



HISTORIC PRESERVATION DIVISION

MARK WILLIAMS
COMMISSIONER

DR. DAVID CRASS
DIVISION DIRECTOR

GEORGIA STATE INCOME TAX CREDIT FOR REHABILITATED HISTORIC PROPERTY

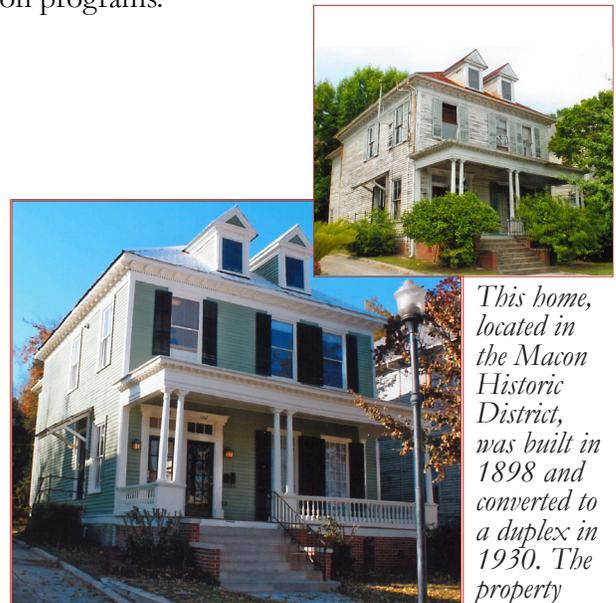
SFY 2015 END-OF-YEAR REPORT
JULY 1, 2014-JUNE 30, 2015

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 listed in the Georgia Register of Historic Places or determined eligible at the time of application.
- Project work must be certified as meeting DNR's *Standards or 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



This home, located in the Macon Historic District, was built in 1898 and converted to a duplex in 1930. The property owner spent \$118,000, on its rehabilitation for continued use as a duplex. Macon leads the state in the number of tax projects for SFY 2015.

SFY 2015 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.

Property owners in Georgia's small towns and larger cities alike took advantage of the preservation tax incentives during SFY 2015. Macon again was the city with the most projects, accounting for **43** proposed and completed rehabilitations, followed by Savannah and Atlanta almost tied, with **21** and **20** projects respectively. Other cities and towns with program activity included Americus, Athens, Augusta, Bainbridge, Carrollton, Cedartown, College Park, Columbus, Covington, Decatur, Gainesville, Greensboro, Hapeville, Marshallville, Rome, Thomasville, Toccoa, Tybee Island, Valdosta, and West Point.

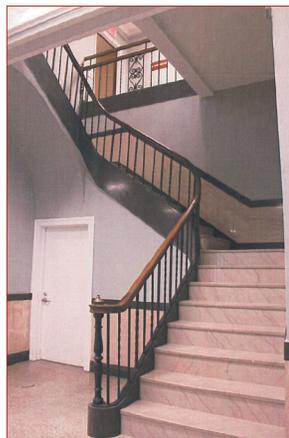
- **82 preliminary certification applications** for *proposed* work were submitted representing **28 historic home** rehabilitations and **54 income-producing** property rehabilitations equaling:
 - **\$287.8 million** in investment
 - **\$8.9 million** in potential state tax credits
 - **5,209** jobs created*
 - **\$216 million** in salary and wages generated*
 - **3,073** additional jobs being created elsewhere*

- **47 final certification applications** for *completed* projects were submitted, representing **18 historic home** rehabilitations and **29 income-producing** property rehabilitations equaling:
 - **\$42 million** in investment
 - **\$4.9 million** in potential state tax credits
 - **760** jobs created*
 - **\$31.5 million** in salary and wages generated*
 - **448** additional jobs created elsewhere*

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



The Hotel Daniel Ashley, located in the Valdosta Commercial Historic District, was built in 1925 to accommodate travelling salesmen in South Georgia. The property owner spent \$6.3 million rehabilitating the building into low-income senior housing. The project will receive approximately \$1.2 million in federal tax credits, \$300,000 in state tax credits, and a federal low-income tax credit of almost \$509,000.



For questions about this report or to learn more about federal and state preservation tax incentives, contact HPD's tax incentives coordinator at 770-389-7848