



HISTORIC PRESERVATION DIVISION

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GEORGIA STATE INCOME TAX CREDIT FOR REHABILITATED HISTORIC PROPERTY

SFY 2014 END-OF-YEAR REPORT
JULY 1, 2013–JUNE 30, 2014

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 1890 Queen Anne style Robert A. Fleming Sr. House is located in Augusta, Richmond County. Its owners spent over \$500,000 on its rehabilitation into residential apartments.

SFY 2014 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 2014. Macon again was the city with the most projects, accounting for 35 proposed and completed rehabilitations, followed closely by Savannah with 22 projects and Atlanta with 20 projects, its strongest presence in recent years. Other cities and towns with program activity included Americus, Augusta, Avondale Estates, Bainbridge, Ball Ground, Covington, Decatur, Fitzgerald, Madison, Porterdale, Sparta, Thomasville, Toccoa, and Tybee Island.

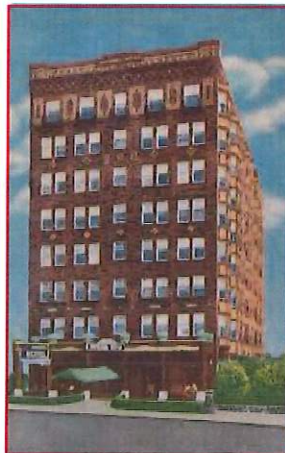
- **92 preliminary certification applications** for *proposed* work were submitted representing **33 historic home** rehabilitations and **58 income-producing** property rehabilitations equaling:

- **\$85 million** in investment
- **\$7 million in potential** state tax credits
- **1,360 jobs** created*
- **\$109 million** in salary and wages generated*
- **802 additional jobs** being created elsewhere*

* Statistics calculated using multipliers provided in HPD's *Good News in Tough Times* report available on HPD's website and the National Trust's *The Federal Historic Tax Credit: Transforming Communities* at www.preservationnation.org

- **42 final certification applications** for *completed* projects were submitted, representing **22 historic home** rehabilitations and **21 income-producing** property rehabilitations equaling:

- **\$43 million** in investment
- **\$3 million** in potential state tax credits
- **690 jobs** created*
- **\$56 million** in salary and wages generated*
- **407 additional jobs** created elsewhere*



The Imperial Hotel, located in downtown Atlanta, was built circa 1911. The owners, Columbia Residential and the National Church Residences, spent \$14.2 million rehabilitating the building into low-income apartments for those with special needs. The project received approximately \$2.8 million in federal tax credits, \$300,000 in state tax credits, and also received a low-income federal tax credit of \$1.1 million.

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.