



HISTORIC PRESERVATION DIVISION

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GEORGIA STATE INCOME TAX CREDIT FOR REHABILITATED HISTORIC PROPERTY SFY 2011 END-OF-YEAR REPORT JULY 1, 2010–JUNE 30, 2011

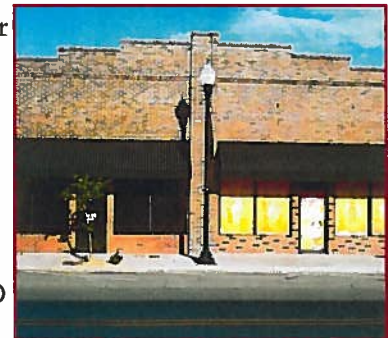
BACKGROUND:

- 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.
- The tax credit allows 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 is capped at \$100,000 for historic homes and \$300,000 for income-producing structures.
- The State Preferential Property Tax Assessment for Rehabilitated Historic Property and the Federal Rehabilitation Investment Tax Credit are companion programs.



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.



The property owner of this early 20th century commercial building (above), located on Main Street in the Tifton Commercial Historic District, spent \$120,000 on its rehabilitation and applied for both federal and state tax incentives.

SFY 2011 ECONOMIC IMPACT OF TAX INCENTIVES PROGRAMS:

Georgia's preservation tax incentives programs can play a significant role in the economic development of communities throughout the state by creating jobs, spurring neighborhood and downtown revitalization, increasing and supporting cultural and heritage tourism, encouraging local investment, and generating increased tax revenues.

In SFY 2011, proposed and completed rehabilitations utilizing the tax incentive programs included projects in Atlanta, Augusta, Blakely, Columbus, Decatur, Fairburn, Fitzgerald, Gray, Hapeville, Hartwell, Jekyll Island, Macon, Meigs, Metcalf, Milledgeville, Monroe, Norcross, Sandersville, Sparta, Savannah, Thomasville, Tifton, Tybee Island, Valdosta, Warrenton, Waycross, and Waynesboro.

- **65 preliminary certification applications** for *proposed* work were submitted representing **29 historic home** rehabilitations and **36 income-producing** property rehabilitations equaling:
 - **\$131,361,847** in investment
 - **\$4.9 million in potential** tax credits
 - **2,377** jobs created*
 - **\$98 million** in salary and wages generated*
 - **1,402** additional jobs being created elsewhere*

- **49 final certification applications** for *completed* projects were submitted, representing **28 historic home** rehabilitations and **21 income-producing** property rehabilitations equaling:
 - **\$25,676,244** in investment
 - **\$3.7 million** in potential tax credits
 - **464** jobs created*
 - **\$19 million** in salary and wages generated*
 - **273** additional jobs created elsewhere*

* Statistics calculated using multipliers provided in HPD's *Good News in Tough Times* report available on HPD's website.



The house (left & above), located on Orange Street in the Macon Historic District, was built in 1908 in the Folk Victorian style. The property owner applied for state tax incentives and spent over \$300,000 for its rehabilitation, which included a one-room addition in the rear of the house.

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.