

## HISTORIC REHABILITATION TAX INCENTIVE PROGRAM

(as of 04/2009)

	Federal Historic Rehabilitation Tax Credit	Louisiana State Historic Preservation Tax Credit	La. State Residential Rehab Tax Credit		
<b>Purpose</b>	Encourages the preservation of historic buildings through incentives to support the rehabilitation of historic and older buildings	Encourages the preservation of historic buildings through incentives to support the rehabilitation of historic and older buildings.	Encourages taxpayers to preserve and improve their homes by offering a tax credit on rehabilitation taxes		
<b>Eligibility</b>	Income producing property individually listed on the National Register or a contributing element within a National Register Historic District	Income producing property that is a contributing element within a DDD or Cultural District as determined by the Division of Historic Preservation	An owner occupied building that is a contributing element to a NR District, a locally designated historic district, a Main Street District, a Cultural District, or a DDD; a residential structure that is listed or is eligible for listing on the NR; or a vacant and blighted building at least 50 years old		
<b>% of Credit</b>	20% of construction costs and fee GO Zone – 26% for costs incurred from August 28, 2005 through January 1, 2009 A 1936 building or older may be eligible for the Non-Historic 10% federal tax credit **	25%	25% credit = AGI less than or equal to \$50,000 20% credit = AGI 50,001 - \$75,000 15% credit = AGI \$75,001 - \$100,000 10% credit = AGI \$100,001 plus. (Available only for vacant and blighted residential buildings at least 50 years old)		
<b>Minimum Expenditure</b>	The rehab must exceed the adjusted basis of the building. If adjusted basis is less than \$5,000, the rehab cost must be at least \$5,000	\$10,000	\$20,000		
<b>Credit Cap</b>	None	\$5 million per taxpayer within a particular DDD	\$25,000 per structure		
<b>Application</b>	Submit to DHP and forward to NPS with recommendation Part 1 certifies the building as historic. Part 2 describes the proposed rehabilitation Part 3 is the final certification of completed work	Submit to DHP. Part 1 certifies the building as historic Part 2 describes the proposed rehabilitation Part 3 is final certification of completed work	Preliminary: Application A - Establish initial eligibility Application B – Determines if the proposed rehab is consistent with the Standards Application C – Certificate of Completion is the final certification		
<b>Fees</b>	Initial fee request by NPS of \$250 with Part 2; final fee is scaled to the size of the rehabilitation	\$250 with Part 2	\$250 with proposed rehab - Application B		
<b>Program Standards</b>	U.S. Secretary of the Interior's Standards for Rehabilitation	U.S. Secretary of the Interior's Standards for Rehabilitation	U.S. Secretary of the Interior's Standards for Rehabilitation		
<b>Taking the Credit</b>	Credit is claimed for the year the project is completed and has received an approved Part 3. Unused credit can be carried back one year and forward for 20 years	Credit is claimed for the year the project is completed and has received an approved Part 3. Any unused credit may be carried forward up to 5 years. This credit may be sold to a third party.	The tax credit is divided into 5 equal portions, with the first portion being used in the taxable year of the completion date, and the remaining portions used once a year for the next 4 years. If the full credit for one year cannot be taken, the owner will receive that amount as a refund.		
<b>Recapture</b>	If the owner sells the building within 5 years of the rehab, he loses 20% of the earned credit for each year short of the full 5 years	If the owner sells the building within 5 years of the rehab, he loses 20% of the earned credit for each year short of the full 5 years	If the building is sold during the 5-year credit period, all unused credit will immediately become void		
DDD = Downtown Development District		DHP = La. Division of Historic Preservation	NPS = National Park Service	NR = National Register of Historic Places	Rehab = Rehabilitation

\*\* If a building is not located within an historic district and was constructed prior to 1936, it may qualify for a 10% tax credit if restoration is substantial—exceeding the adjusted basis of the property (purchase price less the value of the land).

For More Information – Contact:  
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Website: <http://www.crt.state.la.us/hp/>