Tax Assessment Freeze

The **State Preferential Property Tax Assessment Program for Rehabilitated Historic Property** is an incentive program designed to encourage rehabilitation of both residential and commercial historic buildings by freezing property tax assessments for eight and one-half years. The assessment of rehabilitated property is based on the rehabilitated structure, the property on which the structure is located, and not more than two acres of real property surrounding the structure.

Residential (owner-occupied residential property): rehabilitation must increase the fair market value of the building by at least 50%.

Mixed-Use (primarily owner-occupied residential and partially income-producing property): rehabilitation must increase the fair market value of the building by at least 75%.

Commercial and Professional Use (income-producing property): rehabilitation must increase the fair market value of the building by at least 100%.

To find out a building's National Register status, contact HPD's National Register Specialist at 404-651-5911. Properties listed on the National Register are automatically listed on the Georgia Register of Historic Places.

For more information contact:
Tax Incentives Coordinator
404-651-5566
or visit: www.gashpo.org

City of Hapeville
1891
GEORGIA
A Community with a Heart

Hapeville City Hall
3468 North Fulton Avenue
Hapeville, GA 30354

Historic Preservation Incentives

Using Rehabilitation Tax Credits to Renovate Your Home or Business Property

Rehabilitation Tax Credit

What Is a Tax Credit?

A tax credit differs from a tax deduction. A tax deduction simply lowers the amount of your income that is subject to taxation. A tax credit provides a dollar-for-dollar reduction in the amount of taxes you owe. For example, you can reduce your tax liability, which can carry over up to 10 years.

Rehabilitation work done in conjunction with the Historic Preservation Tax Credit program is still subject to the City's plan review and permitting processes. Please contact the Department of Community Services with permit questions at 404-669-2120.

Tax Incentive Programs

Federal Rehabilitation Investment Tax Credit (RITC) – A federal income tax credit equal to 20% of rehabilitation expenses. Available ONLY for income-producing properties. The application is first reviewed by the Historic Preservation Division (HPD) then forwarded to the National Park Service for final decision. Program is available nationwide.

State Preferential Property Tax Assessment for Rehabilitated Historic Property – Freezes the county property tax assessment for over 8 years. Available for personal residences as well as income-producing properties. Owner must increase the fair market value of the building by 50 - 100%, depending on its new use.

State Income Tax Credit for Rehabilitated Historic Property – A state income tax credit of 25% of rehabilitation expenses. The credit is capped at $100,000 for residences and $300,000 for income-producing properties. This amended tax credit is allowed for the taxable year in which the certified rehabilitation is completed. The amended program's percentages and caps are effective for projects completed after January 1, 2009.

Terminology

Tax Incentive Glossary

Certified Historic Structures: Buildings which are either: a) listed individually on the National Register of Historic Places; or b) located within a National Register Historic District and are certified as contributing to the district. The State Historic Preservation Office and the National Park Service make these designations.

Certified Rehabilitation: A rehabilitation, which has been approved by the State Historic Preservation Office (SHPO) or the National Park Service. All work must adhere to the Secretary of the Interior's/DNR Standards for Rehabilitation in order to qualify for the credit.

Income-Producing Structures: Structures put into service as places of business, such as commercial, retail or rental use, including residential rental use.

Non-Income-Producing Structures: Structures, such as private homes, which do not generate income.

Secretary of the Interior/DNR's Standards for Rehabilitation: National Park Service standards that govern tax credit rehabilitation projects.

Information and applications are available from the State Historic Preservation Office online at WWW.GASHPO.ORG—click on Tax Incentives.

Important Facts

- The application is a two/three part process, describing before and after rehabilitation. Ideally, project work should be submitted before work begins and be completed within two years.
- Applications for all three programs are sent to HPD, and must be reviewed and approved by HPD (and afterward NPS for the RITC.)
- There are substantial cost tests that must be met to qualify for each program.

Program Procedures

INCOME-PRODUCING PROPERTIES:
THREE STEPS FOR RECEIVING FEDERAL TAX CREDITS

Part 1: Evaluation of Significance. Determines if a property is a certified historic structure.

Part 2: Description of Rehabilitation. Determines if the rehabilitation work conforms to the Secretary of the Interior's Standards for Rehabilitation.

Part 3: Request for Certification of Completed Work. Determines if the completed work meets the Secretary of the Interior's Standards for Rehabilitation and is therefore designated a certified rehabilitation.

In order to be assured of receiving tax credits, owners are urged to get approval of Steps 1 and 2 prior to starting work.

NON-INCOME-PRODUCING PROPERTIES:
TWO STEPS FOR RECEIVING STATE TAX CREDITS

Part A: Description of Rehabilitation. Determines if the rehabilitation work conforms to the Department of Natural Resource's Standards for Rehabilitation. Note: Only certified historic structures qualify for tax credits. Owners are urged to secure a National Register listing and plan approvals prior to starting work.

Part B: Request for Final Certification. Determines if the completed work meets the Department of Natural Resource's Standards for Rehabilitation and is therefore designated a certified rehabilitation.

USING THE TAX CREDITS

State and federal tax credits may be used to reduce state or federal income taxes. Please consult with your tax advisor as to how you can claim the credit.