

PROGRAM: Federal Historic Preservation Tax Credit Program **Industry Specific Incentive**

AGENCY: U.S. Department of the Interior, National Park Service

DESCRIPTION: Tax incentives are available where historic structures are certified as having received rehabilitation to preserve and enhance their historic character.

ELIGIBLE USES: A certified historic structure listed in the National Register of Historic Places or located in a registered historic district.

- A registered district listed in the National Register of Historic Places or designated by state or local statute.
- A certified rehabilitation of a certified historic structure.
- A depreciable building (i.e. used in trade or company, or held for the production of income) and not an owner-occupied residence.

PROGRAM/LOAN STRUCTURE:

- **Maximum Program Benefits:** Offers a maximum tax credit of 20% of the substantial rehabilitation of historic buildings for commercial, industrial and rental residential purposes, and a 10% credit for substantial rehabilitation for non-residential purposes for structures built before 1936.
- The straight-line depreciation period of 27.5 years is for residential property and 31.5 years for non-residential property for the depreciable basis of the rehabilitated structure, less the amount of the tax credit claimed. Under rehabilitation costs and requirements, expenses must exceed the greater of the adjusted basis of the building or \$5,000 within a 24-month period. Rehabilitation features must conform to the Secretary of the Interior's Standards for Rehabilitation.
- **Fees:** The National Park Service (NPS) charges application fees for reviewing requests. Projects less than \$20,000 are not assessed. For those over \$20,000, there is a \$250 fee for reviewing all applications, \$500 for projects costing \$20,000 to \$99,999; \$800 for those costing \$100,000 to \$499,999; \$1,500 for those costing \$500,000 to \$999,999; and \$2,500 for those costing \$1,000,000 or more.
- Generally, each rehabilitation certification request on a certified historic structure is considered as a separate project for the purposes of computing the application fee.

QUALIFICATION CRITERIA/COMMENTS:

Rehabilitation projects must meet the following Standards, as interpreted by the National Park Service, to qualify as “certified rehabilitations” eligible for the 20% rehabilitation tax credit.

The Standards are applied to projects in a reasonable manner, taking into consideration economic and technical feasibility.

- A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
- The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
- Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
- Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
- Distinctive features, finishes, and construction techniques or examples of craftsmanship that

- characterize a historic property shall be preserved.
- Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
 - Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
 - Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
 - New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
 - New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.
 - Work is to be completed before receiving certified rehabilitation status.
 - Certification denials are appealed to the Department of the Interior.
 - Visit National Parks Service homepage at <http://www.cr.nps.gov/hps/TPS/tax/incentives/index.htm> or the Department of the Interior's page at <http://www.doi.gov/> .