

Tax Incentives for Preserving Historic Properties

The Federal Historic Preservation Tax Incentives program encourages private sector investment in the rehabilitation and re-use of historic buildings. It creates jobs and is one of the nation's most successful and cost-effective community revitalization programs. It has leveraged over \$102.64 billion in private investment to preserve 45,383 historic properties since 1976. The National Park Service and the [Internal Revenue Service](#) administer the program in partnership with [State Historic Preservation Offices](#).

20% Tax Credit *this is not a deduction but a credit to your Fed Tax Obligations*

A 20% income tax credit is available for the rehabilitation of historic, income-producing buildings that are determined by the Secretary of the Interior, through the National Park Service, to be "certified historic structures." The State Historic Preservation Offices and the National Park Service review the rehabilitation work to ensure that it complies with the [Secretary's Standards for Rehabilitation](#). The Internal Revenue Service defines qualified rehabilitation expenses on which the credit may be taken. Owner-occupied residential properties do not qualify for the federal rehabilitation tax credit. Learn more about this credit [before you apply](#).

Each year, Technical Preservation Services approves approximately 1200 projects, leveraging nearly \$6 billion annually in private investment in the rehabilitation of historic buildings across the country. Learn more about this credit in [Historic Preservation Tax Incentives](#).

Federal historic rehabilitation tax credits are available for any qualified project that the Secretary of the Interior designates as a certified rehabilitation of a certified historic structure. To qualify for any of these [tax incentives](#), property owners must complete the appropriate part or parts of the Historic Preservation Certification Application.

Submission of Applications

Completed applications are submitted to the [State Historic Preservation Office](#) (SHPO). Two copies of the application are required, one to be retained by the SHPO and the other by the NPS. The SHPO will forward applications to the NPS, generally with a recommendation. State recommendations are generally followed, but by law all certification decisions are made by the NPS on behalf of the Secretary of the Interior. The NPS decision may differ from the recommendation of the SHPO.

Secretary's Standards for Rehabilitation

The Standards for Rehabilitation are the criteria used to determine if a rehabilitation project qualifies as a certified rehabilitation. The intent of the Standards is to assist the long-term preservation of a property's significance through the preservation of historic materials and features.

Flagstaff Heritage Preservation Officer & CLG Program

The local Preservation Officer (HPO) is available to assist applicants in applying for the credit. This is particularly important with the "Evaluation of Significance" for Part-1 of the application. Many older properties in Flagstaff are contributing elements of Nationally listed districts which meet the Part-1 requirement for significance. **Contact Mark Reavis, HPO @ (928) 213-2633**
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