



## HISTORIC PRESERVATION DIVISION

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# GEORGIA STATE INCOME TAX CREDIT FOR REHABILITATED HISTORIC PROPERTY

SFY 2013 END-OF-YEAR REPORT  
JULY 1, 2012–JUNE 30, 2013

## 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 listing must be imminent).
- Project work must be certified as meeting DNR's *Standards for 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 completed.



*The circa 1840 Irvin House is located in Washington, Wilkes County, and has been owned by Irvin family members since 1913. The current generation spent almost \$200,000 in its rehabilitation.*

## SFY 2013 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 2013. Macon was the city with the most projects, accounting for 42 proposed and completed rehabilitations, followed by Savannah with 22 projects. Other cities and towns with program activity included Atlanta, Augusta, Avondale Estates, Ball Ground, Cartersville, Columbus, Decatur, Fitzgerald, Greensboro, Madison, Marshallville, Metcalfe, Milledgeville, Moultrie, St. Mary's, Tifton, Tybee Island, Valdosta, and Washington.

- **60 preliminary certification applications** for *proposed* work were submitted representing **29 historic home** rehabilitations and **33 income-producing** property rehabilitations equaling:
  - **\$54,232,783** in investment
  - **\$5.3 million in potential** tax credits
  - **981 jobs created\***
  - **\$41 million** in salary and wages generated\*
  - **579 additional jobs** being created elsewhere\*
  
- **52 final certification applications** for *completed* projects were submitted, representing **28 historic home** rehabilitations and **25 income-producing** property rehabilitations equaling:
  - **\$42,654,860** in investment
  - **\$4.6 million** in potential tax credits
  - **771 jobs created\***
  - **\$32 million** in salary and wages generated\*
  - **455 additional jobs** created elsewhere\*

\* Statistics calculated using multipliers provided in HPD's *Good News in Tough Times* report available on HPD's website.



*The Horne Building, located in downtown Milledgeville, was built in 1903. The owners spent \$2.4 million rehabilitating the three-story commercial building into street level retail and upper floor residential apartments.*

For questions about this report or to learn more about federal and state preservation tax incentives, contact HPD's tax incentives coordinator at (404) 651-5566.