

Federal Tax Incentives for Rehabilitating Historic Buildings

Annual Report for Fiscal Year 2018



FISCAL YEAR 2018 AT A GLANCE

1,805 Certifications of significance for rehabilitation (Part 1)

1,479 Preliminary certifications of rehabilitation (Part 2)

Estimated rehabilitation costs \$7.48 billion
 Median project QRE \$895,385
 Average project QRE \$5.06 million

1,013 Certifications of completed work (Part 3)

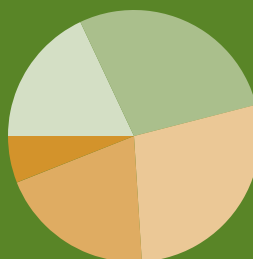
Estimated rehabilitation costs \$6.90 billion
 Median project QRE \$1.36 million
 Average project QRE \$6.80 million
 Rehabilitated housing units 6,994
 New housing units 12,527
 Low and moderate income housing units 6,152

QRE=Qualified rehabilitation expenditures

Over \$6.9 billion in private investment in historic preservation and community revitalization.

Program activity remains high—9% increase in certifications of significance (Part 1), and approved rehabilitation projects (Part 2 and Part 3) remain at prior-year highs.

Projects both big and small—almost half (46%) of all completed projects (Part 3) were under \$1 million QRE and 18% were under \$250,000 QRE.



Under \$250,000 (18%)
 \$250,000–999,999 (28%)
 \$1,000,000 – 4,999,999 (28%)
 \$5,000,000 – 24,999,999 (20%)
 Over \$25,000,000 (6%)

New National Register nominations—about 20% of projects involved properties not yet listed in the National Register of Historic Places.

Thirty-five states have state historic tax credits that can be used in tandem with the Federal historic tax credit.

FY 1977–FY 2018 PROGRAM ACCOMPLISHMENTS



\$96.87 billion

Estimated Rehabilitation Investment



44,341

Historic Rehabilitation Projects Certified

285,264

Rehabilitated Housing Units

302,460

New Housing Units

166,210

Low- and Moderate-Income Housing Units

FY 2018 STATE-BY-STATE PROJECT ACTIVITY

Estimated Qualified Rehabilitation Expenditures (QRE) and Five-Year Cumulative Totals

State	Applications Received			Applications Approved			Estimated QRE at Part 2	Estimated QRE at Project Completion (Part 3)	Cumulative Totals FY 2014–FY 2018	
	Part 1	Part 2	Part 3	Part 1	Part 2	Part 3			Part 3	QRE
Alabama	36	45	11	35	37	10	\$151,603,612	\$103,863,989	44	\$221,250,128
Alaska	1	1	0	1	1	0	48,000	0	1	90,000
Arizona	6	2	3	5	2	3	29,750,000	40,465,929	15	110,779,648
Arkansas	45	41	26	42	35	26	74,552,170	86,592,730	92	168,031,083
California	15	11	3	15	7	3	126,000,000	132,529,733	35	702,351,447
Colorado	16	8	4	14	11	4	71,162,679	13,767,972	15	99,763,785
Connecticut	23	23	6	22	6	5	80,150,388	55,570,097	49	464,177,769
Delaware	0	3	3	4	5	1	5,629,695	5,889,862	10	37,410,491
District of Columbia	10	4	6	10	2	6	84,459,042	305,180,080	16	452,190,895
Florida	22	14	10	22	13	10	31,510,930	12,688,695	42	170,302,621
Georgia	90	60	39	73	64	42	138,780,892	168,257,129	134	322,731,855
Hawaii	1	1	2	1	1	2	7,748,432	5,724,331	3	6,679,870
Idaho	5	4	2	5	4	2	12,612,239	301,761	3	11,101,761
Illinois	32	27	22	25	27	20	324,104,440	239,955,428	91	1,805,682,708
Indiana	28	29	14	29	27	16	97,617,318	58,766,548	54	253,759,935
Iowa	31	34	21	30	33	22	214,196,498	184,004,121	134	718,713,323
Kansas	22	22	15	24	24	15	53,305,978	53,994,816	65	240,862,372
Kentucky	39	41	30	28	25	27	80,656,698	56,891,561	152	323,822,154
Louisiana	133	111	100	114	101	97	265,720,877	287,521,304	494	1,410,137,844
Maine	23	17	5	21	19	6	31,911,889	19,388,246	48	247,876,734
Maryland	53	47	45	49	43	44	98,089,515	129,494,191	189	720,686,155
Massachusetts	57	49	51	52	50	51	419,408,860	332,923,193	240	1,607,280,392
Michigan	30	30	29	31	27	29	437,780,079	237,689,882	118	867,021,147
Minnesota	9	14	9	7	15	10	407,303,532	77,197,335	63	973,436,900
Mississippi	33	28	18	31	29	17	75,166,988	24,586,929	67	90,591,988
Missouri	125	84	111	124	96	70	464,670,990	346,653,626	363	1,529,444,126
Montana	6	3	1	5	3	1	7,995,000	315,355	10	15,996,222
Nebraska	6	4	9	6	5	9	17,380,000	45,810,285	42	204,964,343
Nevada	1	0	0	2	0	0	0	0	1	1,148,850
New Hampshire	6	3	1	6	1	0	7,000,000	0	8	48,720,935
New Jersey	10	3	2	7	3	2	56,092,330	59,569,851	29	489,344,240
New Mexico	2	1	1	3	3	1	12,084,033	5,250,000	3	30,231,640
New York	232	187	83	217	167	79	805,144,142	840,603,576	313	3,539,008,670
North Carolina	94	70	40	97	71	41	200,883,660	110,543,560	212	763,977,625
North Dakota	2	0	2	1	0	1	0	10,998,482	2	21,720,123
Ohio	86	77	104	93	76	102	456,509,322	739,226,555	411	2,082,115,269
Oklahoma	21	19	14	21	16	12	55,171,265	40,398,808	60	322,680,284
Oregon	8	12	7	7	6	7	37,347,364	22,124,013	32	152,388,985
Pennsylvania	142	132	45	130	110	41	408,602,322	420,105,739	171	1,603,847,195
Puerto Rico	1	1	0	0	1	0	1,000,000	0	0	0
Rhode Island	18	18	10	16	17	8	157,019,190	197,932,859	55	494,191,517
South Carolina	39	21	18	38	23	14	98,343,082	28,343,247	55	284,882,833
South Dakota	2	2	1	2	3	2	10,944,464	3,660,500	9	15,049,211
Tennessee	35	14	6	37	14	7	106,250,311	311,586,486	48	410,424,084
Texas	48	44	28	49	35	26	332,889,219	560,139,549	61	973,262,444
Utah	14	9	3	14	8	3	13,045,000	1,196,228	17	33,321,315
Vermont	6	11	8	7	12	7	28,135,078	4,056,294	58	88,022,032
Virgin Islands	0	0	0	1	1	0	150,000	0	0	0
Virginia	178	157	85	176	143	82	351,067,424	370,748,216	450	1,536,254,255
Washington	11	12	4	11	9	3	158,209,000	13,941,296	29	220,924,778
West Virginia	26	11	4	20	10	4	15,176,000	8,122,841	22	48,107,493
Wisconsin	27	33	22	24	34	22	360,137,583	121,148,959	82	434,188,565
Wyoming	1	3	1	1	4	1	4,182,000	750,000	2	2,391,520
Total	1,907	1,597	1,084	1,805	1,479	1,013	\$7,484,699,530	\$6,896,472,187	4,719	\$27,373,341,561

Source: Technical Preservation Services, National Park Service

Federal Tax Incentives for Rehabilitating Historic Buildings

A Successful Federal/State Partnership Since 1976

The Federal Historic Preservation Tax Incentives Program, administered by the National Park Service in partnership with the State Historic Preservation Offices, is the nation's most effective program to promote historic preservation and community revitalization through historic rehabilitation. With over 44,000 completed projects since its enactment in 1976, the program has leveraged over \$96.87 billion in private investment in the rehabilitation of historic properties—spurring the rehabilitation of historic structures of every period, size, style, and type in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

Commonly known as the Historic Tax Credit, the program provides a 20-percent Federal tax credit to property owners who undertake a substantial rehabilitation of a historic building in a business or income-producing use, while maintaining its historic character. In a three-part application process, the National Park Service certifies that a building is historic, and therefore eligible for the program, and that its rehabilitation meets preservation standards.

The Historic Tax Credit is the largest Federal program specifically supporting historic preservation. It generates much needed jobs and economic activity, enhances property values in older communities, creates affordable housing, and augments revenue for Federal, state, and local governments, leveraging many times its cost in private expenditures on historic preservation. This widely-recognized program has been instrumental in preserving the historic buildings and places that give our cities, towns, Main Streets, and rural areas their special character and has attracted new private investment to communities small and large throughout the nation.

Technical Preservation Services, National Park Service

March 2019

The **Federal Historic Preservation Tax Incentives Program** is administered by the National Park Service in partnership with the State Historic Preservation Offices.

The **State Historic Preservation Offices (SHPOs)** are the first point of contact for property owners wishing to use the historic rehabilitation tax credit. The SHPOs can help determine whether a historic building is eligible for Federal or State tax credits, provide guidance before beginning a project, and advise on the application requirements and what constitutes appropriate preservation work. For the phone number or website of your SHPO, contact the National Conference of State Historic Preservation Officers at (202) 624-5465 or visit their website at www.ncshpo.org.

The **Technical Preservation Services (TPS)** office administers the tax incentives program on behalf of the National Park Service. Information about the program and application requirements as well technical guidance and publications on preserving and rehabilitating historic buildings is available from TPS at (202) 513-7270 or www.nps.gov/tps.

Vacant for fifteen years, the rehabilitation of the **Federal Reserve Bank of Atlanta, Birmingham Branch**, returned the 1925 building and its 1955 contributing addition back to life as a multi-tenant office building. One of the highlights of the project was the restoration of the bank's two-story entrance, including the flanking columns, based on historic documentation.

Cover photo: Chris Luker

