Tax Relief for Historic Building Rehabilitation Projects

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CONTACT THE SHPO EARLY IN THE PLANNING PROCESS
Tax Relief Is Based on Use

What type of project do you have?

- Historic Building, Income-producing use
- Historic Building, Owner-occupied home
- Non-historic Building, non-residential income producing use
- Low Income Housing Tax Credits separate program – State Housing Office

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Historic Building Income-producing use

- Federal Income Tax – 20% Credit
- State Income Tax – 10% Credit

May also apply:
- Local Property Tax – Freeze of Tax Value
- State Income Tax for Abandoned Textile Projects – 25% Credit

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Historic Building

Owner-occupied home

- State Income Tax – 25% Credit
  May also apply:
- Local Property Tax – Freeze of Tax Value

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Non-Historic Building
Income-Producing Use

• Federal Income Tax – 10% Credit
  – Built before 1936
  – Wall retention tests apply – No design review, however
  – Non-residential projects only
Basic Requirements For Historic Tax Credit Projects

• Be designated HISTORIC, not just old.
  – National Register required for Federal/State, Local designation for local incentive

• Spend enough MONEY.
  – Meet the threshold for the program

• Do the work RIGHT.
  – Work meets Standards for Rehabilitation

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Designated Historic

- Listing in the National Register of Historic Places (NRHP)
  - Required for income-producing projects
- Eligible for listing in the NRHP
  - Required for owner-occupied homes
- Local historic designation
  - Required for property tax freeze

Contact the SHPO early in the planning process.
Spend Enough Money

• Income-producing projects
  – Exceed the adjusted basis in 24 (60) months

• Owner-occupied homes
  – More than $15,000 in 36 months

• Local property tax value freeze
  – More than threshold in local ordinance

• Abandoned textile building projects
  – Notification to SC Department of Revenue

CONTACT THE SHPO EARLY IN THE PLANNING PROCESS
Do The Work Right

Work must meet the **Standards for Rehabilitation** for these programs:

- Income-producing projects
- Owner-occupied homes
- Local property tax value freeze
What Questions Do You Have?

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