HISTORIC PRESERVATION DIVISION

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Georgia's State Historic Preservation Office

Application Guidelines and Instructions:

STATE PREFERENTIAL PROPERTY TAX ASSESSMENT PROGRAM
and
STATE INCOME TAX CREDIT PROGRAM FOR REHABILITATED HISTORIC PROPERTY

These guidelines and instructions pertain to the two State-administered tax incentive programs for the rehabilitation of historic property in Georgia: the Preferential Property Tax Assessment Program and the State Income Tax Credit Program. The Preferential Property Tax Assessment Program was passed by the Georgia General Assembly in 1989 (Ga. Code Annotated Vol. 36, 48-5-2 — 48-5-7.2). Both residential and income-producing buildings may participate in this program, which is designed to freeze the applicant's property tax assessment for eight and one-half years. In order to qualify for the tax assessment freeze, a property owner must submit the enclosed application and required attachments to document the building's historic significance and the proposed plans for rehabilitation. In addition, the project must meet the substantial rehabilitation test, which involves increasing the fair market value of the building by 50% for owner-occupied residential properties, 75% for mixed-use (primarily owner-occupied residential and partially income-producing) properties, and 100% for income-producing buildings.

The State Income Tax Credit Program was signed into law in 2002 (O.C.G.A Section 48-7-29.8), and became effective in 2004. The Income Tax Credit Program allows owners of historic property who complete a DNR-approved rehabilitation a credit on their state income tax returns. Like the Property Tax Assessment Freeze Program, it is available to both residential and income-producing properties. In 2008, the General Assembly approved changes to the credit. The revisons now allow 25% of qualified rehabilitation expenditures to be taken as an income tax credit for both historic homes and income-producing structures. If the historic home is in a low income target area, as defined in O.C.G.A. Section 48-7-29.8, the credit allowed is 30%. The credit is capped at $100,000 for historic homes and $300,000 for income-producing structures. The amended credit goes into effect for projects completed after January 1, 2009. The qualifications for the program require the enclosed application be submitted to document the building's significance as a historic structure and to explain the plans for the rehabilitation. However, the substantial rehabilitation test that must be met is different than the Freeze. For an owner-occupied historic home that is to be used as a principal residence, the owner must spend the lesser of $25,000 or 50% of the fair market value of the building. For an owner-occupied historic home in a target area, the owner must spend at least $5,000. Owners of other certified structures (such as income-producing properties), must spend the greater of $5,000 or the fair market value of the building.

In an effort to streamline the application process, the Part A application form combines the information required for both the Property Tax Assessment Freeze program and the Income Tax Credit program. A property owner may apply for both of these programs concurrently, using one Part A application form. To indicate participation in both programs, the owner should check the box by each program at the top of the Part A form. If only one of the two programs is being applied for, only the box associated with that program's title should be checked. Unlike the Part A, however, there is a different Part B form for each program. If an owner is applying for both programs, both Part B applications must be submitted.

PLEASE READ ALL INSTRUCTIONS CAREFULLY BEFORE STARTING.

THE ROLES OF HPD, TAX ASSESSOR, AND DEPARTMENT OF REVENUE IN THE APPLICATION PROCESS:

HPD, the county tax assessor, and the Georgia Department of Revenue have specific roles in the application process:

AGENCY	*PREFERENTIAL PROPERTY TAX ASSESSMENT PROGRAM*	*INCOME TAX CREDIT PROGRAM*
HISTORIC PRESERVATION DIVISION (HPD)	•Reviews all Part A, Amendment, and Part B Rehabilitated Historic Property Applications according to the *Georgia Register Criteria for Evaluation* and *DNR's Standards for Rehabilitation.* (The *Criteria for Evaluation* and the *Standards for Rehabilitation* are listed on pages 12 and 13 of these instructions.) • Provides technical assistance upon request by property owner. • Notifies owner of review decisions via mail. Generally, projects will be reviewed and owners notified within 30 days of receiving complete applications. Projects that are not received complete with all attachments will be put on hold until the appropriate information is received. HPD's 30-day review period will begin after all application materials are received. o If a property is not listed in the Georgia Register of Historic Places, HPD cannot guarantee application approval in 30 days.	•Reviews all Part A, Amendment, and Part B Rehabilitated Historic Property Applications according to the *Georgia Register Criteria for Evaluation* and *DNR's Standards for Rehabilitation.* (The *Criteria for Evaluation* and the *Standards for Rehabilitation* are listed on pages 12 and 13 of these instructions.) • Provides technical assistance upon request by property owner. • Notifies owner of review decisions via mail. Generally, projects will be reviewed and owners notified within 30 days of receiving complete applications. Projects that are not received complete with all attachments will be put on hold until the appropriate information is received. HPD's 30-day review period will begin after all application materials are received. o If a property is not listed in the Georgia Register of Historic Places, HPD cannot guarantee application approval in 30 days.

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AGENCY	*PREFERENTIAL PROPERTY TAX ASSESSMENT PROGRAM*	*INCOME TAX CREDIT PROGRAM*
LOCAL COUNTY TAX ASSESSOR	• Upon receiving an HPD-approved Part A application from the property owner, the tax assessor enters on the tax digest a notation that the property has received a preliminary certification and is eligible for preliminary preferential assessment. • Notifies the owner of such notation within thirty (30) days. • Maintains a freeze on the assessed value of the property for twenty-four (24) months, during which time the applicant is completing the rehabilitation work. • Receives the HPD-certified Part B application within 24 months of the approved Part A application. Upon receipt, the tax assessor determines if the rehabilitation has increased the fair market value of the building by the appropriate percentage. • If the substantial rehabilitation test has been met, the tax assessor classifies the property as a "rehabilitated historic property" and continues the preferential assessment designation for 6 ½ additional years. • In the 9th year, the assessment will increase 50% of the difference between the value of the property at the time the freeze was initiated and the current assessment value. • In the 10th year, the property tax assessment will increase to 100% of the current assessment value.	N/A
GEORGIA DEPARTMENT OF REVENUE	N/A	• Receives a copy of the HPD-approved Part B application form and the DOR's IT-RHC form with the property owner's State Income Tax return; thus verifying the Substantial Rehabilitation test has been met. • Allows a credit to the property owner of 25% of rehabilitation expenses, capped at $100,000 for historic homes and $300,000 for income-producing property, (or 30% for historic homes in a low income target area). o **THE STATUTE REQUIRES THAT A PROPERTY BE LISTED IN THE GEORGIA REGISTER OF HISTORIC PLACES BEFORE A CREDIT MAY BE ISSUED.** o If the Part B is not approved or the property is not yet listed in the Georgia Register before the due date of the return, an amended income tax return should be filed to claim the credit. o A property owner has 10 years to carry forward the credit should it exceed the total tax otherwise payable by the taxpayer for the taxable year in which the rehabilitation is completed.

PROPERTY OWNER'S TIMELINE:

It is strongly recommended that the applicant create a timeline of the application process according to the specifics of his/her particular rehabilitation project. The section below provides the framework within which each applicant's project timeline should be designed. Applicants should refer to their timeline throughout the entire rehabilitation project to ensure compliance with the program regulations and a successful tax incentives project.

PRIOR TO REHABILITATION:

PREFERENTIAL PROPERTY TAX ASSESSMENT PROGRAM	STATE INCOME TAX CREDIT PROGRAM
• **Submit a complete Part A application form to HPD for review. Allow at least 30 days for the review process.** It is recommended that the owner not begin work on the project until HPD has reviewed the Part A application. Any work undertaken before the Part A has been reviewed is done at the owner's risk of not complying with DNR's *Standards for Rehabilitation*. Furthermore, any improvements made to the property may trigger re-assessment by the county tax assessor's office.	• **Submit a complete Part A application form to HPD for review. Allow at least 30 days for the review process.** It is recommended that the owner not begin work on the project until HPD has reviewed the Part A application. Any work undertaken before the Part A has been reviewed is done at the owner's risk of not complying with DNR's *Standards for Rehabilitation*.
• **File a copy of the HPD-approved Part A form with the local tax assessor to initiate the assessment freeze period for the following tax year.** Make a record of the date on which the county tax assessor received the HPD-signed Part A form. **Program regulations stipulate that the rehabilitation work must be complete and the HPD-approved Part B form filed with the county tax assessor within 24 months of the date the Part A was received by the tax assessor in order to maintain the tax assessment freeze.** o As mentioned above, if work began on the project BEFORE the HPD-approved Part A was filed with the tax assessor, the property may already have been re-assessed. The freeze will be applied to the most current assessed value.	• **Calculate estimated project costs and enter the figures onto the Department of Revenue's *Substantial Rehabilitation Worksheet* (included in the application packet) to be certain that the project as proposed will qualify as a substantial rehabilitation for the purpose of receiving the state income tax credit.** Do NOT submit the *Worksheet* to the Department of Revenue at this time.

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DURING REHABILITATION:

PREFERENTIAL PROPERTY TAX ASSESSMENT PROGRAM	STATE INCOME TAX CREDIT PROGRAM
• **Undertake the rehabilitation work according to the HPD-approved Part A Description of Rehabilitation and any Conditions that were assigned to the Part A by HPD.** Keep in mind the 24-month due date of the Part B to the tax assessor.	• **Undertake the rehabilitation work according to the HPD-approved Part A Description of Rehabilitation and any Conditions that were assigned to the Part A by HPD.**
• **Submit a project Amendment form for HPD review and approval if significant changes need to be made to the previously approved Part A application.** Any changes made to the scope-of-work without HPD's approval could jeopardize the final approval of the rehabilitation work.	
• **Maintain records of project cost and dates of project work.**	

AFTER REHABILITATION:

PREFERENTIAL PROPERTY TAX ASSESSMENT PROGRAM	STATE INCOME TAX CREDIT PROGRAM
• **Complete a Part B application and submit it to HPD for final certification. ALLOW A *MINIMUM* OF 30 DAYS FOR THE REVIEW PROCESS.** o HPD does not track the date on which an applicant's 24-month period began, and HPD cannot be held responsible if an applicant does not meet the deadline required for filing the approved Part B with the tax assessor in order to maintain the assessment freeze. **It is the applicant's responsibility to submit the Part B to HPD for review at least 30 days before the application is due to the tax assessor.**	• **Complete a Part B application and the Department of Revenue's *Substantial Rehabilitation Worksheet.* Submit the application to HPD for final certification and keep the *Worksheet* on file for tax purposes. ALLOW A *MINIMUM* OF 30 DAYS FOR THE REVIEW PROCESS.**
• **Submit a copy of the HPD-approved Part B application to the county tax assessor.** The tax assessor may require the property owner's expenditure receipts.	• **File a copy of the HPD-approved Part B application form and the IT-RHC form with the Georgia Department of Revenue as attachments to property owner's state income tax form.** The Department of Revenue may require the property owner's expenditure receipts and/or property tax bills also. Refer to the Department of Revenue schedule for additional items that may be needed.

ADDITIONAL POINTS TO CONSIDER:

Below are some additional issues that are important to consider before beginning the tax incentives application process.

	PREFERENTIAL PROPERTY TAX ASSESSMENT PROGRAM	INCOME TAX CREDIT PROGRAM
IF THE PROPERTY IS SOLD	• Ownership change will not affect the rehabilitated historic property preferential assessment classification unless: (1) written notice is given by the current or new owner to the county tax commissioner requesting removal of specific classification or, (2) the property is transferred or sold to a tax exempt entity.	• The owner of a **certified structure** (such as an income-producing building) may sell the building at any time and transfer the unused portion of the tax credit to the buyer. • The owner of a **historic home** (used as owner-occupied principal residence) must own the home for 3 years to avoid recapture (see below). The recaptured portion cannot be transferred upon sale.
RECAPTURE	N/A	• If the owner of a **historic home** (used as owner-occupied principal residence) sells the home within 3 years of receiving the credit, the Dept. of Revenue will recapture the credit as follows: **(1) If the property is sold within 1 year of taking the credit:** recapture amount will equal the lesser of the credit amount or the amount of the net profit of the sale **(2) If the property is sold within 2 years of taking the credit:** recapture amount will equal the lesser of 2/3 of the credit amount or the net profit of the sale **(3) If the property is sold within 3 years of taking the credit:** recapture will equal the lesser of 1/3 of the credit amount or the net profit of the sale **(4) If the property owner dies:** no recapture will result

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	PREFERENTIAL PROPERTY TAX ASSESSMENT PROGRAM	INCOME TAX CREDIT PROGRAM
FIRST YEAR OF ELIGIBILITY	• The tax year *following* the year in which the HPD-approved Part A is filed with the county board of tax assessors is considered the first year of the tax assessment freeze.	• The Dept. of Revenue allows the tax credit to be applied to the year in which the certified rehabilitation is completed. o **THE STATUTE REQUIRES THAT A PROPERTY BE LISTED IN THE GEORGIA REGISTER OF HISTORIC PLACES BEFORE A CREDIT MAY BE ISSUED.** o If the Part B is not approved or the property is not yet listed in the Georgia Register before the due date of the return, an amended income tax return should be filed to claim the credit. o A property owner has 10 years to carry forward the credit should it exceed the total tax otherwise payable by the taxpayer for the taxable year in which the rehabilitation is completed.
DECERTIFICATION	• Certification may be revoked by DNR if it is determined that the property no longer qualifies as rehabilitated historic property due to one or more of the following: (1) The property no longer possesses the qualities and features which made it eligible for the Georgia Register of Historic Places (2) The rehabilitation was not undertaken as presented in the HPD-approved Part A application (3) The owner, upon obtaining final certification, conducted further, unapproved alterations as part of the rehabilitation project, resulting in nonconformance with DNR's *Standards for Rehabilitation* (4) The owner failed to comply with HPD's Conditions of certification.	
FOR FURTHER DETAILS REGARDING TAX BENEFITS	• Contact the local county tax assessor.	• Contact the Department of Revenue at (404) 417-2441.

SUBSTANTIAL REHABILITATION TEST REQUIREMENTS

PREFERENTIAL PROPERTY TAX ASSESSMENT PROGRAM

TYPE OF HISTORIC BUILDING	TAX BENEFIT	SUBSTANTIAL REHABILITATION TEST
"Residential" (owner-occupied residence)	Property tax assessment frozen for 8 ½ years.*	Rehabilitation must increase the fair market value of the building at least 50%.
"Mixed-use" (partly income-producing, partly owner-occupied residence)	Property tax assessment frozen for 8 ½ years.*	Rehabilitation must increase the fair market value of the building by at least 75%.
"Income-producing" (commercial, residential rental, office/professional)	Property tax assessment frozen for 8 ½ years.*	Rehabilitation must increase the fair market value of the building by at least 100%.

*In 9th year, assessment will increase by 50% of the difference between the value of the property at the time the freeze was initiated and the current assessment value. In the 10th year, assessment will increase to the current assessment value.

SUBSTANTIAL REHABILITATION TEST REQUIREMENTS

STATE INCOME TAX CREDIT PROGRAM

TYPE OF HISTORIC BUILDING	TAX BENEFIT	SUBSTANTIAL REHABILITATION TEST
"Historic Home" (owner-occupied principal residence)	25% of qualified rehabilitation expenditures	Amount of qualified expenditures must equal or exceed the **lesser** of: $25,000 or 50% of the fair market value of the building**
"Historic Home" (owner-occupied principal residence **located in a target area**)	30% of qualified rehabilitation expenditures	Amount of qualified expenditures must equal or exceed: at least $5,000**
"Certified Structure" (commercial, residential rental, mixed-use, vacation home, etc.)	25% of qualified rehabilitation expenditures	Amount of qualified expenditures must equal or exceed the **greater** of: $5,000 or the total adjusted basis of the building**

**At least 5% of all qualified rehabilitation expenditures must be allocated to work on the exterior of the building. Acquisition costs and costs associated with new construction are not qualified expenditures.

NOTE: If only a portion of a historic home is used as the owner's principal residence, only those qualified rehabilitation expenditures that are properly allocable to such portion shall be deemed to be made to a historic home. The expenditures that then are allocable to the remainder of the building are not eligible for the credit.

EVALUATING TAX INCENTIVES PROJECTS:

The following section offers a brief overview of the process used by HPD to evaluate all tax incentives projects. This section explains the focus of HPD's review, why certain concepts are vital to the rehabilitat of a historic property, and the guiding principles used in HPD's evaluation.

The review of tax incentives projects is comprised of two components: evaluation of historic significance and evaluation of rehabilitation.

EVALUATION OF HISTORIC SIGNIFICANCE:

All properties are reviewed and evaluated for historic significance in accordance with the *Georgia Register Criteria for Evaluation.* A portion of the Part A application is used to verify that a property is listed or eligible for listing in the Georgia Register of Historic Places (Chapter 391-5-14 Section .03 of the Rules). If a building is determined to be listed as a contributing structure within a historic district or as an individual resource, HPD will approve this portion of the Part A application and the building will be considered historic property for the purposes of rehabilitation.

If a certification request is received for a property which is located within the boundaries of a registered historic district but is considered to be outside the district's established period or area of significance, a preliminary determination of significance will be issued only if the request includes adequate documentation (in some cases the HPIF, see below). Examples of such buildings include commercial buildings with non-historic facades or buildings that are now over 50 years old but were not when the district was originally listed. If a non-historic material obscures a façade, it will be necessary for the owner to remove a portion of the surface material prior to requesting certification so that a determination of significance of the underlying structure can be made by HPD. After the non-historic façade has been removed, if the building underneath has retained its historic integrity and the building otherwise contributes to the historic district, it will be determined to be a certified structure.

If the property is not listed in the Georgia Register additional information demonstrating that the property qualifies for the Georgia Register, either individually or as a contributing structure within a historic district, will be required for review. There are two categories of conditional approval of historic eligibility for such buildings: a "preliminary determination of individual listing" (PDIL) and a "preliminary determination of a potential historic district" (PDHD). In the first case, the applicant must show that the building qualifies for listing in the Georgia Register as individual property. In the second case, the applicant must demonstrate the existence of a potential historic district and that particular building's contribution to the significance of the district.

In both of these cases, a Historic Property Information Form (HPIF) or Historic District Information Form (HDIF) is required with the Part A application in order for HPD to determine that the building or district is historically significant and eligible for listing in the Georgia Register. The HPIF and HDIF packets are available from HPD or online at www.gashpo.org. The information required is used to list the building or district in the Georgia Register. The listing of buildings and districts in the Georgia Register is handled by the Survey and National Register Unit of HPD. This paperwork can be submitted at the same time as the applications for tax incentives, but it does involve different members of the HPD staff. For questions specifically regarding the listing of a building in the Georgia Register of Historic Places, please contact the National Register Coordinator at (404) 651-6782.

EVALUATION OF REHABILITATION:

All tax incentives applications are reviewed and evaluated in accordance with DNR's *Standards for Rehabilitation*. The underlying principle expressed in the *Standards* is the preservation of the significant historic materials and features of a building during the process of rehabilitation. The *Standards* apply to both interior and exterior work, and HPD reviews the entire rehabilitation project, including any new construction and demolition on the site.

DNR's *Standards for Rehabilitation*

A. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.

B. The historic character of a property shall be retained and preserved. The removal of historic materials or alterations of features and spaces that characterize a property shall be avoided.

C. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.

D. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.

E. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.

F. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.

G. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.

H. Significant archaeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.

I. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.

J. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

INSTRUCTIONS FOR COMPLETING THE APPLICATIONS:

Applications must be typed or printed clearly in ink. The applicant should keep a copy of all application materials, including photographs (and/or negatives) and floor plans, for his/her files. Keep these instructions for guidance in completing later parts of the application.

The following sections provide a detailed explanation of each item on the application forms. An application submitted to HPD without each applicable item filled in or without all required components attached will be considered incomplete, resulting in review delays and possibly the return of the application to the owner without review.

Part A – Preliminary Certification

Part A is used to determine if the property is historically significant (see page 12) and that the proposed work meets DNR's *Standards for Rehabilitation* (see page 13).

***** DO THIS FIRST! *****

At the top of the Part A form is a shaded table like one below. On the form, indicate which program(s) is being applied for by checking the box associated with it. (Both may be applied for simultaneously.) The box on the left is for the Property Tax Assessment Freeze program, and the box on the right is for the Income Tax Credit program. This is the only way to inform HPD for which tax incentive(s) the applicant is applying.

STATE PREFERENTIAL PROPERTY TAX ASSESSMENT PROGRAM FOR REHABILITATED HISTORIC PROPERTY	STATE INCOME TAX CREDIT PROGRAM FOR REHABILITATED HISTORIC PROPERTY
☐ *Check here to apply for property tax assessment freeze program*	☐ *Check here to apply for state income tax credit program*

1. Property information:

Historic name of property. If the building is known by a *historic* name, indicate that name; otherwise, leave the space blank. Do not include a contemporary name that is currently associated with the building or will be applied to the building upon completion of the rehabilitation.

Address, City, County, Zip Code. Give the current street address, city, county, and zip code of the property being rehabilitated. Remember to include this information at the top of page 2 of this application form.

Check the box on the form beside the option that pertains to the property's historic significance (see page 12 of these Guidelines for details regarding eligibility):

Georgia Register. Properties already listed on the National Register of Historic Places are automatically listed on the Georgia Register of Historic Places. For the correct name of the historic district in which the property is located, consult the Preservation Planner at the Regional Development Center or HPD's National Register Coordinator (404-651-6782).

Historic Property Information Form (HPIF)/ Historic District Information Form (HDIF). If a property is not listed in the Georgia Register, the HPIF or HDIF must be completed and attached to the application. The HPIF documents how the building individually meets the Georgia Register *Criteria for Evaluation*. The HDIF documents how the district meets the *Criteria* and how the building contributes to the significance of that district. Contact HPD's National Register Coordinator (404-651-6782) or visit www.gashpo.org for these forms and additional information on the Georgia Register of Historic Places.

2. Property history:

a. ***Original construction date***. Give the date or approximate date that the building was first constructed.
b. ***Describe alterations/additions.*** List and date any significant known changes to the building since its construction date (example: sleeping porch added, 1926; rear wing destroyed by fire, 1947; divided into four apartments, 1973).
c. ***If "yes" to the following, see additional requirements.*** The next two questions pertain to preservation issues that require specific additional information in order for a determination of historic eligibility to be made. See below for more details if the answer to item *d* and/or *e* is "yes."

- *Moved buildings.* **If a building is to be moved to a new location prior to or as part of the project**, attach to the application form information describing: 1) the reason for moving the building, 2) the address or location of the proposed site for the moved building, along with a map or maps showing the proposed site and the current location of the building, 3) the anticipated effect of the move on the building's integrity and appearance (any proposed demolition, proposed changes in foundations, etc.), 4) photographs of the proposed site and its general environment, evidence that the proposed site does not possess historical or archeaological significance that would be adversely affected by the moved building, 5) the effect of the move on the distinctive historical and visual character of the district, where applicable, and 6) the method to be used for moving the building. **If the building already has been moved from its original or historic location**, attach to the application form information describing: 1) the reason the building was moved, 2) the address of the former location of the building, along with a map or maps showing the former and current locations, 3) the effect of the move on the building's integrity and appearance, including any architectural changes caused by or resulting from the building's move, 4) photographs of the former site and its surroundings, 5) evidence that the current site did not possess historical or archaeological significance that would have been compromised by the move, 6) the effect of the move on the distinctive historical character of the district, where applicable, and 7) the methods used in moving the building (ie. Moved in one piece, cut apart and moved in several pieces, disassembled and reassembled, etc.).
    - Generally, moved buildings are not eligible for Georgia Register listing. However, certain circumstances may allow them to be considered. Contact HPD's National Register Coordinator (404-651-6782) for further details.

- *Multiple buildings.* Properties containing more than one building that are determined by HPD to have been functionally related historically to serve an overall purpose (such as a mill complex or a residence and a carriage house) are treated as a single certified structure. A single application should be used for all such related buildings on a property. A site map should be provided to HPD to show the functional relationship of the buildings. Furthermore, because historically related buildings on one site will be treated as a single certified structure, the proposed rehabilitation work for all of the buildings and any proposals for demolition of components of the property will be considered in the review of rehabilitation work. When multiple buildings are not functionally related historically (i.e. row houses) but are separate historic structures within a register district, separate applications will be required for each building even if the buildings are under one ownership.

- *Properties less than 50 years old.* Properties less than 50 years old are generally considered not to contribute to the significance of a historic district and are excluded from individual listing in the Georgia Register. However, properties may be certified if they are shown to be integral parts of a historic district and the historical attributes of the district are considered to be less than 50 years old, or if they are exceptionally significant. Attach to the application form information describing how the property possesses exceptional historic or architectural merit or how the district encompasses significant historic qualities and characteristics that are less than 50 years old.

3. Project information:

a. ***Estimated total cost of project.*** Estimate the cost of the entire proposed project. Include costs associated with new construction and/or site work (such as building additions, landscaping, paving, etc.), but do not include the property's acquisition cost. This figure is only an estimate and is not binding.

b. ***Estimated rehabilitated floor area before rehab.*** Give the square footage of the historic building as it exists before rehabilitation work begins.

c. ***Estimated rehabilitated floor area after rehab.*** Give the square footage of the building as it will be after rehabilitation work is completed (include the square footage of any new additions and/or other structural changes).

d. ***Estimated project start date.*** Give the estimated date (month and year) on which work on the project will begin. This date is only an estimate and is not binding.

e. ***Estimated project completion date.*** Give the estimated date (month and year) on which the project will be finished. This date is only an estimate and is not binding.

f. ***Building use before rehab.*** Indicate the use of the building before the rehabilitation project.

g. ***Building use after rehab.*** Indicate the proposed post-rehabilitation use of the building. Please be specific.

h. ***Phases.*** The rules governing the State Income Tax Credit program allow rehabilitation projects to be "phased," which means work may extend over a period of up to 60 months instead of the usual 24 months. If a project is going to be phased, it MUST be designated as such on the Part A form. Projects may NOT become phased later on in the application process.

- **At this time the State Preferential Property Tax Assessment program does not allow projects to be phased. Work undertaken for that program must be completed within 24 months of the date the HPD-approved Part A form is filed with the county tax assessor.**

i. ***Has an application for federal tax incentives been filed with HPD?*** Federal Investment Tax Credits are available for income-producing properties only. Owners who apply for the state property tax assessment freeze and/or the state income tax credit may also be eligible for federal investment tax credits on the same project. Applications for all three programs may be submitted simultaneously. See page 23 of these instructions for tips on participating in more than one tax incentive program concurrently.

j. ***Does the project involve the preservation of Georgia specimen trees?*** The term "specimen tree" is defined as "any tree having a trunk diameter of 30 inches or more." Costs incurred in preserving specimen trees upon the two acres of land surrounding the building may be included in the total rehabilitation costs of the project for the Preferential Property Tax Assessment program.

k. ***Condominiums.*** Entire condominium buildings may participate in the two State tax incentives programs. If approved, the property tax assessment freeze and the state income tax credit (equal to no more than $100,000) will be split among the condominium owners according to the amount each invested in the rehabilitation project. An individual condominium unit within a larger building may not apply.

l. ***If applying for the State Income Tax Credit: If the property is a historic home, is it located within a target area?*** A target area is defined as "a qualified census tract" under Section 42 of the Internal Revenue code of 1986. Qualified census tracts are determined by the United States Department of Housing and Urban Development (HUD) and are usually adjusted only once every 10 years. To find out what areas in your city or county are qualified census tracts, or to find out if a particular property is located in a qualified census tract, please reference www.huduser.org/datasets/qct.html. For additional information on qualified census tracts, please contact (HUD).

- For the State Income Tax Credit program, if the <u>home</u> being rehabilitated is located within a target area, the credit may be equal to 30% of qualified rehabilitation expenditures up to $100,000. No benefits are offered for target area homes under the property tax assessment freeze program.

4. Summary of proposed work:
Write a brief summary of the proposed rehabilitation project. Use a list such as in the example given on the application form, or write a paragraph, depending on the scope of the work. The purpose of this section is to give HPD a general overview of what the rehabilitation project will entail.

5. Description of proposed rehabilitation work:
This section, which begins on page 2 of the Part A application form, is where the proposed rehabilitation work is described in detail and is where required "before rehab" photo-documentation is referenced. The section is divided into numbered boxes in which different architectural features of the building should be listed. The boxes on the left side of the page should be used to document the existing ("before rehab") condition of the feature. Also indicate here which of the accompanying photographs show this particular feature and/or condition. The boxes on the right side of the page should be used to describe how each feature will be treated in the rehabilitation and what impact this proposed work will have on it. **Please do not limit work descriptions to the boxes provided on page 2 of the Part A application. Pages 4-8 of the Part A application contain additional sheets that may be used for proposed work descriptions.** See below for a sample Scope-of-Work.

Sample Scope-of-Work Description:

1 **Architectural Feature: Walls** **Photo Reference No.: 1, 2, 5, 22, 27, 29** **Describe existing feature and its condition:** **Walls were originally plastered both downstairs and upstairs. Much of the plaster remains in good condition. There are patches of some areas where the plaster has cracked due to water damage, and has come loose. These patches are shown in photographs #2, 22, and 29.**	**Describe Work and Impact on Existing Feature:** **Plaster will be maintained in all areas with the exception of those pictured in #2, 22, and 29. Where the plaster has fallen, we will square off the deteriorated area and replace with sheetrock. All lath will remain. The sheetrock will then be coated with a thin-coat of plaster. All edges will be even with the existing plaster.**
2 **Architectural Feature: Windows** **Photo Reference No.: 4,5, 7, 10, 30 32 33, 37** **Describe existing feature and its condition:** **All windows are wooden, double hung, 6 over 6 true divided light, sash windows. They are overall in good, repairable, condition. There are a few windows missing on the back of the building (photo #7 and 10), and two windows on one side of the building (photo #32 and 33) where the windows have deteriorated beyond repair due to termite and water damage.**	**Describe Work and Impact on Existing Feature:** **All windows, with the exception of those pictured in photos #7, 10, 32, & 33, will be repaired. All cords and weights will be replaced. Where the windows have deteriorated beyond repair, and are missing, new windows that replicate the original 6 over 6 windows will be installed. The new windows will be wooden, 6 over 6 true divided light, sash windows – replacement will be in-kind. One of the original windows in good condition will be used as a pattern to make the new windows for those areas that need a replacement window.**

It is necessary to be very detailed in this section of the application in order for HPD to gain a clear understanding of exactly what type of work the rehabilitation project will involve. Lack of clarity in the work descriptions could result in review delays and/or in the assignment of extensive Conditions to the Part A approval.

- Keep in mind that throughout the course of the project it is possible to make changes to the Part A scope-of-work. All changes must be submitted to HPD for review and approval on an Amendment application form. Any deviations from the original Part A scope-of-work that occur without approval from HPD will be noted in the Part B review and could jeopardize the project's final certification.

6. Send these items:

This section outlines all the components of the application package that need to be submitted to HPD with the Part A form. ALL of these items are REQUIRED components of the application. Failure to submit a complete application package will result in delays in HPD's review of the project. Check the box beside each item on the application form to indicate that it is included in the Part A application package being submitted to HPD. **All application packages should be submitted to Tax Incentives Program, Historic Preservation Division, Georgia Department of Natural Resources, 254 Washington Street, Ground Level, Atlanta, GA 30334.**

- ***Application.*** Submit two signed copies of the Part A application. At least one copy should contain the owner's **ORIGINAL** (not photocopied or faxed) signature.

- ***Location map.*** Provide a map identifying the lot on which the building is located and, if applicable, Georgia Register historic district boundaries (do NOT use boundaries of locally designated historic districts as they may differ from those on the Georgia Register of Historic Places). The map is a key component in HPD's review of the building's historic eligibility. Contact the Preservation Planner of your Regional Development Center (see the Appendix in this information packet for specific RDC contact information) or HPD's National Register Coordinator for maps.

- ***Photographs.*** **TWO sets** of photographs documenting before rehab existing conditions are required. Guidance for completing photo recordation of the exterior and interior of the property are provided in HPD's *Guidelines for Photo-Documentation of Historic Properties*, which are available on-line or in the Appendix section of this tax incentive information packet. Color 35mm photographs are strongly recommended and preferred, but high resolution digital photos are also acceptable. The images should be 4x6 in size and printed on glossy or photo stock and cut individually. Both sets of photos must be numbered (for use with the photo key) and identified on the back as follows: street address, city, and date photo was taken. **Photos MUST be keyed to a copy of the before-rehab floor plans** and should correspond to the Description of Proposed Work in Section 5 of the Part A form.

- ***Photo Key.*** Two copies of the photo key illustrating the location and view of each photograph are required. This is often the only way HPD reviewers "see" the property, so it is important for the photo key to be accurate. For additional instructions on creating a photo key and properly labeling photographs, see HPD's *Guidelines forPhoto-Documentation of Historic Properties*.

- ***Before rehab floor plans***. Hand-sketched or professionally drawn floor plans accurately depicting the building's existing conditions are required (label as "before rehab" plans).

- ***Proposed rehab floor plans.*** Hand-sketched or professionally drawn floor plans accurately depicting proposed alterations or new construction are required (label as "proposed work" plans). ("Proposed

work" plans must be submitted even if no alterations to the existing historic floor plan are to be made. Simply label another copy of the before-rehab plans as "proposed work" to indicate that no changes will be made.) The floor plans do not have to be professionally drawn but must be sufficiently detailed to show existing walls, window and door openings, fireplaces, stairs, etc. and all proposed changes. Elevation drawings should be included to illustrate any façade changes.

- ***Application fee.*** A one-time fee for the review of the rehabilitation project is required with the Part A application. Payment may be made with a **CASHIER'S CHECK** or **MONEY ORDER** (**no personal or company checks**) in the amount of $75.00 made payable to the Georgia Department of Natural Resources. If the property is only participating in ONE of the two state tax incentives programs, the fee is $50.00.

7. Project contact:
Indicate the name, company, mailing address, phone number(s), and e-mail address of the person who prepared the Part A form and/or compiled the accompanying application materials if other than the property owner. The contact person will be copied on all correspondence from HPD regarding the project and may be contacted if additional information is needed during the review process.

8. Project owner:
Give the name, company, mailing address, phone number(s), and e-mail address of the property owner. If the owner is a corporation or partnership, print both the name of the entity and the name of the person who signs the form. Make sure the application is **SIGNED** and dated by the owner. The signature attests that to the best of the owner's knowledge the information provided in the application is correct. Falsification of factual representations is subject to criminal sanctions. An application without the owner's signature cannot be accepted by HPD for review. (The address given in this section should be the owner's MAILING ADDRESS (either business or personal) to which HPD can send correspondence regarding the project. Do not use the property address unless mail can be received there.)

Fine print boxes:

STATE PREFERENTIAL PROPERTY TAX ASSESSMENT PROGRAM	STATE INCOME TAX CREDIT PROGRAM
Note: Property owner has 24 months from the date this document is filed at the county tax assessor's office in which to complete the rehabilitation work as described and file the HPD-approved Part B application with the county tax assessor.	***Note: The property owner has 24 months (60 months if the project is phased) from the date this document is signed by HPD in which to complete the rehabilitation work as described and submit the Part B to HPD for approval.***

These boxes contain reminders for the timeline of the rehabilitation project. The text in the box on the left refers to the Property Tax Assessment Freeze program. The text in the box on the right concerns the Income Tax Credit program.

DNR official use boxes:
This is the section in which HPD indicates the result of its evaluation of the proposed rehabilitation project. HPD will check the applicable box(es) and sign the form. The signed Part A form will then be returned to the owner (with a copy to the project contact person). If Conditions are assigned as part of HPD's preliminary approval of the project, these Conditions must be fulfilled in order for the project to receive final certification upon completion. If a project is denied preliminary certification, a letter of explanation will be attached to the form.

- If the project is participating in the Preferential Property Tax Assessment program, it is the owner's responsibility to file the HPD-approved Part A form with the county tax assessor in order to initiate the property tax assessment freeze. The owner should retain a copy of the signed Part A form and any accompanying Conditions for his/her records.

- If the project is participating in the State Income Tax Credit program, the HPD-approved Part A form should NOT be submitted to the Department of Revenue. The only documents required by the Department of Revenue are the DOR's IT-RHC form, (along with a copy of the approved State Income Tax Credit Part B application form). The *Substantial Rehabilitation Worksheet* should be kept on file with the applicant's copy of the income tax return.

What to Submit with the PART A if Participating in Both the Federal and State Programs:

The Federal Rehabilitation Investment Tax Credit is a separate incentive program that uses different application forms from those used for the two State programs. However, the accompanying application materials for all three programs are the same, and HPD can review the applications for all of the programs at one time. Federal applications are passed on to the National Park Service after HPD's review, so a complete application and full documentation (i.e. photos, plans, maps, and copies of the completed applications) should be submitted. Application forms and instructions for participating in the Federal Rehabilitation Investment Tax Credit are available from HPD's Tax Incentives Coordinator (404-651-5566), online at HPD's website (www.gashpo.org), and online at the National Park Service's website (www.nps.gov/history/hps/tps).

HPD creates 3 files for projects participating in the Federal and one or both of the State programs. The application materials that the applicant submits to HPD are distributed as follows:

NPS FILE for the FEDERAL INCOME TAX CREDIT PROGRAM (to be mailed to Washington, DC)	HPD FILE for the FEDERAL INCOME TAX CREDIT PROGRAM	HPD FILE for the STATE ASSESSMENT FREEZE PROGRAM & the STATE INCOME TAX CREDIT PROGRAM
1 copy of Part 1 form 1 copy of Part 2 form	1 copy of Part 1 form 1 copy of Part 2 form	2 copies of Part A form
1 copy of location map	1 copy of location map	1 copy of location map
1 set of photographs	1 set of photographs	1 set of photographs
1 copy of photo key	1 copy of photo key	1 copy of photo key
1 copy of before rehab floor plans	1 copy of before rehab floor plans	1 copy of before rehab floor plans
1 copy of proposed floor plans	1 copy of proposed floor plans	1 copy of proposed floor plans

TOTALS to submit to HPD:

- **2 copies of all Federal (blue) application forms**
- **2 copies of all State (green and yellow) application forms**
- **3 copies of the map, photographs, photo key, before rehab floor plans, proposed floor plans, and any other accompanying materials**

Amendment Form

The Amendment form is used to notify HPD of any changes being made to the project's original scope-of-work as presented in section 5 of the Part A application, or to notify HPD of changes in the property's ownership or contact information (such as change of address or name). Because changes to the HPD-approved Part A scope-of-work could affect the project's conformance to DNR's *Standards*, HPD should review them as Amendments. (If several changes are to be made to the scope-of-work, it is acceptable to include all of them on one Amendment form.)

Remember to check the same program boxes that were checked on the Part A application form.

STATE PREFERENTIAL PROPERTY TAX ASSESSMENT PROGRAM FOR REHABILITATED HISTORIC PROPERTY	STATE INCOME TAX CREDIT PROGRAM FOR REHABILITATED HISTORIC PROPERTY
☐ *Check here for property tax assessment freeze program*	☐ *Check here for state income tax credit program*

1. *Historic name of property.* Give the historic name that was used on the Part A application form. Do not include a contemporary name that is currently associated with the building or will be applied to the building upon completion of the rehabilitation.

Address, City, County, Zip Code. Give the street address, city, county, and zip code of the property as it appeared on the Part A application form. Remember to include this information at the top of page 2 of this application form if additional space is needed.

2. Describe project changes:
In the space provided on the form, begin writing a detailed description of the proposed changes to be made to the project scope-of-work and explain why the changes are needed. Attach as many additional Amendment pages as needed. Also, it may be necessary to include such items as floor plans, drawings, elevations, photographs, or product/manufacturer information to further document the project changes. If these items are included, remember to submit **TWO copies**.

3. Send these items:
Check the box beside each applicable item to indicate that it is being submitted as part of the Amendment. Submit **TWO copies** of all additional Amendment components. Any photographs submitted MUST be accompanied by a photo key illustrating the location from which they were taken. Failure to submit a complete Amendment application package will result in delays in HPD's review of the project. **All application packages should be submitted to Tax Incentives Program, Historic Preservation Division, Georgia Department of Natural Resources, 254 Washington Street, Ground Level, Atlanta, GA 30334.**

- ☐ ***Application.*** Submit two signed copies of the Amendment application. At least one copy should contain the owner's **ORIGINAL** (not photocopied or faxed) signature.

- ☐ ***Additional application components.*** **TWO** sets of all accompanying photographs, photo keys, floor plans, drawings, or product information are required.

4. Project contact:
Indicate the name, company, mailing address, phone number(s), and e-mail address of the person who prepared the Amendment form and/or compiled the accompanying application components if other than the property owner. The contact person will be copied on all correspondence from HPD regarding the project and may be contacted if additional information is needed during the review process.

5. Project owner:
Give the name, company, mailing address, phone number(s), and e-mail address of the property owner. If the owner is a corporation or partnership, print both the name of the entity and the name of the person who signs the form. Make sure the application is **SIGNED** and dated by the owner. The signature attests that to the best of the owner's knowledge the information provided in the application is correct. Falsification of factual representations is subject to criminal sanctions. An application without the owner's signature cannot be accepted by HPD for review. (The address given in this section should be the owner's MAILING ADDRESS (either business or personal) to which HPD can send correspondence regarding the project. Do not use the property address unless mail can be received there.)

DNR official use boxes:
This is the section in which HPD indicates the result of its evaluation of the proposed Amendment. HPD will check the applicable box(es) and sign the bottom of the form. The signed Amendment form will then be returned to the owner (with a copy to the project contact person). The owner should retain a copy of the signed Amendment form and any accompanying Conditions for his/her records. If Conditions are assigned as part of HPD's approval of the Amendment, these Conditions must be fulfilled in order for the project to receive final certification upon completion.

- **The Amendment form should NOT be filed with the county tax assessor.** The tax assessor is only concerned with HPD-approved Part A and Part B application forms.

- **If the project is participating in the State Income Tax Credit program, the HPD-approved Amendment form should NOT be submitted to the Department of Revenue.** The only documents required by the Department of Revenue are the DOR's IT-RHC form, (along with a copy of the approved State Income Tax Credit Part B application form). The *Substantial Rehabilitation Worksheet* should be kept on file with the applicant's copy of the income tax return.

What to Submit with an AMENDMENT if Participating in Both the Federal and State Programs:

The Federal Rehabilitation Investment Tax Credit is a separate incentive program that uses different application forms from those used for the two State programs. However, the accompanying application materials for all three programs are the same, and HPD can review the applications for all of the programs at one time. Federal applications are passed on to the National Park Service after HPD's review, so a complete application and full documentation (i.e. photos, plans, maps, and copies of the completed applications) should be submitted. Application forms and instructions for participating in the Federal Rehabilitation Investment Tax Credit are available from HPD's Tax Incentives Coordinator (404-651-5566), online at HPD's website (www.gashpo.org), and online at the National Park Service's website (www.nps.gov/history/hps/tps).

HPD creates 3 files for projects participating in the Federal and one or both of the State programs. The application materials that the applicant submits to HPD are distributed as follows:

NPS FILE for the FEDERAL INCOME TAX CREDIT PROGRAM (to be mailed to Washington, DC)	HPD FILE for the FEDERAL INCOME TAX CREDIT PROGRAM	HPD FILE for the STATE ASSESSMENT FREEZE PROGRAM & the STATE INCOME TAX CREDIT PROGRAM
1 copy of Part 1 form 1 copy of Part 2 form	1 copy of Part 1 form 1 copy of Part 2 form	2 copies of Part A Amendment form
1 set of photographs	1 set of photographs	1 set of photographs
1 copy of photo key	1 copy of photo key	1 copy of photo key
1 copy of before rehab floor plans	1 copy of before rehab floor plans	1 copy of before rehab floor plans
1 copy of product information	1 copy of product information	1 copy of product information

TOTALS to submit to HPD:

- **2 copies of all Federal (blue) application forms**
- **2 copies of all State (green and yellow) application forms**
- **3 copies of the additional components (photographs, photo key, floor plans, product information, etc.)**

Part B – Final Certification:
State Preferential Property Tax Assessment Program

Part B is used to ensure that the completed work was carried out according to DNR's *Standards for Rehabilitation*. **THIS PART B FORM PERTAINS ONLY TO THE STATE PREFERENTIAL PROPERTY TAX ASSESSMENT PROGRAM.** A different Part B application form must be submitted if the building is participating in the State Income Tax Credit program.

1. *Historic name of property.* Give the historic name that was used on the Part A application form. Do not include a contemporary name that is currently associated with the building or will be applied to the building upon completion of the rehabilitation.

Address, City, County, Zip Code. Give the street address, city, county, and zip code of the property as it appeared on the Part A application form.

2. Project Information:

- **a. *Total project cost.*** Give the cost of the entire project, including the cost of all rehabilitation work plus any new construction or site work.
- **b. *After rehabilitation floor area.*** Give the square footage of the building as it exists after rehabilitation is completed.
- **c. *Project start date.*** Give the month and year in which work on this project was begun.
- **d. *Project completion date.*** Give the month and year in which work on this project was completed.
- **e. *Has a Part A been submitted for this project?*** Check the box beside the appropriate answer. If a Part A has NOT been previously submitted to HPD for review, the Part A and the Part B applications must be submitted together. [Note: When HPD is not given the opportunity to review and comment on the proposed rehabilitation work BEFORE the project has begun, the owner risks jeopardizing final certification. Also remember that the HPD-approved Part A application form is used by the county tax assessor to initiate the property tax assessment freeze. If the Part A is not filed with the tax assessor BEFORE work on the project is begun, the property may be re-assessed as improvements are made. When a Part A form is filed with the tax assessor after work has begun, the tax assessment freeze will be applied to the current assessment value and will NOT be rolled back to the pre-rehabilitation value.

3. Send these items:

Check the box beside each item on the application form to indicate that it is included in the Part B application package being submitted to HPD. ALL of these items are REQUIRED components of the application. Failure to submit a complete application package will result in delays in HPD's review of the project. **All application packages should be submitted to Tax Incentives Program, Historic Preservation Division, Georgia Department of Natural Resources, 254 Washington Street, Ground Level, Atlanta, GA 30334.**

- ☐ ***Application.*** Submit one Part B application with the owner's original signature plus one copy.

- ☐ ***Photographs.*** One set of "after" rehabilitation photographs are required. They should show the same views as the "Before" photographs submitted with Part A. If a Part A application received a preliminary certification with Conditions, "after" photographs should illustrate the specific areas subject to the Conditions. Photos must be numbered to correspond to the views on the photo key and should be identified on the back as follows: street address, city, and date of photo. (See HPD's *Guidelines for Photo-Documentation of Historic Properties*, on-line or in the Appendix of this information packet, for details.)

- ***Photo Key*.** One copy of the photo key illustrating the location and view of each photograph are required. A copy of the "after" rehabilitation floor plan should be used for keying the photographs. This is often the only way HPD reviewers "see" the completed work, so it is important for the photo key to be accurate. For additional instructions on creating a photo key and properly labeling photographs, see HPD's *Guidelines for Photo-Documentation of Historic Properties* on-line or in the Appendix of this information packet.

- ***Floor plans.*** Plans illustrating completed work must accompany the Part B application. Photos should be keyed to these "after" rehabilitation floor plans.

4. Project contact:
Indicate the name, company, mailing address, phone number(s), and e-mail address of the person who prepared the Part B form and/or compiled the accompanying application components if other than the property owner. The contact person will be copied on all correspondence from HPD regarding the project and may be contacted if additional information is needed during the review process.

5. Project owner:
Give the name, company, mailing address, phone number(s), and e-mail address of the property owner. If the owner is a corporation or partnership, print both the name of the entity and the name of the person who signs the form. Make sure the application is **SIGNED** and dated by the owner. The signature attests that to the best of the owner's knowledge the information provided in the application is correct. Falsification of factual representations is subject to criminal sanctions. An application without the owner's signature cannot be accepted by HPD for review. (The address given in this section should be the owner's MAILING ADDRESS (either business or personal) to which HPD can send correspondence regarding the project. Do not use the property address unless mail can be received there.)

DNR official use boxes:
This is the section in which HPD indicates the result of its evaluation of the completed project. HPD will check the applicable box and sign the bottom of the form. The signed Part B form will then be returned to the owner (with a copy to the project contact person).

- **It is the owner's responsibility to file the HPD-approved Part B form with the local county tax assessor in order to maintain the property tax assessment freeze.** The Part B must be filed with the tax assessor within 24 months of the date on which the Part A was filed with the tax assessor.

What to Submit with the FINAL CERTIFICATION if Participating in Both the Federal and State Programs:

The Federal Rehabilitation Investment Tax Credit is a separate incentive program that uses different application forms from those used for the two State programs. However, the accompanying application materials for all three programs are the same, and HPD can review the applications for all of the programs at one time. Federal applications are passed on to the National Park Service after HPD's review, so a complete application and full documentation (i.e. photos, plans, maps, and copies of the completed applications) should be submitted. Application forms and instructions for participating in the Federal Rehabilitation Investment Tax Credit are available from HPD's Tax Incentives Coordinator (404-651-5566), online at HPD's website (www.gashpo.org), and online at the National Park Service's website (www.nps.gov/history/hps/tps).

HPD creates 3 files for projects participating in the Federal and one or both of the State programs. The application materials that the applicant submits to HPD are distributed as follows:

NPS FILE for the FEDERAL INCOME TAX CREDIT PROGRAM (to be mailed to Washington, DC)	HPD FILE for the FEDERAL INCOME TAX CREDIT PROGRAM	HPD FILE for the STATE ASSESSMENT FREEZE PROGRAM & the STATE INCOME TAX CREDIT PROGRAM
1 copy of Part 3 form	1 copy of Part 3 form	2 copies of State Tax Assessment Freeze Part B form 2 copies of State Income Tax Credit Part B form
1 set of photographs	1 set of photographs	1 set of photographs
1 copy of photo key	1 copy of photo key	1 copy of photo key
1 copy of after rehab floor plans	1 copy of after rehab floor plans	1 copy of after rehab floor plans

TOTALS to submit to HPD:

- **2 copies of all Federal (blue) application forms**
- **2 copies of all State (green and yellow) application forms**
- **3 copies of the afte rehab photographs, photo key, and floor plans**

Part B – Final Certification:
State Income Tax Credit Program

Part B is used to ensure that the completed work was carried out according to DNR's *Standards for Rehabilitation* and to confirm the owner's certification of the project as a substantial rehabilitation as defined in O.C.G.A. Section 48-7-29.8. **THIS PART B FORM PERTAINS ONLY TO THE STATE INCOME TAX CREDIT PROGRAM.** A different Part B application form must be submitted if the building is participating in the State Preferential Property Tax Assessment program.

1. ***Historic name of property.*** Give the historic name that was used on the Part A application form. Do not include a contemporary name that is currently associated with the building or will be applied to the building upon completion of the rehabilitation.

Address, City, County, Zip Code. Give the street address, city, county, and zip code of the property as it appeared on the Part A application form.

2. a. ***Adjusted basis of building.*** Give the current adjusted basis of the building (this is the value of the building minus the value of the land, including any appreciations/depreciations).

b. ***After rehabilitation floor area.*** Give the square footage of the building as it exists after rehabilitation is completed.

c. ***Project start date.*** Give the month and year in which work on this project was begun.

d. ***Project completion date.*** Give the month and year in which work on this project was completed.

e. ***Total project cost.*** Give the cost of the entire project, including the cost of all rehabilitation work plus any new construction or site work.

I.) ***Cost solely attributed to new construction and site work.*** Give the amount of money spent only on aspects of the project not involving the historic building (such as site work, new additions, etc.).

II.) ***Cost solely attributed to rehabilitation of the historic structure.*** Give the amount of money spent solely on the rehabilitation of the historic building, including such items as HVAC, plumbing, electrical, etc.

II-i.) ***Cost of interior rehabilitation work.*** Give the amount of money spent solely on the interior of the historic building.

II-ii.) ***Cost of exterior rehabilitation work.*** Give the amount of money spent solely on the exterior of the historic building. [Note: For this program, the exterior costs must account for at least 5% of the total amount spent on the rehabilitation project.]

2. The following questions pertain only to historic homes:

a. ***Is the home located within a target area?*** A target area is defined as "a qualified census tract" under Section 42 of the Internal Revenue code of 1986. Qualified census tracts are determined by the United States Department of Housing and Urban Development (HUD) and are usually adjusted only once every 10 years. To find out what areas in your city or county are qualified census tracts, or to find out if a particular property is located in a qualified census tract, please reference www.huduser.org/datasets/qct.html. For additional information on qualified census tracts, please contact HUD.

- For the State Income Tax Credit program, if the home being rehabilitated is located within a target area, the credit may be equal to 30% of qualified rehabilitation expenditures up to

$100,000. No benefits are offered for target area homes under the property tax assessment freeze program.

b. ***Date the home was first owned.*** Give the month and year on which the home was first purchased by the current owner.

c. ***Date the home was first used as principal residence.*** Give the month and year that the home was first occupied as the principal residence (not vacation home).

d. ***If the home is not yet used as a principal residence, give the date that it will be.*** Give the month and year in which the home will become occupied as a principal residence.

e. ***Fair market value of the home.*** Give the current fair market value of the home (not including the value of the land). Refer to the Department of Revenue's *Substantial Rehabilitation Worksheet* for instructions on determining this figure.

4. ***By checking this box I certify that this project is a substantial rehabilitation as defined in O.C.G.A. Section 48-7-29.8 and related DNR regulations.*** **This box MUST be checked on the application in order for HPD to sign the Part B form indicating that the rehabilitation work meets DNR's *Standards* and that the owner certifies that the project is a substantial rehabilitation. If this box is not checked, the Part B form will be returned to the owner without review.**

- A "substantial rehabilitation" is defined as the following: for a historic home used as a principal residence, the owner must spend the lesser of $25,000 or 50% of the fair market value of the building; for a historic home used as a principal residence in a defined target area, the property owner must spend at least $5000 or more; for any other certified structures, the owner must spend the greater of $5,000 or the adjusted basis of the building. **Refer to your Department of Revenue *Substantial Rehabilitation Worksheet* for further guidance on calculating the required figures in order to determine if your project qualifies.**

5. Send these items:

Check the box beside each item on the application form to indicate that it is included in the Part B application package being submitted to HPD. ALL of these items are REQUIRED components of the application. Failure to submit a complete application package will result in delays in HPD's review of the project. **All application packages should be submitted to Tax Incentives Program, Historic Preservation Division, Georgia Department of Natural Resources, 254 Washington Street, Ground Level, Atlanta, GA 30334.**

☐ ***Application.*** Submit one Part B application with the owner's original signature plus one copy.

☐ ***Photographs.*** One set of "after" rehabilitation photographs should show the same views as the "before" photographs submitted with Part A. If a Part A application received a preliminary certification with Conditions, "after" photographs should illustrate the specific areas subject to the Conditions. Photos must be numbered to correspond to the views on the photo key and should be identified on the back as follows: street address, city, and date of photo. (See HPD's *Guidelines for Photo-Documentation of Historic Properties*, on-line or in the Appendix of this information packet, for details.)

☐ ***Photo Key.*** One copy of the photo key illustrating the location and view of each photograph are required. A copy of the "after" rehabilitation floor plan should be used for keying the photographs. This is often the only way HPD reviewers "see" the completed work, so it is important for the photo key to be accurate. For additional instructions on creating a photo key and properly labeling photographs, see HPD's *Guidelines for Photo-Documentation* on-line or in the Appendix of this information packet.

- ***Floor plans.*** Plans illustrating completed work must accompany the Part B application. Photos should be keyed to these "after" rehabilitation floor plans.

6. Project contact:
Indicate the name, company, mailing address, phone number(s), and e-mail address of the person who prepared the Part B form and/or compiled the accompanying application components if other than the property owner. The contact person will be copied on all correspondence from HPD regarding the project and may be contacted if additional information is needed during the review process.

7. Project owner:
Give the name, company, mailing address, phone number(s), and e-mail address of the property owner. If the owner is a corporation or partnership, print both the name of the entity and the name of the person who signs the form. Make sure the application is **SIGNED** and dated by the owner. The signature attests that to the best of the owner's knowledge the information provided in the application is correct. Falsification of factual representations is subject to criminal sanctions. An application without the owner's signature cannot be accepted by HPD for review. (The address given in this section should be the owner's MAILING ADDRESS (either business or personal) to which HPD can send correspondence regarding the project. Do not use the property address unless mail can be received there.)

DNR official use boxes:
This is the section in which HPD indicates the result of its evaluation of the completed project. HPD will check the applicable box and sign the bottom of the form. The signed Part B form will then be returned to the owner (with a copy to the project contact person). The owner must attach the Part B form and the DOR's IT-RHC form to his/her state income tax schedule that is filed with the Georgia Department of Revenue. The owner should retain a copy of the signed Part B form and the *Substantial Rehabilitation Worksheet* for his/her records.

GEORGIA DEPARTMENT OF REVENUE

SUBSTANTIAL REHABILITATION WORKSHEET

COMPLETE BEFORE CERTIFYING ITEM 4 ON PART B – FINAL CERTIFICATION OF THE STATE INCOME TAX CREDIT PROGRAM APPLICATION

KEEP FOR YOUR RECORDS - DO NOT FILE WITH THE DEPARTMENT OF NATURAL RESOURCES

THIS INFORMATION WILL BE REQUIRED FOR YOUR GEORGIA INCOME TAX RETURN

1. Property Information:

Historic name of property (if known) _____

Address _____

City _____ Zip Code _____ County _____

2. Project Information:

a. Adjusted basis of the building at the beginning of the 24 month (or 60 month) period.

A. Adjusted basis of the building and the land $_____

B. Adjusted basis of the land $_____

C. Adjusted basis of the building, line A. less line B. $_____

Note: Adjusted basis is the cost of the building and land plus or minus adjustments to basis. Increases to basis include capital improvements, legal fees incurred in perfecting title, zoning costs, etc. Decreases to basis include deductions previously allowed or allowable for depreciation. The County Assessor's office should be able to help you determine the value of the land by supplying you with a building to land value ratio.

b. Total project cost (rehab work and any new construction or site work) $_____

c. Amount of the line b. cost solely attributable to new construction and site work $_____

d. Cost of historic rehab (qualified rehabilitation expenditures), line b. less line c. $_____

e. Amount of the line d. cost attributable to interior rehab work $_____

f. Cost of exterior rehab work, line d. less line e. $_____

g. Project start date _____

h. Project completion date _____

i. Is the certified structure being used as your principal residence or will it be used as your principal residence within 6 months of the completion of the certified rehabilitation? □ Yes □ No (If yes, you must fill in item 3.)

3. Historic Home.

a. Date the home was first owned by the applicant _____

b. Date the home was first used as your principal residence _____

c. Is it currently being used as your principal residence? □ Yes □ No

d. If the home is not yet used as your principal residence, give the date that it will be _____

e. Fair market value of the building as determined by the county tax assessor at the beginning of the 24 month (or 60 month) rehabilitation period.

A. Fair market value of the building and the land $_____

B. Fair market value of the land $_____

C. Fair market value of the building, line A. less line B. $_____

Note: The fair market value of the building and land can be found on the property tax bill which is closest to the beginning of the 24 month period. The County Assessor's office should be able to help you determine the fair market value of the land by providing you with a building to land value ratio.

f. Is the historic home(s) part of a structure or group of structures that constitute a multifamily or multipurpose structure, including a cooperative or condominium? □ Yes □ No

If so, the application must be filed by the group of taxpayers who are claiming the credit and a schedule must be attached allocating the credit to each owner based on the cost of historic rehab (qualified rehabilitation expenditures) of each owner.

g. Is only a portion of the building used as your principal residence? □ Yes □ No

h. If so, list the cost of historic rehab (qualified rehabilitation expenditures) from line 2d. that is attributable to the portion used as your principal residence $_____

i. If so, list the fair market value of the building from line 3e.C. that is attributable to the portion used as your principal residence $_____

j. Is the historic home located in a target area (see page 18 of application instructions for definition)? □ Yes □ No

4. Certification of Substantial Rehabilitation. Fill in either Section 1 or Section 2 below for a historic home. For any other certified structure, fill in Section 3.

Section 1. Certification of Substantial Rehabilitation for a Historic Home NOT located in a Target Area

1. Cost of historic rehab. (Enter line 2d. or line 3h., if line 3h. applies, from the Project Information and Historic Home Sections) $_____
2. Fair market value of building. (Enter line 3e.C. or line 3i., if line 3i. applies, from the Historic Home Section) $_____
3. Percentage limitation 50%
4. Multiply line 2 by line 3 $_____
5. Dollar limitation $ 25,000
6. Enter the lesser of line 4 or line 5 $_____
7. Subtract line 6 from line 1. If the amount is zero or less, you have NOT completed a substantial rehabilitation and are not eligible for this portion of the credit $_____

Section 2. Certification of Substantial Rehabilitation for a Historic Home located in a Target Area

1. Cost of historic rehab. (Enter line 2d. or line 3h., if line 3h. applies, from the Project Information and Historic Home Sections) $_____
2. Dollar limitation $ 5,000
3. Subtract line 2 from line 1. If the amount is zero or less, you have NOT completed a substantial rehabilitation and are not eligible for this portion of the credit $_____

Section 3. Certification of Substantial Rehabilitation for any Other Certified Structure

1. Cost of historic rehab. (Enter line 2d. from the Project Information Section) $_____
2. Adjusted basis of building. (Enter line 2a.C from the Project Information Section) $_____
3. Dollar limitation $ 5,000
4. Enter the greater of line 2 or line 3 $_____
5. Subtract line 4 from line 1. If the amount is zero or less, you have NOT completed a substantial rehabilitation and are not eligible for this portion of the credit $_____

QUESTIONS REGARDING THIS WORKSHEET SHOULD BE DIRECTED TO THE DEPARTMENT OF REVENUE AT 404-417-2441.

Send all completed application materials to:

Tax Incentives Coordinator
Historic Preservation Division
Georgia Department of Natural Resources
254 Washington Street, Ground Level,
Atlanta, Georgia 30334

To learn more about the state tax incentive programs, please contact the Tax Incentives Coordinator at (404) 651-5566 or visit HPD's website at www.gashpo.org.

The Historic Preservation Division within the Georgia Department of Natural Resources serves as the State Historic Preservation Office (SHPO). Working in partnership with the United States Department of the Interior, the SHPO carries out the mandates of Georgia law and the National Historic Preservation Act, as amended, and works with local communities to preserve the historical, architectural and archaeological resources of Georgia. For more information on Georgia's historic preservation programs, contact the Historic Preservation Division at (404) 656-2840 or visit www.gashpo.org.

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