



GEORGIA STATE INCOME TAX CREDIT FOR REHABILITATED HISTORIC PROPERTY

Historic Preservation Division, Georgia Department of Natural Resources
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SFY 2007 END-OF-YEAR REPORT JULY 1, 2006 – JUNE 30, 2007

BACKGROUND:

- In March 2002, the Georgia General Assembly passed into law a state income tax credit for rehabilitated historic property. Since January 2004, owners of historic residential and commercial properties who plan to start a substantial rehabilitation have been eligible to apply for the credit.
- The program is administered through the Historic Preservation Division (HPD) of the Georgia Department of Natural Resources (DNR).
- The program provides an opportunity for property owners of historic homes who complete an approved rehabilitation to take **10%** of the expenditures as a state income tax credit; **15%** if the home is in a low income target area. The credit is **20%** for any other type of certified historic structure, i.e. income-producing.
- The cap on the credit is \$5000.

APPLICATION AND ELIGIBILITY:

- The property must be eligible for, or listed in, the Georgia Register of Historic Places.
- Project work must be certified as meeting DNR's *Standards for Rehabilitation*.
- A substantial rehabilitation test must be met.
- **Part A – Preliminary Certification** should be submitted to HPD before project work begins. Once the Part A is approved, the applicant has two years to complete the rehabilitation.
- **Part B – Final Certification** is submitted to HPD when the project is finished. After the Part B is approved, the owner applies the credit to the taxable year the rehabilitation is completed.
- Other tax incentive programs available for rehabilitated historic buildings include the state Preferential Property Tax Assessment and the federal Rehabilitation Investment Tax Credit. Applications for all three programs can be submitted to HPD at the same time.



Residential rehabilitation of a 1909 Queen Anne Cottage in one of Atlanta's historic districts represents \$70,000 in private investment.

- One hundred applications (Parts A, B, and amendments) were submitted to HPD in SFY 2007.
- Forty applications were certified as meeting DNR's *Standards for Rehabilitation*; one project was denied.
- Total dollar amount for **approved and completed** projects equaled \$33,339,967.
- Since January 2004, 68 projects have been certified and successfully completed, reflecting \$54,062,746 in private investment.
- End-of-Year reports are now based on the state fiscal year; SFY 2004 and 2005 reports were based on calendar years. To find out the total dollar amount of credits applied against income, contact the Georgia Department of Revenue.



The Tifton Commercial Historic District was enhanced by the rehabilitation of this circa 1896 commercial building for \$222,606 in private investment.



Commercial investment in a circa 1950 apartment building in Augusta's Downtown Historic District represents over \$10 million in private investment.

For questions about this report or to learn more about federal and state preservation tax incentives, contact HPD's tax incentives coordinator at (404) 651-5566.