unworkable. Applications for the Federal income tax incentives include photographs, maps, architectural blueprints, copies of historic prints and other images where appropriate, and occasionally technical specifications, and sometimes physical products such as samples of window glass or roofing products. Applications are reviewed in conjunction with these other materials. Most applications have scores of photographs; some have hundreds. Architectural plans can run up to 100 pages. The written statements contained in the application must be reviewed against the photographs, which must in turn be lined up with elements shown in the architectural drawings. Moreover, architectural drawings of a building's "before" configuration must be compared against drawings showing the proposed "after" configuration in order for program officials to determine if the proposed rehabilitation will maintain the building's basic historic character. Reviewing this much material via electronic means would be extremely difficult.

Moreover, the review process itself makes the submission of applications via electronic means unworkable. The Historic Preservation Certification Application consists of three separate parts, each of which has its own documentation requirements and each of which is compared with the other two. Applicants typically submit these parts separated by intervals of two or three years. A Part 1 application seeking approval that a building is historic might be received a couple of years before the Part 2 application describing proposed rehabilitation work. The Part 2 describing the proposed work, in turn, usually precedes the Part 3 showing completed work by several years. When each part of the application is received by the agency, the material submitted previously (photographs, architectural blueprints, etc.), must be used in the evaluation of the newly submitted application part, and compared with any new photographs or other materials included with the new submission. The application parts may be submitted 3-5 years apart, and the materials previously submitted must be available during the entire time leading up to receipt of the final application part documenting project completion.

Projects are often reviewed by a number of agency professionals meeting together with each other, or in meetings with applicants and their representatives. In these cases, the materials in the application file must be available for physical inspection in order to conduct business efficiently.

Furthermore, it is not just the materials submitted with the application or just the review of these visual documents that can be complex. The application itself can consume scores of pages. In addition, applications are usually accompanied by letters of support, and by

correspondence from the building owner. Agency requests for clarification of the application and other correspondence can add to the file. Many files run into the hundreds of pages, which, added to the photographs, drawings, and other materials, can be six inches thick or more. And all of this material may need to be reviewed five years or more after the initial application submission.

Owners sometimes abandon projects only to reopen them years later. In other cases, new building owners may decide to take over a project placed on hold years before. Finally, owners who are denied the Federal tax incentives for rehabilitation can appeal to the Chief Appeals Officer. In appeals, the application and materials submitted with it are reviewed against new materials submitted by the owners. In all these cases, the application and accompanying material must be available for review. Attempting to review the applications in these situations only compounds the inherent difficulties in reviewing photographs, maps, and drawings via electronic means.

Finally, the Historic Preservation Tax Incentives Program is administered in partnership with the 50+ State Historic Preservation Offices, and all applications are submitted first to these State offices. The State program staff reviews the applications, and forwards them and all supplementary materials to the National Park Service with a recommendation as to whether the project should be "certified" (or approved). Given these circumstances, the difficulties in reviewing applications via electronic means discussed here would be compounded exponentially if the applications were submitted electronically.

4. Describe efforts to identify duplication.

Each application describes a particular historic structure and a particular rehabilitation plan for that individual structure. Thus, each application is unique. No similar information is collected by the agency. No other Federal agency is authorized to issue the certifications required by the Internal Revenue Code or to collect the information requested in the information collection. The information described in number 2 above is unavailable from any other source.

5. If the collection of information impacts small businesses or other small entities, describe the methods used to minimize burden.

The collection of information does impact small businesses. The agency has produced information, including sample applications, that would be of especial help to first-time applicants and others who own small buildings (such as small frame houses, small "Main Street" commercial buildings, and barns). The agency collects information needed to make a determination: (1) of whether a building is a "certified historic structure", and (2) whether the rehabilitation proposed by the applicant is in keeping with the historic character of the building. This information is required by the agency in order to make certifications to the Internal Revenue Service concerning the eligibility of the applicant for Federal tax incentives.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

If the information collection were not conducted, the Federal goal of using the Internal Revenue Code to foster the rehabilitation of historic buildings in a manner consistent with their historic character would not be met. The applicants would also not be able to eligible for the income tax incentives (a tax credit for the rehabilitation of historic structures or a tax deduction for the donation of easements on historic buildings.)

Moreover, the Secretary of the Interior is required by law to supply the requested certification upon application by owners of specific historic structures undergoing rehabilitation. The information cannot be collected less frequently.

- 7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**
 - * requiring respondents to report information to the agency more often than quarterly;
 - * requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
 - * requiring respondents to submit more than an original and two copies of any document;
 - * requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;
 - * in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
 - * requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
 - * that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
 - * requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

None of the special circumstances listed applies to the information collection under discussion.

- 8. Provide the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice (or in response to a PRA statement) and describe actions taken by the agency in response to these comments.**

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. [Please list the names, titles, addresses, and phone numbers of persons contacted.]

A copy of the Federal Register notice soliciting comments is attached as a supplementary document (Vol. 74, No. 21, February 3, 2009, page 5945). No comments were received. In developing the information collection, consultations were held with staffs of the State Historic Preservation Offices, with developers, consultants and other representatives of applicants. With specific reference to the recordkeeping burden, availability of data, frequency of collection, clarity of instructions and recordkeeping, disclosure, or reporting format, and data elements to be recorded, disclosed or reported, comments were sought from seven people who completed the information collection. The results of this survey were used to estimate the "annual reporting and recordkeeping hour burden" given in item 12. Those contacted are: William G. MacRostie, MacRostie Historic Advisors, LLC, 1400 16th St., NW, Suite 420, Washington, D.C. 20036, 202-483-2020; Laura Hughes, EHT Traceries, Inc., 1121 Fifth St., NW, Washington, D.C. 20001, 202-393-1199; Ashley Neville, Ashley Neville, LLC, 112 Thompson Street, Suite B-1, Ashland, Virginia 23005, 804-798-2124; Elizabeth Rosin, Rosin Historic Preservation Consulting, LLC, PO Box 414976, Kansas City, Missouri 64141-4976, 816-472-4950; Betty Bird, Betty Bird and Associates LLC, 2607 24th St., NW, Suite 3, Washington, D.C., 202-588-9033; Leslie Donovan, Tremont Preservation Services LLC, 374 Congress Street, Suite 301, Boston, Massachusetts 02210-1807, 617-482-0910; Karen Leonel, Capitol Historic Trust, Inc., 2424 Tracy Place, NW, Washington, D.C. 20008, 202-328-5260.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payments or gifts of any kind are made to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

The agency does not make any pledge of confidentiality.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

No information of a sensitive nature is collected.

12. Provide estimates of the hour burden of the collection of information.

Agency figures indicate that 1,583 respondents file applications each year; (on average, 5,578 applications per year for the last 3 fiscal years), and the agency expects to receive 5,578 applications per year for the next 3 years. The number of respondents for individuals is 396 and for private or business is 1,187. The frequency of "reporting" is upon occasion—whenever owners of historic buildings wish to receive certification that their buildings qualify as "certified historic structures," or wish to have the rehabilitation work on such structures approved or

“certified” by the Secretary of the Interior. The estimated hour burden per application part can vary widely (the ranges for each of the application parts appear in the following paragraph.) Large and complex applications describing rehabilitation projects valued in the millions of dollars or involving multiple buildings take more time to complete, and normally require preparation by a consultant. Many applications, however, are for very simple structures; these can be completed more quickly. In regard to the most time-consuming part of the application—the Part 2, Description of Rehabilitation—the information necessary to complete the application will be gathered by the applicant for his or her own requirements in attempting a rehabilitation of an historic structure.

The application covered in this request for approval has 4 forms: Part 1—Evaluation of Significance (NPS Form 10-168); Part 2—Description of Rehabilitation (NPS Form 10-168a); Amendment Sheet (NPS Form 10-168b), and Part 3—Request for Certification of Completed Work (NPS Form 10-168c). The burden estimates are as follows:

Part 1: approximately 9 hours for individuals (the range per Part 1 is from 4 hours for an application describing a modest rehabilitation project to 44 hours for a large rehabilitation project); approximately 0.5 hours for businesses (the range is from a few minutes to 1 hour);
 Part 2: approximately 39.8 hours for individuals (the range is from 20 - 80 hours);
 approximately 2 hours for businesses (the range is from a few minutes to 4 hours);
 Amendment: approximately 4.8 hours for individuals (the range per Amendment is from 1.5 - 60 hours); approximately 0.5 hours for businesses (the range is from a few minutes to 1 hour).
 Part 3: approximately 8.5 hours for individuals (the range per Part 3 is from 4 - 29 hours);
 approximately 2 hours for businesses (the range is from a few minutes to 4 hours).

See Tables 1a and 1b for summary of the burden estimates for Individuals; Tables 2a and 2b for Businesses.

Table 1a: Summary of Burden Estimates by Form for Individuals

Activity	Annual # of Responses	Average Burden Hours Per Action	Total Annual Burden Hours	\$ Value of Annual Burden Hours*
Part 1 – Form 10-168	393	9.0	3,537	\$103,952
Part 2 – Form 10-168a	340	39.8	13,532	\$397,705
Amendment – Form 10-168b	445	4.8	2,136	\$ 62,777
Part 3 – Form 10-168c	243	8.5	2,066	\$ 60,720
Totals (or average)*	1,421		21,271	\$625,154

*Total annual burden hours are multiplied by hourly wage provided in Table 1b

Table 1b: Salary rate: Individuals/Households

Position-	Hourly pay rate (\$/hr est.)	Benefits	Percent of time spent on	Average national hourly

			collection	compensation (\$hr)
Individual	\$20.49*	\$8.90*	100%	\$29.39*
*source: Bureau of Labor Statistics http://www.bls.gov/news.release/ecec.t01.htm dated June 10, 2009				

Table 2a: Summary of Burden Estimates by Form for Businesses

Activity	Annual # of Responses	Average Burden Hours Per Action	Total Annual Burden Hours	\$ Value of Annual Burden Hours*
Part 1 – Form 10-168	1,190	0.5	595	\$ 28,953
Part 2 – Form 10-168a	905	2.0	1,810	\$ 88,075
Amendment – From 10-168b	1,335	0.5	668	\$ 32,505
Part 3 – Form 10-136c	727	2.0	1,454	\$ 70,752
Totals (or average)*	4,157		4,527	\$220,285

*Total annual burden hours are multiplied by hourly wage provided in Table 2b

Table 2b: Salary rate: Businesses

Position-	Hourly pay rate (\$/hr est.)	Hourly rate including benefits	Percent of time spent on collection	Average national hourly compensation (\$hr)
Management, professional and related	\$34.15*	\$14.51*	100%	\$48.66*
* source: Bureau of Labor Statistics http://www.bls.gov/news.release/ecec.t01.htm dated June 10, 2009				

In general, the cost to respondents of the hours burden cannot be estimated accurately, because of the range of buildings and rehabilitations described in the applications. Rehabilitations described in applications vary from \$5,000 for “paint-up, fix-up” projects on a modest house to rehabilitations costing \$200 million or more involving a dozen buildings. Nevertheless, the annualized cost to the respondents is calculated to be \$845,439. (Tables 1b and 2b display how these hour cost burdens were calculated; for businesses, the non-salary cost of contractors providing the information in the information collection is calculated in Item 13).

13. Provide an estimate of the total annual [nonhour] cost burden to respondents or

recordkeepers resulting from the collection of information.

- (1) There is no “capital and start-up cost component” of this information collection.
- (2) The estimated annual cost for the “operation and maintenance and purchase of services component,” including the “cost of purchasing or contracting out information collection services” is \$7,001,644 This is the total of application fees paid by applicants plus the cost of “contracting out information collection services.”

Fees: The amount of fees collected from applicants varies from year to year. The total varies not only with the number of applications received, but also with the size of the rehabilitations described in the applications. In accordance with regulations set forth in 36 CFR 67.11, application processing fees are charged for reviews of Part 2s-Requests for Certifications of Rehabilitation—except for projects under \$20,000. The Part 2 application fee is \$250. The fee for review of Part 3—Request for Certification of Completed Work—is based on the dollar amount spent on the rehabilitation as follows; fees range from \$500 fee rehabilitations involving costs \$20,000 to \$99,000 to \$2,500 for rehabilitations costing \$1 million or more. If the Part 2 fee was paid before the Part 3 is received, the Part 2 fee is deducted from the Part 3 fee. The fees below include this deduction.

The Part 2 fee is \$250 for all projects over \$20,000 (virtually all projects every year are over \$20,000-- in FY 2008, no projects were under \$20,000).

There were 1245 total part 2s, 340 for Individuals and 905 for businesses. The Part 3 fees average is \$782.21. This is based on the number of fees expected calculated by total of all fees for FY 2008 was \$1,069,994 minus the Part 2 fee. (The Part 3 fee varies with the size of the project, from a maximum of \$2250 to a minimum of \$250.

**Total fees for Part 2 and Part 3,
Responses multiplied by the cost per application**

	Number of Responses	Application Fee	Totals
Individuals Part 2, Form 10-168a	340	\$250	\$85,000
Individuals, Part 3, Form 10-168c	243	\$782.21	\$190,077
Businesses Part 2, Form 10-168a	905	\$250	\$226,250
Businesses Part 3, Form 10-168c	727	\$782.21	\$568,667 (rounded)

Contracting out information collection services – BUSINESSES ONLY: Approximately 75% of all responses/ applications received by the agency are from businesses that use a contractor/ consultant. The average consultant fee is \$100 per hour. This is based on data gathered during public outreach as noted in Number 8. The costs of these services, broken down by form, are as follows:

	# of responses	Consultant/contractor hours/response	Cost/hour	Total non-hour cost burden for consultants/ contractors
Part 1	1,190	9.0	\$100	\$1,071,000

Part 2	905	39.8	\$100	\$3,601,900
Amendments	1,335	4.8	\$100	\$ 640,800
Part 3	727	8.5	\$100	\$ 617,900
Total non-hour cost burden				\$5,931,600

Total Annual Cost Burden (nonhour) Costs for Businesses and Individuals

Total costs for businesses including contractor costs	Fees	Consultant/contractor hours/response	Total
Part 1	\$0	\$1,071,000	\$1,071,000
Part 2	\$226,250	\$3,601,900	\$3,828,150
Amendments	\$0	\$640,800	\$640,800
Part 3	\$568,667*	\$617,900	\$1,186,617
Subtotal			\$6,726,567
Total Costs for Individuals			
Part 1	\$0	\$0	\$0
Part 2	\$85,000	\$0	\$85,000
Amendments	\$0	\$0	\$0
Part 3	\$190,077	\$0	\$190,077
Subtotal			\$275,077
Total			\$7,001,644

*rounded

14. Provide estimates of annualized costs to the Federal Government.

The estimated annualized cost to the Federal Government is \$1,847,029. This is the cost of reviewing all applications received (\$1,847,029 in FY 2008). This is the cost of preparing and evaluating the information collection and issuing the certifications requested in the applications received, including salaries and benefits of all program staff involved in Heritage Preservation Services, which is the National Park Service office that administers the information collection. Application fees collected by the agency will offset some of the costs to the Federal government.

15. Explain the reasons for any program changes or adjustments.

We are estimating 5,578 responses, 25,798 annual burden hours, and \$7,001,644 in nonhour burden costs for this information collection. This is an increase of 1,578 responses and \$5,723,644 in nonhour burden costs, and a decrease of 54,202 burden hours.

We are reporting as a program change, an increase of 1780 responses and 2804 hours

associated with completion of Form 10-168b. Burden for this form was not included in previous approvals for this information collection because it was a continuation sheet. The form is now an amendment, and we are reporting the burden associated with amending previous applications. Contractor costs of \$640,800 for completion of this form are also included as a program change.

We are reporting as an adjustment:

- A decrease of 202 responses based on our experience over the past 3 years.
- A decrease of 57006 burden hours, and an increase of \$5,082,844 in nonhour burden costs. We have reduced the burden hours for businesses and increased the nonhour burden cost associated with contractor costs. Approximately 75% of responses are supplied by contractors/ consultants hired by businesses; the hours worked by consultants and the costs associated with these hours now appear in Item 13. Burden hours for businesses submitting applications are therefore lower than for individuals, who prepare the information collection themselves in the overwhelming majority of cases.

16. For collections of information whose results will be published, outline plans for tabulation and publication.

An annual report on the Historic Preservation Tax Incentives Program is compiled and distributed to the nationwide network of State Historic Preservation Offices, preservation organizations, and individuals upon request; a summary is posted on the program website. The report contains summary figures only on the overall Federal tax incentives program (such as the total number of projects received and the dollar amounts involved in the rehabilitation). No advanced analytical techniques are used. The annual report is begun shortly after the end of the fiscal year and is typically completed in late February or early March.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

As in the past, the agency requests permission to continue not to print the expiration date. The Historic Preservation Certification Application has been in use since 1977. State Historic Preservation Offices often hand out previous versions, and the agency will accept these previous versions. Omitting the expiration date, therefore, is advisable in order to preclude unnecessary anxiety on the part of the public.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

No exceptions are reported.