

20% Historic Rehabilitation Tax Credit



The following information pertains to the 20% federal tax credit for the rehabilitation of historic properties.

Tax Credit Basics

- The amount of credit available under this program equals 20% of the [qualifying expenses](#) of your rehabilitation.
- The tax credit is only available to properties that will be used for a business or other income-producing purpose, and a "substantial" amount must be spent rehabilitating the historic building.
- Your building needs to be certified as a historic structure by the National Park Service.
- Rehabilitation work has to meet the [Secretary of the Interior's Standards for Rehabilitation](#), as determined by the National Park Service.

Before applying, consult your accountant or tax advisor to make sure that this federal tax credit is beneficial to you. Certain income and other restrictions may have a bearing on whether an owner is able to use the credit. IRS administers the Department of the Treasury's involvement with the Federal Historic Preservation Tax Incentives Program. The IRS has provided written guidance on these complex federal regulations which is available as easy-to-read guidance in [IRS Info](#).

Partnership Program

The tax incentives program is administered by the National Park Service (NPS) and the Internal Revenue Service (IRS) in partnership with the State Historic Preservation Offices (SHPOs). Each plays a specific role:

SHPOs

- Serve as first point of contact for property owners.
- Provide application forms, regulations, information on appropriate treatments, and technical assistance.
- Maintain records of buildings and districts listed in the National Register of Historic Places, as well as state and local certified historic districts.
- Assist anyone wishing to list a building or a district in the National Register of Historic Places.
- Advise applicants on rehabilitation projects and make site visits.
- Make certification recommendations to the NPS.
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NPS

- Reviews applications for conformance with the Secretary of the Interior's Standards for Rehabilitation.
- Issues certification decisions in writing.
- Transmits copies of all decisions to the IRS.
- Publishes program regulations, the Secretary of the Interior's Standards for Rehabilitation, the Historic Preservation Certification Application, and information on rehabilitation treatments.

IRS

- Publishes regulations on qualified rehabilitation expenses, time periods for incurring expenses, and all other financial matters concerning the 20% tax credit.
- Answers inquiries on financial aspects of the program, and publishes an audit guide to assist owners.
- Audits taxpayers to ensure that only parties eligible for the 20% tax credits use them.