

State Tax Credits for Historic Preservation

By the end of 2007, over half the States had passed a law to create a credit against state taxes as incentive for the rehabilitation of historic buildings. Most programs have 1) criteria for which buildings qualify for the credit; 2) standards for rehabilitation; 3) a method for calculating the value of the credit, reflected as a percentage of the value expended on that portion of the work that is approved as a certified rehabilitation; 3) a minimum or threshold required to be invested; 4) a mechanism for administering the program, usually the SHPD or in some cases the state dept of revenue. The following summary is based on the National Trust for Historic Preservation's publication, *State Tax Credits for Historic Preservation A State By State Summary*, August 2007.

State (those not listed do not offer tax credits)	Program details
COLORADO Study: The Economic Benefits of Historic Preservation in Colorado, 2005 Update) Colorado Historical Society 303-866-3395 http://www.coloradohistory-oahp.org/programareas/itc/taxcredits.htm	20% Commercial and Homeowner; can be coupled with Federal 20% for commercial. \$50,000 cap per project per year; no annual statewide cap. Minimum investment is \$5000. Carry forward 10 years. Since it began in 1999, 440 projects approved. Average credit is \$10,000 to \$13000
CONNECTICUT Connecticut Historical Commission 860-566-3005 www.chc.state.ct.us http://www.cultureandtourism.org/cct/taxonomy/taxonomy.asp?DLN=43543&cctNav=43543	25% for commercial or industrial buildings rehabbed for <i>residential use</i> . 25% credit for mixed residential and nonresidential uses where at least 33% of total square footage of rehab is for residential use. 5% add-on credit for inclusion of affordable housing. 30% for owner-occupied residential, including apartments up to 4 units; properties must be on the National and/or State Register AND located in a targeted area. \$2.7 million per project cap and \$15 million annual statewide cap for commercial or industrial buildings for residential use; \$30,000 per dwelling and \$3 million annual statewide cap for owner-occupied structures; \$50 million over 3 years aggregate program cap and \$5 million per project cap for new mixed use credit. Minimum is 25% of assessed building value prior to rehab for commercial; \$25,000 for owner-occupied structures. Freely transferable either by direct sale or disproportionate allocation among partners of a syndication partnership; alternatively, credit for rehab of commercial or industrial structures for residential use can be carried forward 4 years for owner-occupied structures. Mixed-use credit can be carried forward 5 years and
DELAWARE Division of Historical and Cultural Affairs, Preservation Section 302-736-7400 www.history.delaware.gov/preservation/taxcredit.shtml	20% for income-producing properties; additional 10% credit for rental projects that qualify as low-income housing; 30% for owner-occupied residential; additional 10% for rental and owner-occupied projects that qualify as low-income housing. \$20,000 per homeowner; no income-producing property cap; \$5 million annual statewide cap. No minimum investment. Transferred, sold, or assigned to anyone with Delaware income tax or franchise tax liability; carry forward 10 years. Credit to be claimed in annual progress-based installments with phased projects. 41 projects approved since it began in 2001.
GEORGIA Georgia Historic Preservation Division 404-656-2840 www.dnr.state.ga.us/dnr/histpres	20% credit for eligible income-producing properties. 10% credit for owner-occupied properties in non-target area; 15% in target area. \$5000 per project; no annual statewide cap. No minimum investment. Carry forward 10 years.

State Tax Credits for Historic Preservation

<p>INDIANA Indiana Department of Natural Resources 317-232-1646 http://www.state.in.us/dnr/historic/incentives.html</p>	<p>20% credit for commercial, rental housing, barns, and farm buildings that are on the State Register; 20% credit for commercial, rental housing, barns, and farm buildings that are on the State Register; 20% for owner-occupied residential. \$100,000 of tax credits per project for commercial, rental housing, barns, and farm buildings; no per project cap for owner-occupied; \$450,000 annual allocation for commercial etc; \$250,000 for owner-occupied. Minimum investment is \$10,000 over 2 years for commercial, rental housing, barns, and farm buildings; \$10,000 for owner-occupied. Carry forward 15 years for commercial, rental housing, barns and farm buildings. 179 commercial projects approved since the program began in 1994. Approximately 60 residential projects approved since the program began in 2002.</p>
<p>IOWA State Historical Society of Iowa Historic Preservation and Cultural and Entertainment District Tax Credit Program 515-281-4137 http://www.iowahistory.org/preservation/financial_assistance/state_tax_credit/ia_state_tax_credit.html</p>	<p>25% credit for eligible commercial properties; mixed use properties; and barns built before 1937; 25% credit for income-producing, non-income producing residential properties and barns built before 1937. \$10 million annual statewide cap in 2008, \$15 million in 2009, and \$20 million in 2010 and each year thereafter; no per project cap. For commercial, costs must equal at least 50% of the assessed value of the property, excluding the land, prior to rehab. For residential or barns, the costs must equal at least \$25,000 or 25% of the assessed value of the property, excluding the land, prior to rehab. For mixed-use properties, the cost shall not exceed \$100,000 per residential unit. Credits are transferable. Full refunds permitted for credits that exceed tax liability; or in lieu of a refund may be credited to tax liability for the following year.</p>
<p>KANSAS Kansas State Historical Society 785-272-8681 http://www.ksks.org/resource/statetax.htm</p>	<p>25% credit for qualified expenses incurred during a qualified rehab project for any property listed on the National or State Register; 25% credit for qualified expenses incurred during a qualified rehab project for any property listed on the National or State Register. No cap. Minimum investment is \$5000 on qualified expenditures. Freely transferrable; carry forward 10 years. 500 projects since program began in Sept 2001, resulting in \$68 million invested in the rehab of historic properties in Kansas.</p>
<p>KENTUCKY Kentucky Heritage Council 502-564-7005 http://www.heritage.ky.gov</p>	<p>20% credit for non-residential properties; 30% credit for owner-occupied residential properties. \$3 million annual statewide cap for total program; for owner-occupied residential, total credit can not exceed \$60,000; \$400,000 per project cap for all other properties. Minimum investment is \$20,000 for owner-occupied; \$20,000 or the adjusted basis, whichever is greater, for all other properties. Freely transferrable. 43 projects in first year of the program; \$17,272,802.95 (million) in private investment since program began.</p>
<p>LOUISIANA Louisiana Department of Culture, Recreation & Tourism 225-342-8160 http://www.crt.state.la.us/hp/taxincentives.htm</p>	<p>25% credit for income-producing properties in downtown development district; 25% credit for owner-occupied residential and owner-occupied mixed-use qualified properties. Commercial credit is capped at \$5 million per taxpayer (or entity) for any number of structures rehabbed in a particular Downtown Development District. Residential credit is capped at \$25,000 per project for owner-occupied; \$1 million statewide annually. For commercial credit, minimum investment of \$10,000 in qualifying expenditures; for residential credit, minimum of \$20,000 in qualifying expenditures. Commercial credit may be carried forward for 5 years and is transferable. Residential credit must be taken in five equal installments and is non-transferable. New program on Jan 1, 2006.</p>
<p>MAINE Maine Historic Preservation Commission 207-287-2132 http://www.maine.gov/mhpc</p>	<p>20% credit for income producing properties that qualify for the federal tax credit by being on or eligible for the National Register. No annual statewide cap. Minimum investment is \$100,000 per year, per taxpayer. Credits are usable by owner or lessee. Compliance period is 5 years with pro rata recapture</p>

State Tax Credits for Historic Preservation

<p>MARYLAND Study: The Value of Historic Preservation in Maryland by Donovan Rypkema; Maryland Historical Trust 410-514-7628 http://www.marylandhistoricaltrust.net/taxcr.html</p>	<p>20% credit for commercial properties; 20% credit for owner-occupied properties. Cap on commercial credits is \$3 million per project; Budget \$30 million for 2007, 2008; legis not required to appropriate funds for commercial. Cap on owner-occupied prop is \$50,000 in credits per project; no annual statewide cap. Minimum investment is \$5000 for homeowners and rehab cost must exceed the adjusted basis of the property for commercial applicants. Credits are fully refundable. Competitive award process for commercial credits requires preference for geographical distribution; no competitive award process for owner-occupied structures. Non Profits are also eligible. 500 commercial and 2500 residential projects approved since the tax credit program began in 1997.</p>
<p>MASSACHUSETTS Massachusetts Historical Commission 617-727-8470 http://www.sec.state.ma.us/mhc/mhctax/taxidx.htm</p>	<p>20% credit for eligible income-producing properties older than 50 years. Cap \$50 million annual statewide; no per project cap. No minimum investment. Credits can be carried forward 5 years. Program began in 2003. In 2006, cap rose and program was extended to 2010.</p>
<p>MICHIGAN Study: The Economic Impacts of Historic Preservation in Michigan, by Michigan Historic Preservation Network, November 2006; Michigan Historical Center 517-373-1630 http://www.michigan.gov/hpccredit</p>	<p>25% credit for historic commercial buildings; reduces to 5% when federal 20% credit is claimed for commercial properties; 25% credit for owner-occupied residential buildings. Must be National, State, or local designated property. No caps. Minimum investment is 10% of the State Equalized Value (SEV) of the property. Credits can be carried forward 10 years. Recapture period is 5 years. 600 projects approved since 1999; average 75 to 80 per year.</p>
<p>MISSISSIPPI Division of Historic Preservation, Mississippi Department of Archives and History 601-576-6940 http://www.mdah.state.ms.us/hpres/prestaxincent.html</p>	<p>25% credit for commercial property; 25% credit for owner-occupied residences. No caps. Minimum investment is 50% of total basis for commercial properties; \$5000 for owner-occupied residences. Credits can be carried forward 10 years. New program effective 2006.</p>
<p>MISSOURI Study: Economic Impacts of Historic Preservation in Missouri, by Missouri Dept of Natural Resources, 2002; The State of Missouri's Environment 2007 by Missouri Dept of Natural Resources; Missouri Historic Preservation Program 573-751-7858 www.dnr.mo.gov/shpo http://www.dnr.mo.gov/shpo/TaxCrds.htm</p>	<p>25% credit for commercial properties listed on the National Register or in a certified historic district; 25% credit for owner-occupied properties listed on the National Register or in a certified historic district. No caps. Costs must exceed 50% of adjusted basis of structure. Credits can be carried back 3 years and forward 10 years. Since the program began in 1998, 905 projects were approved receiving \$485,318,415 in credits based on \$1,941,799,354 allowable rehab costs and stimulating \$2,357,650,759 (billion) investment in Missouri's older communities.</p>
<p>MONTANA Montana State Historic Office 406-444-7715 www.his.state.mt.us</p>	<p>5% automatic credit if property qualifies for the 20% federal credit. No caps. Requires that applicant meet the requirements for the federal program. Credits can be carried forward 7 years.</p>

State Tax Credits for Historic Preservation

<p>NEW MEXICO New Mexico Historic Preservation Division: 505-827-6320 http://www.nmhistoricpreservation.org/PROGRAMS/creditsloans_taxcredits.html</p>	<p>50% of rehab costs for all properties listed in the State Register of Cultural Properties; 50% of rehab costs for all properties listed in the State Register of Cultural Properties. \$25000 per project not located in Arts and Cultural District; 5000 per project cap in the Arts and Cultural District; no annual statewide cap. No minimum investment. Credits can carry forward 4 years. Also applies to stabilization and protection of archaeological sites listed in the State Register. 580 projects approved since program began in 1984</p>
<p>NEW YORK NYS Historic Preservation Office 518-237-8643 http://nysparks.state.ny.us/shpo/</p>	<p>State credit equal to 30% of the federal credit value (6% of rehab cost) for commercial properties that receive the federal credit; 20% state credit for owner-occupied residences listed on the State or National Register and located in federally-recognized distressed census tracts. \$100,000 per commercial project; \$25,000 per homeowner project. No annual aggregate statewide caps. Commercial projects are same as federal; homeowner are \$5000. No transferability. Unlimited carry-forward for both commercial and homeowner. New program effective 2007.</p>
<p>NORTH CAROLINA Study: The Impact of Historic Preservation on the North Carolina Economy by Preservation North Carolina, 1998; North Carolina State Historic Preservation Office 919-733-4763 http://www.hpo.dcr.state.nc.us/tchome.htm</p>	<p>20% credit for income producing properties owners; and 30-40% credit for income-producing and non-income producing historic industrial properties; 30% for historic homeowners. No caps. \$25,000 for homeowners. No transferability. Unlimited carry-forward for both commercial and homeowner. State credits must be taken in equal installments over 5 years. 20% commercial can be combined with federal 20%. 412 commercial and 762 residential projects approved since program began in 1998. New credit for historic industrial buildings effective in 2006.</p>
<p>NORTH DAKOTA State Historical Society of North Dakota 701-328-2666 http://www.state.nd.us/hist/RehabCredits.htm</p>	<p>25% credit for preservation and renovation of eligible property that is part of a Renaissance Zone Project; 25% credit for preservation and renovation of eligible property that is part of a Renaissance Zone Project. \$250,000 per project; no annual statewide cap. No minimum investment. Credits can carry forward 5 years.</p>
<p>OHIO Ohio Historic Preservation Office 614-298-2000 www.ohiohistory.org/resource/histpres</p>	<p>25% of qualified rehabilitation expenditures for approved projects can receive state credit. Credit is fully refundable. No aggregate annual cap, but program is limited to 100 projects per year for two years and a cost-benefit analysis by the State before approval. Cannot be transferred and must be taken by the owner. \$120 million program, authorized for a two year period beginning July 2007.</p>
<p>OKLAHOMA Oklahoma State Historic Preservation Office 405-521-6249 www.okhistory.org/shpo/shpom.htm</p>	<p>20% credit for any commercial certified rehab that meets the federal requirements for the federal rehab credit; 20% credit for any residential certified rehab that meets the federal requirements for the federal rehab credit. No caps. Freely transferrable for 5 years; credit may carry forward for 10 years. Does not apply to owner-occupied houses. Program began in 2005.</p>

State Tax Credits for Historic Preservation

RHODE ISLAND Study: Rhode Island Historic Preservation Investment Tax Credit Economic and Fiscal Impact Analysis 2007; Rhode Island Historical Preservation & Heritage Commission 401-222-2678 http://www.preservation.ri.gov/credits/	30% credit for income-producing projects; 20% credit for owner-occupied residential properties; State Register properties qualify. \$2,000 per year cap for owner-occupied; no per project cap for income-producing projects; no annual aggregate statewide cap. Minimum investment must exceed 50% of adjusted basis of structure for income producing projects; \$2,000 for owner-occupied residential. Income-producing properties, credits are freely transferrable and can be carried forward 10 years; unused credits for owner-occupied residential can be carried forward as long as the property is maintained. Interior and exterior rehab qualifies for income-producing properties; only exterior rehab qualifies for owner-occupied residential properties.
SOUTH CAROLINA South Carolina State Historic Preservation Office 803-896-6100 http://www.state.sc.us/scdah/hpfinancialinc.htm	10% credit for income-producing properties that also receive the federal rehab tax credit; 25% credit for owner-occupied residential properties. No caps. Banks are eligible for the credit and allow partnerships to allocate credits among the partners. Taxpayer allowed one credit per structure per 10 year period. Credit must be taken in five equal installments.
UTAH Utah State Historical Society 801-533-3500 http://history.utah.gov/historic_preservation/financial_assistance/index.html	20% for residential properties-both owner-occupied and non-owner-occupied. No caps.
VERMONT Vermont Division for Historic Preservation 802-828-3211 www.historicvermont.org or http://www.historicvermont.org/financial/credits.html	10% additional credit for projects approved for the federal 20% tax credit. Eligible projects must be located within a designated "downtown" or "village center." \$50,000 per project for 10% credit projects; \$1.5 million annual statewide. Credits can carry forward 10 years; in lieu of a tax credit, the state will issue a bank credit certificate which may be sold to the bank for cash or other terms. Since program began in 1993, 750 residential projects have been approved representing \$65 million investment in rehabilitation and 1750 housing units rehabbed.
VIRGINIA Virginia Department of Historic Resources 804-367-2323 http://www.dhr.virginia.gov/tax_credits/tax_credit.htm	25% credit for certified, historic, income-producing buildings; 25% credit for certified, historic, income-producing buildings. No caps. Credits can carry over 10 years; state credit may be syndicated through partnership arrangement. 1300 projects approved since program began in 1997
WEST VIRGINIA West Virginia Historic Preservation Office 304-558-0220 http://www.wvculture.org/shpo/tcresoverview.html	10% credit for income-producing structures eligible for the federal rehab tax credit; 20% credit for private residential structures listed on the National Register. No caps. Homeowner's credit can carry forward 5 years and/or may be transferred. 95 commercial projects approved since program began in 1990. Approx 29 residential projects since 2000.
WISCONSIN Wisconsin Historical Society 608-264-6490 http://www.wisconsinhistory.org/hp/architecture/index.asp	5% credit that can be coupled with federal 20% available for commercial properties; 25% credit for owner-occupied residential properties. \$10,000 per project for owner-occupied, no per project for commercial, no annual statewide. Owner-occupied credit not transferable; extendable for 5 years. 640 commercial projects approved since program began in 1978; Approx 2000 residential projects approved since program began in 1992.

State Tax Credits for Historic Preservation

DISTRICT OF COLUMBIA District of Columbia Historic Preservation Division 202-741-5248 Planning.dc.gov/planning/site/default.asp	A grant for historic housing rehabilitation expenses, valued at 35% of applicable D.C. income taxes is available for homeowners within specific districts.
Federal Rehabilitation Tax Credit Study: Federal Tax Incentives for Rehabilitating Historic Buildings Annual Report for Fiscal Year 2006)	20% for income-producing prop that are listed in or contributing to historic districts on the National Register of Historic Places (40,017 contributing resources were added in 2006 and 20% of these qualify as income-producing). In 2006, 1,253 projects were approved. Tax credits cost Federal gov \$817 million, but leveraged \$4.08 billion in private investment; a 5:1 ration of private investment to federal tax credits.