

Four Incentives to Historical Renovation

1. Federal & State Tax Credits

A tax credit is a dollar-for-dollar reduction in your federal and/or state tax liability, based on a percentage of your rehabilitation costs. Federal tax credits are often combined with state tax credits to maximize the amount of the incentive, which can be up to 45% of the rehabilitation costs.

Tax credit projects are complex but they provide a big payback. More often than not, they can make a project financially feasible. Rehabilitation must adhere to the *Secretary of the Interior's Standards for Rehabilitation*. Projects generally require assistance from architectural and financial professionals.

A. Federal Historic Rehabilitation Tax Credits

A 20% Federal tax credit is available for rehabilitation projects on income-producing properties.

Application is handled through the Virginia Department of Historic Resources local field office (see below for contact info).

The National Park Service has an excellent web site with details about qualifying and applying for tax credits. On the web at www.nps.gov Click links to "History & Culture" then "Grants & Assistance"

B. State Historic Rehabilitation Tax Credits

The Commonwealth of Virginia has the most generous tax credit program of any state in the US. A 25% tax credit is available for rehabilitation that costs 50% or more of the assessed value for non owner-occupied properties or 25% or more of the assessed value of an owner-occupied property.

Property must be either:

- Individually listed on the Virginia Landmarks Register (VLR).
- Certified by the Director of the DHR as a contributing structure in a VLR-listed historic district, or

Certified by the Director as meeting the criteria for listing on the VLR.

For more information:
Local DHR field office -
Contact Mike Pulice
(540) 857-7586
email: michael.pulice@dhr.virginia.gov

Virginia Department of Historic Resources has a web site with details about the program, including required forms and program regulations.

Click links to "Programs & Assistance" then "Tax Credits"

2. Local Real Estate Tax Abatement

The exemption provided shall be equal to the increased assessed value resulting from the structure rehabilitation as determined by the Radford Commissioner of the Revenue. This amount shall only be applicable to any subsequent assessment or reassessment (the abatement period is 10 years).

Conditions:

- Structures must be at least 25 years old.
- For **commercial** projects, the rehabilitation must increase the value of the structure by at least 60%.

3. Main Street Radford Rehabilitation Incentives

Businesses and property owners are welcome to apply. The application is available at the Main Street office. It requires 2 written bids from contractors and should include design layouts showing dimensions, proposed colors, estimates, pictures and drawings. The application must be signed by the property owner. Higher priority will be given to properties in the historic districts and to level of impact. There is a \$60.00 processing/administrative fee, which is waived for current Main Street Radford members.