



# GEORGIA STATE INCOME TAX CREDIT FOR REHABILITATED HISTORIC PROPERTY

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## SFY 2008 END-OF-YEAR REPORT JULY 1, 2007 – JUNE 30, 2008

### BACKGROUND:

- In March 2002, the Georgia General Assembly passed into law the State Income Tax Credit for Rehabilitated Historic Property. Since January 2004, owners of historic residential and commercial properties who plan to undertake 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.
- During this fiscal year, the program provided an opportunity for property owners of historic homes (principal residence) who completed an approved rehabilitation to take 10% of the qualified expenditures as a state income tax credit; 15% if the home was in a low income target area. The credit was 20% for an income-producing certified historic structure. The cap on the credit was \$5000.
- In the 2008 legislative session, the General Assembly approved changes to the credit. The amended tax credit will allow 25% of qualified rehabilitation expenditures to be taken as a state income tax credit for both historic homes and income-producing structures. If the property is in a low income target area, the credit allowed is 30%. The credit will be capped at \$100,000 for historic homes and \$300,000 for income-producing structures. The amended credit goes into effect for projects completed after January 1, 2009.

### 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.



Before and after rehabilitation of a ca. 1896 duplex in Savannah's Thomas Square Streetcar Historic District, representing \$140,000 in private investment.

## ECONOMIC IMPACT:

- One hundred one applications (Parts A, B, and amendments) were submitted to HPD in SFY 2008.
- Thirty-two applications were completed and certified as meeting DNR's *Standards for Rehabilitation*; two projects were denied certification.
- Private investment for SFY 2008 equaled \$13,551,990 for approved, completed projects.
- Since January 2004, 100 projects have been certified and successfully completed, reflecting \$67,614,736 in private investment.
- Other tax incentive programs available for rehabilitated historic buildings include the state Preferential Property Tax Assessment and the federal Rehabilitation Investment Tax Credit.

The ca.1920 Tuttle Building in Augusta underwent rehabilitation for commercial use, representing \$650,000 in private investment in the Broad Street Historic District.



Rome's Between the Rivers Historic District was enhanced with over 12,400 square feet of transformed commercial and residential space by the Curry Building's \$1,250,000 rehabilitation.

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.