ILLINOIS GENERAL ASSEMBLY
RESEARCH RESPONSE
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STATES' HISTORIC PRESERVATION TAX CREDITS

Overview

At least 29 states and the federal government offer income tax credits to encourage historic preservation. The credits range from 5% to 40% of qualified rehabilitation costs, averaging about 25%. Most states require that a structure have state or federal certification as a historic place, or be located in a historic district, to qualify for the credit. Many states allow different credits depending on whether a project qualifies for the federal credit (with higher state credits for projects that do not). In general, rehabilitation of an income-producing historic structure qualifies for the federal tax credit, but rehabilitations of historic residences do not. Some states offer an extra credit if a project will provide affordable housing or is in a low-income area. A minimum investment is usually required to qualify for a credit. These laws are described below and summarized in Appendix A.

Federal Tax Credit

The Tax Reform Act of 1986 offered a 20% tax credit for rehabilitating historic properties.[1] To qualify, properties must be used for commercial, industrial, agricultural, or residential rental purposes. They must also be certified historic structures listed on the National Register of Historic Places or located in a registered historic district certified by the National Park Service.[2] In general, the cost of rehabilitation must exceed the greater of $5,000 or the adjusted basis of the structure.[3] ("Adjusted basis" as used here and below means the purchase price of the property, plus the value of improvements already made, minus the value of the land and depreciation already taken.)

A nonresidential building constructed before 1936, but lacking such historic attributes, is eligible for a 10% credit for substantial rehabilitation costing more than $5,000 or its adjusted basis, whichever is greater.[4]

State Income Tax Credits

Colorado

An income tax credit covers 20% of rehabilitation costs, with a limit on the credit of $50,000 per project. To qualify, a project must cost at least $5,000 and be completed within 2 years. The credit applies to costs of physical changes to property; it does not cover planning, legal, or other non-construction costs. If the person who claimed a credit sells the property within 5 years after completing rehabilitation, the following percentages of the credit will be recaptured: 100% if the sale occurs in the first year; 80% if it occurs in the second year; 60% in the third year; 40% in the fourth year; and 20% in the fifth year.[5]

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Connecticut

An owner who spends at least $25,000 to rehabilitate a historic home in specified urban or economically distressed areas can get a tax credit of 30% of qualified rehabilitation costs, up to a maximum credit of $30,000 per project. This credit may be used only by a corporation.[6] Also, an owner must live in the residence for 5 years after receiving the credit, or sell it to someone who will live in it for 5 years.[7]

An owner who rehabilitates a historic commercial or industrial property for residential use may first submit to the Connecticut Commission on Culture and Tourism a rehabilitation plan and an estimate of qualified costs. If the plan meets the Commission's guidelines, it will set aside an allocation for a tax credit equal to 25% of projected qualified costs, with each credit limited to $2.7 million. Expenses must exceed 25% of the assessed value of the structure. The credit may be taken when rehabilitation is complete.[8] This credit also is available only to corporations.[9]

An owner who rehabilitates a historic commercial or industrial property for mixed residential and nonresidential uses may submit a plan as described above. If the plan is approved, the owner will get a tax credit equal to 25% of projected qualified costs (30% for projects that qualify as affordable housing). Expenses must exceed 25% of the assessed value of the structure. No project may receive more than $5 million in credits.[10] No rules have yet been issued for this credit, but it likely will be limited to corporations like the two credits described above.

Delaware

An income tax credit for 20% of qualified rehabilitation costs is available for income-producing properties; it is 30% for properties not producing income. An added 10% credit is available for projects that will be committed to low-income housing. A credit of 100% of qualified rehabilitation costs is available for a property if a person has made an agreement with the owner to pay for full restoration of the property in exchange for a life tenancy (the right to live there for the rest of the payer's life). Tax credits for properties not producing income are limited to $20,000 per project.[11]

Georgia

An owner of a historic home may take a tax credit equal to 10% of qualified rehabilitation costs; an added 5% credit is allowed for homes in low-income areas. For other qualified structures, the credit is 20%. No more than $5,000 in credits may be taken for one structure in a 10-year period. To be eligible for the credit for a historic home, qualified expenses must exceed the lesser of $25,000 or half its adjusted basis—except that expenses for a home in a low-income area need only exceed $5,000, with no requirement for adjusted basis. For any other qualified structure, expenses must exceed the greater of $5,000 or adjusted basis.[12]

Starting January 1, 2009, the credit will equal 25% of qualified rehabilitation costs for both historic homes and other qualified structures. The $5,000 limit will end. The limits on credits that may be taken for a 10-year period will become $100,000 for a historic home and $300,000 for another qualified structure.[13]

Indiana — A 20% Indiana State Rehabilitation Investment Tax Credit matches the federal tax credit, allowing a possible total tax credit of 40%.[14] The credit is available only to income-producing facilities and properties used as the taxpayer's residence, and may not exceed $100,000.[15] Qualified expenditures must exceed $10,000.[16] The credit is recaptured if the property is sold within 5 years after rehabilitation is complete, or changes are made to the property within that time that do not meet state standards.[17]

Iowa — The Iowa Historic Property Income Tax Credit is up to 25% of qualified rehabilitation costs of historic properties, including barns built before 1937. Such costs must equal at least 50% of assessed value before rehabilitation for commercial properties, or the lesser of $25,000 or 25% of fair market value before rehabilitation for residential properties.[18]

Kansas — A tax credit equal to 25% of qualified expenses is available for rehabilitation of historic structures if total expenses are at least $5,000. The credit is 30% if the structure is exempt from federal income taxation and is not income-producing.[19]

Kentucky — The tax credit for rehabilitating an owner-occupied residential property equals 30% of qualified rehabilitation costs (if those costs exceed $20,000); the credit is limited to $60,000 per project.[20] The credit for rehabilitating all other qualified property is 20%, and is limited to $400,000 per project if costs exceed the greater of $20,000 or the structure's adjusted basis.[21]

Louisiana — A credit up to $25,000 per structure is available for qualified expenses incurred in rehabilitating an owner-occupied residential or mixed-use structure that is located in a National Register Historic District or in one of several types of local historical or development districts; is eligible for listing on the National Register; has been certified by the State Historic Preservation Office as contributing to the historical significance of the district; or is a vacant and blighted residential structure at least 50 years old. Rehabilitation expenses must exceed $20,000. The amount of the credit is based on the owner's income: 25% if adjusted gross income is up to $50,000; 20% if it is $50,001 to $75,000; and 15% if it is $75,001 to $100,000. If income exceeds $100,000, the credit is 10% and is offered only for vacant and blighted structures. The credit is to be applied in 5 equal portions for the 5-year period beginning in the year when the structure goes into service. If the owner sells the property within those 5 years, the unused credits are forfeited.[22]

A 25% tax credit is available for nonresidential or residential rental property in a downtown development district or cultural product district. Expenses must exceed $10,000, and no entity may get more than $5 million in credits for all structures rehabilitated in the same district.[23]

Maine — A tax credit of 25% of qualified rehabilitation costs is offered for structures that are eligible for the federal tax credit. The same credit is offered for structures not eligible for the federal credit, if costs are between $50,000 and $250,000. The credit is 30% for an affordable housing project that will remain affordable for 30 years. The maximum credit per project is $5 million. The credit must be taken in four equal installments beginning in the year the property goes into service.

By August 1, 2009 and annually thereafter, the Maine Historic Preservation Commission and Maine State Housing Authority must determine the number of square feet that were rehabilitated and developed using the 25% credit and the 30% affordable housing credit. If the amount of affordable housing created does not equal or exceed 30% of the rehabilitated and developed projects, the 25% credit for structures that do not claim the federal credit will rise 1% per year that the 30% affordable housing threshold is not met, up to a limit of 35%.[24]

Maryland — A tax credit of 20% of qualified rehabilitation costs is available for an owner-occupied residential property if costs exceed $5,000, and for all other property for which costs exceed the greater of $5,000 or adjusted basis. The credit is limited to $3 million for a commercial project and $50,000 for a residential project. It is recaptured as described for Colorado if any disqualifying work that would have made the structure ineligible for the credit is done in any of the 5 years after work is completed.[25]

Massachusetts — A 20% Historic Rehabilitation Tax Credit matches the federal tax credit, for a possible 40% total tax credit. When possible, at least 25% of credits must be awarded to projects to provide affordable housing. The property must be income-producing, and expenditures must exceed 25% of the owner's adjusted basis.[26]

Michigan — A tax credit of 25% of qualified rehabilitation costs is offered to commercial property owners, businesses, and homeowners. If a project qualifies for the federal tax credit, that credit must be taken first; the taxpayer will then be eligible for only a 5% state tax credit. If the owner sells within 5 years after receiving the credit, or alterations not meeting state standards are made, a percentage of the credit is recaptured as described for Colorado. Qualified expenses must be at least 10% of the state equalized value of the property (or 5% of appraised value if it has no equalized value).[27]

Mississippi — A tax credit of 25% of qualified rehabilitation costs for an eligible historic structure is available if expenses exceed $5,000 for an owner-occupied dwelling, or 50% of total basis for another property.[28]

Missouri — The Community Development Division of the Department of Economic Development offers an investment tax credit of 25% of rehabilitation costs,[29] available to both income-producing properties and personal residences. The owner must spend at least 50% of fair market value for rehabilitation.[30]

Montana — Certified historic structures that are eligible for the federal tax credit are also eligible for a state tax credit of 25% of the federal credit (or 5% if the structure was eligible for the full 20% federal credit).[31]

New Mexico — A tax credit of half the cost of restoration, rehabilitation, or preservation of a cultural property listed on the state register of cultural properties is available, up to $25,000 per project ($50,000 if the property is in an arts and cultural district).[32]

New York A tax credit of 30% of the amount of the federal credit allowed to the taxpayer for that year is available for certified historic structures, with the credit limited to $100,000 per project.[33]

A 20% credit is offered for qualified historic homes in economically distressed areas for which expenses are at least $5,000. The credit is limited to $25,000. Part of the credit is recaptured if the taxpayer sells the home or ceases to use it as a residence within 2 years after rehabilitation is complete.[34]

Another tax credit is offered, for 25% of the cost of rehabilitating a barn. It applies only to barns that were built before 1936 and will be used to produce income.[35]

North Carolina Historic properties that do not produce income are eligible for a credit equal to 30% of rehabilitation costs, if the rehabilitation costs at least $25,000 and is completed within 24 months. Income-producing properties are eligible for a 20% credit if their rehabilitation costs are at least $5,000 or 50% of adjusted basis, whichever is greater.

Another tax credit is allowed in lieu of the above credit for rehabilitating a site that was used as a manufacturing facility, an agricultural warehouse, or a utility; is a certified historic structure; has been at least 80% vacant for the last 2 years before the date of certification of eligibility for the tax credit; and for which rehabilitation expenses will exceed $3 million.[36] Depending on the location of the site, the credit is 30% or 40% of qualified rehabilitation costs for income-producing sites eligible for the federal tax credit.[37] Sites not producing income but located in a specific area may receive a 40% credit taken in 5 equal installments, beginning in the year the property is put in service.[38]

North Dakota A tax credit is offered for 25% of the amount invested in historic preservation or renovation of property in a Renaissance Zone (similar to an enterprise zone), with the credit limited to $250,000 per project.[39]

Ohio An income tax credit of 25% of qualified rehabilitation costs[40] is available if the following conditions are met: the structure is a historic building; the rehabilitation will meet federal standards; and receiving the tax credit is a major factor in the applicant's decision to rehabilitate the building or to increase the level of investment in the rehabilitation.[41]

Oklahoma The state credit is equal to the federal tax credit. All requirements are the same as for the federal credit.[42]

Rhode Island A tax credit is available up to 20% of qualified rehabilitation costs for a historic residence, if expenses exceed $2,000.[43] A taxpayer may not receive credits exceeding $2,000 per year.[44]

A credit of 30% of rehabilitation costs for a certified historic income-producing structure is also available for structures put in service before 2008. For structures put in service after 2007, the credit may not exceed 25%, 26%, or 27% of expenses, as contracted between the taxpayer and the state Division of Taxation.[45] Expenses must exceed 50% of the structure's adjusted basis.[46]

South Carolina A structure that is eligible for the federal credit is also eligible for a state credit equal to 10% of the expenses that qualify for the federal credit. A 25% credit is available for certified historic residential structures that are not eligible for the federal credit, if expenses exceed $15,000. The credit must be taken in equal installments over a 5-year period. If work that is not consistent with federal standards is done while the credit is being claimed, unused portions of the credit are forfeited.[47]

Utah A credit equal to 20% of rehabilitation expenses is available for projects investing at least $10,000 in a residential certified historic building.[48]

Vermont Tax credits are available for code improvement, façade improvement, or historic rehabilitation projects if expenditures exceed $5,000.[49] Qualified structures must be built before 1983, located in a designated downtown or village center, and be income-producing upon completion.[50] The credit is equal to 10% of expenses for historic rehabilitation projects; 25% for façade improvements, for which the credit is limited to $25,000; and 50% for code improvements, for which the credit is limited to $12,000, $25,000, or $50,000 depending on the type of code improvement.[51] The credit is recaptured if work inconsistent with state or federal standards is done within 5 years after completion of rehabilitation.[52]

Virginia A tax credit is offered for 25% of qualified rehabilitation costs for a certified historic structure. Such costs must be at least 50% of the structure's assessed value in the year before rehabilitation expenditures are made for a building that is not owner-occupied, or 25% for an owner-occupied building.

West Virginia A tax credit of 10% of rehabilitation expenses is available for buildings eligible for the federal tax credit.[53] The credit is 20% for residential certified historic structures not eligible for the federal credit. Expenses must be at least 20% of the structure's assessed value in the year before rehabilitation expenses were incurred.[54]

Wisconsin A 5% supplemental tax credit is added to the federal Historic Rehabilitation Credit.[55] A tax credit is also offered for 25% of the costs of rehabilitating personal residences that do not produce income, up to $10,000 per project. Approval must be received before work begins, and at least $10,000 must be spent on eligible work. If, within 5 years after rehabilitation is completed, the owner sells the property or alters it so that it does not comply with state standards, a percentage of the credit is recaptured as described for Colorado.[56]

Notes

1. 26 U.S. Code sec. 47.
2. U.S. Department of the Interior, National Park Service, "Historic Preservation Tax Incentives" (downloaded June 17, 2008 from National Park Service Internet site).
3. U.S. Department of the Interior, National Park Service, "About the Federal Tax Incentives for Historic Preservation" (downloaded July 1, 2008 from National Park Service Internet site).

4. "Historic Preservation Tax Incentives."
5. Colo. Rev. Stat., sec. 39-22-514.
6. Connecticut Commission on Culture and Tourism, "State Historic Homes Rehabilitation Tax Credits" (downloaded June 17, 2008 from Connecticut Commission on Culture and Tourism Internet site).
7. Conn. Gen. Stat., sec. 10-416.
8. Conn. Gen. Stat., sec. 10-416a.
9. Connecticut Commission on Culture and Tourism, "Connecticut Historic Structures Rehabilitation Tax Credit Program" (downloaded June 17, 2008 from Connecticut Commission on Culture and Tourism Internet site).
10. Conn. Gen. Stat., sec. 10-416b.
11. Del. Code, tit. 30, sec. 1813.
12. Ga. Code, secs. 48-7-29.8 and 6-3.1-22-8.
13. Ga. Act 797 (2008), enacted by H.B. 851, eff. January 1, 2009.
14. Ind. Code, sec. 6-3.1-16-7.
15. Ind. Adm. Code, tit. 312, subsec. 23-3-4(b).
16. Ind. Code, secs. 6-3.1-16-8 and 6-3.1-22-9.
17. Ind. Code, sec. 6-3.1-16-12 and 6-3.1-22-13.
18. Iowa Code, secs. 404A.1 and 404A.2.
19. Kans. Stat., sec. 79-32,211.
20. Ky. Rev. Stat., sec. 171.397.
21. Ky. Rev. Stat., subsec. 171.396(10).
22. La. Rev. Stat., sec. 47:297.6.
23. La. Rev. Stat., sec. 47:6019.
24. Me. Rev. Stat., tit. 36, sec. 5219-BB, added by 2007 Me. Laws ch. 539, effective May 31, 2008.
25. Md. State Fin. and Proc. Code, sec. 5A-303.
26. Mass. Gen. Laws, ch. 62, sec. 6J, and ch. 63, sec. 38R.
27. Mich. Comp. Laws, sec. 206.266.
28. Miss. Code, sec. 27-7-22.31.
29. Mo. Rev. Stat., sec. 253.550.
30. Missouri Department of Natural Resources, "Rehabilitation Tax Credits for Historic Buildings" (downloaded June 18, 2008 from the Department's Internet site).
31. Mont. Code, sec. 15-31-151.
32. N.M. Stat., sec. 7-2-18.2.
33. N.Y. Tax Law, subsec. 606(oo).
34. N.Y. Tax Law, subsec. 606(pp).
35. N.Y. Tax Law, subsec. 606(a)(12); and New York Historic Preservation Office, "Income Tax Credits" (downloaded June 18, 2008 from New York Historic Preservation Office Internet site).
36. N.C. Gen. Stat., subsec. 105-129.70(5).
37. N.C. Gen. Stat., subsec. 105-129.71(a).
38. N.C. Gen. Stat., subsec. 105-129.72(a).
39. N.D. Cent. Code, sec. 40-63-06.
40. Ohio Rev. Code, sec. 5747.76.
41. Ohio Rev. Code, sec. 149.311.
42. Okla. Stat., tit. 68, sec. 2357.41.
43. R.I. Gen. Laws, sec. 44-33.1-3; and R.I. Code R., sec. 96.050.002, subd. IV(D).
44. R.I. Gen. Laws, sec. 44-33.1-4.

45. R.I. Gen. Laws, sec. 44-33.2-3, as amended by 2008 Pub. Law ch. 6, effective April 12, 2008.
46. R.I. Gen. Laws, subsec. 44-33.2-2(10).
47. S.C. Code, sec. 12-6-3535.
48. Utah Code, sec. 59-10-1006.
49. Vt. Stat., tit. 32, sec. 5930bb.
50. Vt. Stat., tit. 32, subsec. 5930aa(2).
51. Vt. Stat., tit. 32, sec. 5930cc.
52. Vt. Stat., tit. 32, sec. 5930ff.
53. W. Va. Code, sec. 11-21-8a.
54. W. Va. Code, sec. 11-21-8g.
55. Wis. Stat., subsec. 71.07(9m).
56. Wis. Stat., subsec. 71.07(9r).

Appendix A: Historic Preservation Income Tax Credits in 29 States

State	*Credit as % of rehabilitation costs*	*Limit on credit**	*Minimum investment*	*Other requirements*
Colorado	20%	$50,000	$5,000	Must be completed within 2 years; credit is re-captured if property is sold within 5 years after completion.
Connecticut	30% (for historic homes in specified urban or economically distressed areas)	$30,000	$25,000	Credits are available to corporations only; for the 30% credit, an owner must live there for 5 years after completion, or sell it to someone who will.
	25% (for rehabilitation of historic commercial or industrial properties for residential use)	$2,700,000	25% of assessed value	
	25% (for rehabilitation of historic commercial or industrial properties for mixed residential and non-residential use); another 5% for affordable housing	$5,000,0000	25% of assessed value	
Delaware	20% (income-producing)	None	None	None
	30% (non-income-producing)	$20,000	None	None
	Another 10% is available for low-income housing projects			
Georgia	10% (historic homes); another 5% for homes in low-income areas	$5,000 in any 10-year period	Lesser of $25,000 or half of adjusted basis ($5,000 in low-income area)	Starting January 1, 2009, the credit will be 25% for all types of qualified structures; the credit limit will be $100,000 for historic homes and $300,000 for other structures.
	20% (other qualified structures)	$5,000 in any 10-year period	Greater of $5,000 or adjusted basis	

Appendix A: Historic Preservation Income Tax Credits in 29 States (cont'd)

State	*Credit as % of rehabilitation costs*	*Limit on credit**	*Minimum investment*	*Other requirements*
Indiana	20%	$100,000	$10,000	Credit is recaptured if property is sold within 5 years after completion or unapproved changes are made in that time.
Iowa	25%	None	50% of assessed value before rehabilitation for commercial property; lesser of $25,000 or 25% of market value before rehabilitation for residential property	None
Kansas	25% (both income- and non-income-producing)	None	$5,000	None
	30% (non-income producing and exempt from federal income tax)	None	$5,000	None
Kentucky	30% (owner-occupied residential property)	$60,000	$20,000	None
	20% (other qualified property)	$400,000	Greater of $20,000 or adjusted basis	None

Appendix A: Historic Preservation Income Tax Credits in 29 States (cont'd)

State	*Credit as % of rehabilitation costs*	*Limit on credit**	*Minimum investment*	*Other requirements*
Louisiana	25% if income up to $50,000	$25,000	$20,000	Credit applied over 5 years; unused credits are forfeited if property is sold during that time.
	20% if income is $50,001-$75,000			
	15% if income is $75,001-$100,000			
	If income is over $100,000, credit is only for blighted and vacant structures, and is 10%			
	25% (rental property in specified districts)	$5,000,000 for any number of structures in one district	$10,000	None
Maine	25% (income-producing)	$5,000,000	None	Credit is applied over 4 years.
	25% (non-income producing, if costs are between $50,000 and $250,000)	$5,000,000	$50,000	
	An additional 5% is available for affordable housing projects			

Appendix A: Historic Preservation Income Tax Credits in 29 States (cont'd)

State	*Credit as % of rehabilitation costs*	*Limit on credit**	*Minimum investment*	*Other requirements*
Maryland	20%	$50,000 for residential projects	$5,000 for owner-occupied residential property	Credit recaptured if unapproved changes are made within 5 years after completion.
		$3,000,000 for commercial projects	Greater of $5,000 or adjusted basis for all other property	
Massachusetts	20% (income-producing)	None	25% of adjusted basis	When possible, at least 25% of the credits must be given to affordable housing projects.
Michigan	25% (or 5% if the property qualifies for the 20% federal credit)	None	10% of state equalized value of the property, or 5% of appraised value if there is no equalized value	Credit is recaptured if the property is sold or unapproved changes are made within 5 years of completion.
Mississippi	25%	None	$5,000 (owner-occupied)	None
			50% of total basis (all other structures)	
Missouri	25%	None	50% of fair-market value	None

Appendix A: Historic Preservation Income Tax Credits in 29 States (cont'd)

State	*Credit as % of rehabilitation costs*	*Limit on credit**	*Minimum investment*	*Other requirements*
Montana	25% of the amount of the federal credit (5%, if the structure received the 20% federal credit)	None	None	None
New Mexico	Half the cost of restoration, rehabilitation, or preservation	$25,000 ($50,000 if located in an arts and cultural district)	None	None
New York	30% of the amount of the federal credit	$100,000	None	None
	20% (historic homes in economically distressed areas)	$25,000	$5,000	Credit is recaptured if the taxpayer sells the home or ceases to use it as a residence within 2 years after completion.
	25% (income-producing barns built before 1936)	None	None	None
North Carolina	30% (non-income-producing)	None	$25,000	Must be completed within 24 months
	20% (income-producing)	None	Greater of $5,000 or 50% of adjusted basis	None
	30%-40% (for manufacturing or agricultural facilities, or utilities)	None	$3 million	None
North Dakota	25%	$250,000	None	None
Ohio	25%	None	None	None

Appendix A: Historic Preservation Income Tax Credits in 29 States (cont'd)

State	*Credit as % of rehabilitation costs*	*Limit on credit**	*Minimum investment*	*Other requirements*
Oklahoma	20% (income-producing)	None	None	None
Rhode Island	20% (historic residences)	$2,000 per year	$2,000	None
	30% (income-producing structures placed in service before 2008); 25%-27% (for structures placed in service after 2007, as negotiated between the taxpayer and the state)	50% of adjusted basis	None	None
South Carolina	10% (income-producing)	None	None	Credit taken over a 5 year period; unused credits are forfeited if unapproved changes are made in that time.
	25% (non-income-producing)	None	$15,000	
Utah	20% (residential buildings)	None	$10,000	None
Vermont	10% (historic rehabilitations)	None	$5,000 for all projects	Credit is recaptured if unapproved changes are made within 5 years after completion.
	25% (façade improvements)	$25,000		
	50% (code improvements)	$50,000		
Virginia	25%	None	50% of assessed value in the year before rehabilitation began (25% for an owner-occupied building)	None

Appendix A: Historic Preservation Income Tax Credits in 29 States (cont'd)

State	*Credit as % of rehabilitation costs*	*Limit on credit**	*Minimum investment*	*Other requirements*
West Virginia	10% (income-producing) 20% (non-income-producing)	None	20% of assessed value in the year before rehabilitation began	None
Wisconsin	5% (if eligible for federal tax credit)	None	None	None
	25% (residences not producing income)	$10,000	$10,000	Credit is recaptured if owner sells the property or makes unapproved changes within 5 years after rehabilitation is completed.

* Limit is per project unless otherwise stated.

Sources: Laws cited in accompanying Research Response.

Appendix A: Historic Preservation Income Tax Credits in 29 States

State	*Credit as % of rehabilitation costs*	*Limit on credit**	*Minimum investment*	*Other requirements*
Colorado	20%	$50,000	$5,000	Must be completed within 2 years; credit is recaptured if property is sold within 5 years after completion.
Connecticut	30% (for historic homes in specified urban or economically distressed areas)	$30,000	$25,000	Credits are available to corporations only; for the 30% credit, an owner must live there for 5 years after completion, or sell it to someone who will.
	25% (for rehabilitation of historic commercial or industrial properties for residential use)	$2,700,000	25% of assessed value	
	25% (for rehabilitation of historic commercial or industrial properties for mixed residential and non-residential use); another 5% for affordable housing	$5,000,0000	25% of assessed value	
Delaware	20% (income-producing)	None	None	None
	30% (non-income-producing)	$20,000	None	None
	Another 10% is available for low-income housing projects			
Georgia	10% (historic homes); another 5% for homes in low-income areas	$5,000 in any 10-year period	Lesser of $25,000 or half of adjusted basis ($5,000 in low-income area)	Starting January 1, 2009, the credit will be 25% for all types of qualified structures; the credit limit will be $100,000 for historic homes and $300,000 for other structures.
	20% (other qualified structures)	$5,000 in any 10-year period	Greater of $5,000 or adjusted basis	

Appendix A: Historic Preservation Income Tax Credits in 29 States (cont'd)

State	*Credit as % of rehabilitation costs*	*Limit on credit**	*Minimum investment*	*Other requirements*
Indiana	20%	$100,000	$10,000	Credit is recaptured if property is sold within 5 years after completion or unapproved changes are made in that time.
Iowa	25%	None	50% of assessed value before rehabilitation for commercial property; lesser of $25,000 or 25% of market value before rehabilitation for residential property	None
Kansas	25% (both income- and non-income-producing)	None	$5,000	None
	30% (non-income producing and exempt from federal income tax)	None	$5,000	None
Kentucky	30% (owner-occupied residential property)	$60,000	$20,000	None
	20% (other qualified property)	$400,000	Greater of $20,000 or adjusted basis	None

Appendix A: Historic Preservation Income Tax Credits in 29 States (cont'd)

State	*Credit as % of rehabilitation costs*	*Limit on credit**	*Minimum investment*	*Other requirements*
Louisiana	25% if income up to $50,000	$25,000	$20,000	Credit applied over 5 years; unused credits are forfeited if property is sold during that time.
	20% if income is $50,001-$75,000			
	15% if income is $75,001-$100,000			
	If income is over $100,000, credit is only for blighted and vacant structures, and is 10%			
	25% (rental property in specified districts)	$5,000,000 for any number of structures in one district	$10,000	None
Maine	25% (income-producing)	$5,000,000	None	Credit is applied over 4 years.
	25% (non-income producing, if costs are between $50,000 and $250,000)	$5,000,000	$50,000	
	An additional 5% is available for affordable housing projects			

Appendix A: Historic Preservation Income Tax Credits in 29 States (cont'd)

State	*Credit as % of rehabilitation costs*	*Limit on credit**	*Minimum investment*	*Other requirements*
Maryland	20%	$50,000 for residential projects	$5,000 for owner-occupied residential property	Credit recaptured if unapproved changes are made within 5 years after completion.
		$3,000,000 for commercial projects	Greater of $5,000 or adjusted basis for all other property	
Massachusetts	20% (income-producing)	None	25% of adjusted basis	When possible, at least 25% of the credits must be given to affordable housing projects.
Michigan	25% (or 5% if the property qualifies for the 20% federal credit)	None	10% of state equalized value of the property, or 5% of appraised value if there is no equalized value	Credit is recaptured if the property is sold or unapproved changes are made within 5 years of completion.
Mississippi	25%	None	$5,000 (owner-occupied)	None
			50% of total basis (all other structures)	
Missouri	25%	None	50% of fair-market value	None

Appendix A: Historic Preservation Income Tax Credits in 29 States (cont'd)

State	*Credit as % of rehabilitation costs*	*Limit on credit**	*Minimum investment*	*Other requirements*
Montana	25% of the amount of the federal credit (5%, if the structure received the 20% federal credit)	None	None	None
New Mexico	Half the cost of restoration, rehabilitation, or preservation	$25,000 ($50,000 if located in an arts and cultural district)	None	None
New York	30% of the amount of the federal credit	$100,000	None	None
	20% (historic homes in economically distressed areas)	$25,000	$5,000	Credit is recaptured if the taxpayer sells the home or ceases to use it as a residence within 2 years after completion.
	25% (income-producing barns built before 1936)	None	None	None
North Carolina	30% (non-income-producing)	None	$25,000	Must be completed within 24 months
	20% (income-producing)	None	Greater of $5,000 or 50% of adjusted basis	None
	30%-40% (for manufacturing or agricultural facilities, or utilities)	None	$3 million	None
North Dakota	25%	$250,000	None	None
Ohio	25%	None	None	None

Appendix A: Historic Preservation Income Tax Credits in 29 States (cont'd)

State	*Credit as % of rehabilitation costs*	*Limit on credit**	*Minimum investment*	*Other requirements*
Oklahoma	20% (income-producing)	None	None	None
Rhode Island	20% (historic residences)	$2,000 per year	$2,000	None
	30% (income-producing structures placed in service before 2008); 25%-27% (for structures placed in service after 2007, as negotiated between the taxpayer and the state)	50% of adjusted basis	None	None
South Carolina	10% (income-producing)	None	None	Credit taken over a 5 year period; unused credits are forfeited if unapproved changes are made in that time.
	25% (non-income-producing)	None	$15,000	
Utah	20% (residential buildings)	None	$10,000	None
Vermont	10% (historic rehabilitations)	None	$5,000 for all projects	Credit is recaptured if unapproved changes are made within 5 years after completion.
	25% (façade improvements)	$25,000		
	50% (code improvements)	$50,000		
Virginia	25%	None	50% of assessed value in the year before rehabilitation began (25% for an owner-occupied building)	None

Appendix A: Historic Preservation Income Tax Credits in 29 States (cont'd)

State	*Credit as % of rehabilitation costs*	*Limit on credit**	*Minimum investment*	*Other requirements*
West Virginia	10% (income-producing) 20% (non-income-producing)	None	20% of assessed value in the year before rehabilitation began	None
Wisconsin	5% (if eligible for federal tax credit)	None	None	None
	25% (residences not producing income)	$10,000	$10,000	Credit is recaptured if owner sells the property or makes unapproved changes within 5 years after rehabilitation is completed.

* Limit is per project unless otherwise stated.

Sources: Laws cited in accompanying Research Response.