For nearly 40 years, the National Trust for Historic Preservation has supported the creation of state historic tax credit incentives to promote the rehabilitation and reuse of historic buildings and strengthen the economic vitality of the nation’s communities.

With more than 70 percent of states adopting some form of tax incentive to support building reuse, the utility and success of this preservation policy is clear.

First established in 1976 as depreciation incentive and then in 1981 as a tax credit, the federal historic tax credit set the foundation for spurring private investment in the rehabilitation of the nation’s historic buildings. Soon thereafter, New Mexico enacted the nation’s first state historic tax credit in 1984. Since then, the majority of states have followed suit by enacting their own state historic tax credit programs.

Among the states, these incentives differ in size and scope and are frequently modified by state legislatures as they identify new ways to address pressing needs. As states look to strengthen and tailor these incentives, this resource guide offers an overview of the tangible benefits of historic tax credit programs, the elements of top-performing credits, and a state-by-state comparative analysis of key features. It is intended to serve historic preservation policy makers, advocates, and practitioners alike as they determine the optimal incentive for their state.
Today, a majority of states offer HTCs. After nearly four decades of policy development, state legislatures have found that historic rehabilitation incentives bring tangible, lasting benefits to their residents, neighborhoods, and communities.

Legislators have found that a well-designed state HTC program:

Makes historic rehabilitation financially feasible. Given the complexities associated with rehabilitating a historic building, banks lend fewer dollars to these projects compared to new construction. Incentives are required to fill the financing gap and make projects economically feasible. Changes made to the federal historic tax credit in 2018, along with the current labor shortages and supply chain issues, have made state historic tax credits even more critical to making a rehabilitation project feasible.

Creates high-wage local jobs. Because they are labor intensive, rehabilitation project costs are on average 60 percent labor and 40 percent materials. By comparison, new construction costs are roughly 40 percent labor and 60 percent materials. Historic rehabilitation materials are more likely to be purchased locally, and labor typically includes higher-paid local craftsmen skilled at repairing historic windows, plaster, masonry, and flooring. As a result, approximately 75 percent of the economic benefits of historic rehabilitation projects remain in the communities where the buildings are located.

Increases the amount of rehabilitation occurring in a state. After examining all the state historic tax credit programs to determine their impact on use of federal historic tax credits, researchers found that the presence of an active state tax credit program boosts the annual use of the federal credit for rehabilitation on average between $15 million and $35 million in certified expenditures. States with active tax credit programs are bringing in between $3 million and $7 million annually in new federal investment, which would not otherwise benefit the state.

Attracts private capital to areas that have not seen public investment in decades. Without rehabilitation, blighted buildings lower the tax base, invite crime, deter other investment, and cost communities money. Economic development in areas with existing infrastructure saves significant tax dollars and reduces the pressure to use farmland and open spaces for new construction.

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BENEFITS OF INCENTIVIZING THE REHABILITATION OF HISTORIC BUILDINGS

Consistently provides a strong return on investment. Rehabilitation incentives require the private sector to make the initial investment and states only award credits after the building is rehabilitated and its completion is certified by the SHPO. This approach offers states a low-risk, high-yield alternative to direct investment in bricks and mortar community redevelopment. According to an impact analysis conducted by Baker Tilly Virchow Krause, 40 percent of the credit is paid back in state taxes before the building is finished, and the remainder is recouped by the state within 4 years. After the repayment period, rehabilitated buildings continue to generate new local and state tax revenues.

Offers a flexible tool for community reinvestment. State HTCs have been adapted to provide economic help to areas suffering from disinvestment. Enacting a credit specifically to encourage rehabilitating vacant mill buildings in North and South Carolina, for example, has helped rebuild formerly textile-dependent communities.

Leverages significant private investment. More than a dozen studies document the significant additional private investment that is attracted to states that offer a state historic tax credit. An assessment conducted for the Ohio Development Services Agency, for example, estimates that every dollar of state historic tax credit attracts an average of $6.20 in private investment. The same report found state historic tax credits are a major factor for owners and lessees when deciding whether or not to invest private capital in renovation.

Benefits a broad range of communities. State HTCs benefit both rural and urban areas because potential historic rehabilitation projects exist everywhere—from blighted former industrial areas to Main Street communities. Redeveloping a historic building increases its property value, as well as the value of surrounding property, promoting additional economic activity in the area.

Conserves energy and resources. Recycling historic buildings for new uses avoids the carbon emissions that occur when materials for new buildings are mined, manufactured, and transported. State HTC projects often include energy saving features, from better insulation to solar panels, that help older structures perform as well—or better—than new “green” buildings.

For example, 64 historic houses rehabilitated in Macon, Georgia saved 6,800 tons of material from going into the landfill.

Supports revitalization of diverse, walkable communities. In addition to housing, many state HTC projects reactivate centrally located, affordable spaces for local businesses and services, making it easier for residents of all ages and income levels to live independently of the need for personal transportation. Establishes a public-private partnership approach to community revitalization that supports the preservation and rehabilitation of significant historic buildings. Historic buildings provide a sense of place and their rehabilitation enhances neighborhood vitality. Preserving and using historic assets in new ways contributes to an improved quality of life that helps retain existing residents and attract new investment.

Provides housing for residents of all incomes. Every year, state HTC projects create thousands of new housing units and bring new life to once vacant mills, schools, office buildings, warehouses, factories, and other structures. Many of these units are affordable for low- and moderate-income families. According to a 2022 report for the Georgia Department of Audits and Accounts, the Georgia Historic Rehabilitation Tax Credit (HRTC) “also acts as a de facto housing policy that encourages the preservation (or conversion) of structures offering market-rate and affordable housing. ... the HRTCs contribute significantly to neighborhood revitalization without gentrification.”

8 Tax Incentive Evaluation: Georgia’s Historic Rehabilitation Tax Credit, Georgia State University Fiscal Research Center for Georgia Department of Audits and Accounts, November 2022.
The top-performing state HTCs, defined here as ones that help rehabilitate the most buildings and attract the most private investment, generally follow the framework of the federal HTC—meaning these credits are predictable for owners and lessees. A clear understanding of how much historic tax credit incentive is available for a project is critical to obtain financing. The top-performing state HTCs are also easily transferable to entities with state tax liability, which is also fundamental to creating value for investors and property owners alike.

**Key Elements of an Effective HTC Incentive**

**Predictable Credit Allocation**
States that have created uncapped programs have had an economic advantage in attracting capital for historic preservation. Even where an annual limit is relatively high, imposing a cap creates uncertainty regarding the amount and availability of credits that often discourages developers.

Where demand for credits exceeds the amount permitted by law, applicants either must compete for credits or participate in a lottery or other allocation system. Projects that are not financially feasible without a credit are often discouraged from participating because of the lack of certainty as to the outcome, the cost of preparing an application that nonetheless may be unsuccessful, and the difficulties of keeping financing commitments in place during the evaluation process.

Some states have sought to ease concerns about the costs of the credits to the state treasury by imposing caps on the dollar amount of credits that can be awarded to individual projects, while hoping to avoid the pitfalls of annual aggregate caps on the overall program. The effectiveness of the credits in providing incentives to developers is likely to be a function of how high the per-project or per-taxpayer limit is set. Some states have successfully experimented with caps as high as $5 million per project (e.g., Connecticut, Maine, and New York).

Very low credit limits, like Pennsylvania’s $5 million overall program cap and $500K per project cap, are too low to provide a predictable incentive. This has led to the continuing deterioration of many historic buildings across the Commonwealth. In contrast, the Texas HTC does not have a

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The ongoing renovation of one of the historic Boott Cotton mill buildings (200,000 square feet) in the Lowell, Massachusetts complex resulted in 48 units of affordable housing and 184 units of market-rate housing. COURTESY WINN DEVELOPMENT
per-project or an aggregate cap, which provides assurance to property owners and developers that they will receive credits if they complete an approved rehabilitation on a certified historic building. Before the credit was put in place, the Texas Historical Commission processed about ten federal historic tax credit rehabilitation projects per year. After enacting a state-level credit, Texas saw a tripling of the private investment in its historic buildings. Since the program started in 2015, the Commission has processed applications for over 355 completed rehabilitation projects of varying size in both urban and rural areas.

Kentucky’s first iteration of a state HTC offered up to a 20 percent credit for commercial buildings and a 30 percent credit for owner-occupied residences. Because of a $5 million annual aggregate cap, however, Kentucky saw relatively few rehabilitation projects completed each year. Recent improvements to the Kentucky credit increased the annual program cap to $100 million, doubled the credits for owner-occupied projects from $60,000 to $120,000, and increased the cap for commercial projects from $400,000 to $10 million.

Easily Transferable Credits
A state tax credit has value only to the extent the credit holder has sufficient state tax liability for the credit to offset. Consequently, a valuable state tax credit may wind up in the hands of a party unable to use it and therefore they might not choose to undertake the renovation, leaving the building deteriorating. States have solved this problem in one or more ways:

1. Direct Transfer: a state may permit the direct transfer of tax credits to a third party that has sufficient tax liability to use it. For example, Colorado, Kansas, Kentucky, and Oklahoma permit the party that earns the credit to sell it to another entity that can use it.

2. Disproportionate Allocation: Like the federal credit, a state’s tax code may permit a partnership that owns the property to make a disproportionate distribution of the credit, so that a local taxpayer can acquire the state tax credit while another entity acquires the federal tax credit. For example, Virginia, Kansas, and Delaware allow the credit to be passed through and allocated to partners or shareholders in this way.

3. Refundable: State HTCs are also considered easily transferable when they are refundable. When a tax credit is refundable, any amount not used to offset current-year taxes is paid in cash to the holder of the credit. Since homeowners earning credits are effectively precluded from using the previous two techniques for transferring credits, the most practical solutions for them are to allow the unused credit to be either refunded or sold. Iowa, Maryland, and Ohio provide a refundable tax credit, which is of particular value to lower-income homeowners who do not have significant annual tax liability.

Other features of top-performing historic tax credits

Optimal HTC Percentage. The percentage of the credit should be high enough to attract the desired level of private investment, typically between 20 percent to 30 percent of qualified rehabilitation expenditures. Significantly lower rates fail to provide sufficient incentive to make a difference in a developer’s decision to undertake a historic preservation project.

Broad Building Eligibility. To maximize the utility of a state historic tax credit, a variety of building types and classes of buildings should be eligible for credits. A broad scope of eligible buildings usually includes the following:

1. Buildings individually listed in the National Register of Historic Places;
2. Buildings located in historic districts listed in the National Register that contribute to the historic character of the district or in districts certified as eligible for listing;

Lounge areas in the Milwaukee Soldiers Home provide inviting common spaces for residents. Thanks in part to Wisconsin’s robust state historic tax credit, six historic buildings in the Milwaukee Soldiers Home National Historic Landmark District have reopened to provide housing for formerly unhoused veterans. BY RYAN HAINEY PHOTOGRAPHY
3. Individual buildings that have been locally designated as landmarks; and
4. Buildings located in local historic districts that contribute to the historic character of the district.

Some states offer credits based on age alone (older than 50 years, for example) while others offer credits for renovating specific building types (mills, barns, etc.).

**Predictable Standards to Preserve Historic Features.** While the National Trust supports efforts to meaningfully reform the Secretary of the Interior’s Standards for Rehabilitation (“the Standards”) to account for a broader understanding how the field interprets and understands various ways a building retains historic integrity, the Standards serve as the most comprehensive and widely adopted guidance used by state historic preservation office staff in the tax credit review process.

**Available to a Variety of Taxpayers.** To ensure the broadest possible use of the credits, state programs often allow credits to offset different types of taxes. For example, in a number of states, entities like insurance companies, banks, and public utilities are not subject to an income tax, but are taxed according to their specific industries.

Some of the most important historic buildings in a community are also the most challenging to rehabilitate and might not be well-suited for private redevelopment. Non-profit organizations will frequently step in to tackle the most complicated rehabilitation projects where there is a clear public benefit. Rehabilitation of a historic theater on main street, for example, may require the leadership of a nonprofit organization that can bring together all financial resources, including grants and state HTCs, to complete the project. To make this possible, state HTC programs frequently offer a mechanism for transferring the credits from nonprofit organizations to entities with tax liability. Additionally, some states allow the credits to be used by long-term lessees as well as property owners to encourage even more rehabilitation.

Finally, many states also offer historic tax credits for homeowners, which helps prevent displacement and preserves community character. States with historic homeowner tax credits offer communities a key tool for revitalizing older residential neighborhoods that is not available at the federal level.

**Geographic Distribution and Targeting.** Several state incentives increase the amount of credits available for areas that are suffering from disinvestment or other economic distress. For example, North Carolina’s successful mill credit offers additional credits to rehabilitation projects occurring in the state’s most economically distressed counties.

Other states have adopted geographic set-asides to increase the number of rehabilitation projects in rural areas. States considering setting aside historic tax credits for specific areas or purposes should take care to ensure the funds are fully used. Several states that set aside credits for rural communities, for example, require any unused allocation of credits to be reallocated to the original pool of funding to be spent down.

**ELEMENTS OF TOP PERFORMING STATE HISTORIC TAX CREDITS**

North Carolina’s historic rehabilitation tax credit programs, including one designed specifically to address vacant industrial buildings, enabled the stunning revitalization of the Innovation Quarter in Winston-Salem, North Carolina. Formerly vacant historic mills, now repurposed for biotech use, host more employees today than when they were first constructed for manufacturing.

**COURTESY VISIT WINSTON-SALEM**
Below is a state-by-state comparison summarizing different features of state historic tax credits, including the credit percentage, the amount of investment required by each state to apply for the credit, and how the credit may be transferred to another entity with tax liability. For additional details about each state’s credit, please consult the state historic preservation office and by clicking on each state name below.


### STATE HTCS AROUND THE COUNTRY

<table>
<thead>
<tr>
<th>STATE</th>
<th>STATUTE</th>
<th>EFFECTIVE YEAR</th>
<th>CREDIT PERCENTAGE FOR INCOME- PRODUCING PROPERTIES</th>
<th>CREDIT PERCENTAGE FOR HOMEOWNERS</th>
<th>ADDITIONAL CREDIT PRIORITIES</th>
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<th>DISPROPORTIONATE ALLOCATION BY PARTNERSHIP AGREEMENT</th>
<th>REFUND</th>
<th>CARRY FORWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>Act #2017-380</td>
<td>2018</td>
<td>25%</td>
<td>25%</td>
<td>Greater of 50% of purchase price or $25,000</td>
<td>$20M</td>
<td>$5M; 40% reserved for counties with &lt; 175K population</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>5 years</td>
</tr>
<tr>
<td>Arkansas</td>
<td>Act 840</td>
<td>2009</td>
<td>25%</td>
<td>25%</td>
<td>Major Historic Rehab Tax Credit</td>
<td>$25K commercial; $5K homeowners; $1.5M major rehab</td>
<td>$8M</td>
<td>$400K commercial; $25K non-income producing properties</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>California</td>
<td>SB451</td>
<td>2021</td>
<td>20%</td>
<td>20% if adjusted gross income &lt;$200K</td>
<td>28% for federal surplus property, affordable housing, designated census tract, military base reuse, or transit oriented development</td>
<td>same as federal HTC</td>
<td>$50M, with set aside of $2M for homeowners and $5M for small projects (≤ $7M QRE)</td>
<td>none for commercial; $25K for homeowners</td>
<td>●</td>
<td>●</td>
<td>5 years</td>
<td>●</td>
</tr>
<tr>
<td>Colorado</td>
<td>HB1190</td>
<td>2015; reauthorized 2018</td>
<td>25% for $2M QRE; 20% for $2M+ QRE</td>
<td>20%</td>
<td>25% disasters; 15% rural communities</td>
<td>$20,000</td>
<td>$10M commercial; non-residential aggregate cap</td>
<td>$1M commercial; $30K per residential property through 2032</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Connecticut</td>
<td>Connecticut Code</td>
<td>2014 commercial; 2000 homeowners</td>
<td>25%</td>
<td>30%</td>
<td>30% affordable housing or in opportunity zones</td>
<td>25% of assessed building value (commercial); $15K (homeowners)</td>
<td>$31.7M (commercial); $3M (homeowners)</td>
<td>$4.5M commercial; $50K homeowners</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Delaware</td>
<td>30 Del.C. Ch.16, Subch. II, §81603</td>
<td>2002</td>
<td>20%</td>
<td>30%</td>
<td>30% for non-profit; 40% for affordable housing and low income owners</td>
<td>same as federal HTC; $5K for owner-occupied</td>
<td>$8M; set aside of $1.5M small projects; $1.5M downtown development districts; and $100K resident curators</td>
<td>$50K for homeowners</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Georgia</td>
<td>(Ref GC/G.A., section 17-10, subdivision 6)</td>
<td>2002</td>
<td>25%</td>
<td>25% through 2024</td>
<td>30% for homes in HUD areas</td>
<td>Homowners—lesser of $25K or 50% adjusted basis; Commercial—greater of $5,000 or adjusted basis</td>
<td>$30M; $5M for homes</td>
<td>$5M commercial and $10M if meets job creation tests; $100K per home</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Hawai’i</td>
<td>$235-10.97</td>
<td>2019</td>
<td>30%</td>
<td>30%</td>
<td>25% assessed value of structure</td>
<td>$7M</td>
<td>None</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>10 years</td>
</tr>
<tr>
<td>Illinois</td>
<td>SB 1008</td>
<td>2012</td>
<td>25%</td>
<td>None</td>
<td>Allocation based on project size: 1) located in an area with commercial HTC program; 2) previously owned by a government entity; 3) located in low income census tract; 4) involves nonprofit, for-profit, or governmental project located in disaster area</td>
<td>$5K or adjusted basis between 2018-2027 greater of $5,000 or adjusted basis</td>
<td>$15M ($75M over 5 years)</td>
<td>$3M (per project)</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
</tbody>
</table>

**Note:** Rules out for comment for California.
<table>
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<tr>
<td>Indiana</td>
<td>IN Statutes, Article 23, Rule 37, IC 25-1-10, IAC 25-1-10</td>
<td>2002</td>
<td>None</td>
<td>20%</td>
<td></td>
<td></td>
<td>$250,000</td>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iowa</td>
<td>Iowa Chapter 194, 526</td>
<td>2000</td>
<td>25%</td>
<td>25%</td>
<td>Lesser of 50% of the assessed value or $50,000</td>
<td>$45M</td>
<td>None</td>
<td>●</td>
<td>●</td>
<td>Yes and reduces 5% per year till 75% in 2027</td>
<td></td>
<td>16 years</td>
</tr>
<tr>
<td>Kansas</td>
<td>Kansas Chapter 78, Article 32, Section 246</td>
<td>2001</td>
<td>25% in communities over 50,000 population (pop.)</td>
<td>25%</td>
<td>$5,000</td>
<td>None</td>
<td>None</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td>10 years</td>
</tr>
<tr>
<td>Kentucky</td>
<td>KY Revised Statutes 171</td>
<td>2005</td>
<td>up to 20%</td>
<td>30%</td>
<td>Greater of adjusted basis or $20K; $20K homeowners</td>
<td>$100M; 25% set aside for owner occupied residences</td>
<td>$10M commercial; $120K owner-occupied</td>
<td>●</td>
<td>●</td>
<td>Yes for non-taxed entities</td>
<td>●</td>
<td>7 years</td>
</tr>
<tr>
<td>Louisiana</td>
<td>Louisiana RS 47:6019</td>
<td>2002</td>
<td>20% if located in a downtown development or cultural district</td>
<td>None</td>
<td>$10,000</td>
<td>$125M annually</td>
<td>$5M per taxpayer, per year, per cultural district</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td>5 years</td>
</tr>
<tr>
<td>Maine</td>
<td>Maine Title 36, Part B &amp; Chapter 23, 529-19</td>
<td>2008</td>
<td>25%</td>
<td>None</td>
<td>35% for affordable housing</td>
<td>Same as federal HTC; $50K if federal HTC not claimed</td>
<td>None</td>
<td>$5M per building; per year</td>
<td></td>
<td></td>
<td>3 years</td>
<td></td>
</tr>
<tr>
<td>Maryland</td>
<td>HB27 (2022)</td>
<td>2004</td>
<td>20% for commercial as well as small commercial projects defined as under $500K in QRE</td>
<td>20%</td>
<td>Additional 5% for LEED Gold projects</td>
<td>$25K or 50% of the adjusted basis for commercial projects; $5K for small commercial projects</td>
<td>$20M Commercial; $2M small commercial 2024-2031</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Massachusetts</td>
<td>Mass. Regulation 830-CMR-6338r1</td>
<td>2005</td>
<td>up to 20%</td>
<td>None</td>
<td>25% for affordable housing</td>
<td>25% of adjusted basis</td>
<td>$55M</td>
<td>None</td>
<td>●</td>
<td>●</td>
<td>5 years</td>
<td></td>
</tr>
<tr>
<td>Michigan</td>
<td>Public Act 343, Enrolled S854</td>
<td>2020</td>
<td>25%</td>
<td>25%</td>
<td>Equal to or greater than 10% of the property value; $1000 for homeowners</td>
<td>$8M with $2M for income-producing; $2M for small projects, $1M for homeowners</td>
<td>None</td>
<td>●</td>
<td>●</td>
<td></td>
<td>10 years</td>
<td></td>
</tr>
<tr>
<td>Mississippi</td>
<td>Mississippi Code 37-32-17</td>
<td>2016</td>
<td>25%</td>
<td>25%</td>
<td>50% of the total base</td>
<td>$12M</td>
<td>None</td>
<td>Yes, but not also with refund</td>
<td>●</td>
<td></td>
<td>10 years</td>
<td></td>
</tr>
<tr>
<td>Missouri</td>
<td>Title XVI, Conservation, Resources &amp; Development, Chapter 23</td>
<td>1998</td>
<td>25%</td>
<td>25%</td>
<td>50% of total basis of the property</td>
<td>$104M annually ($603.5M in FY2023); additional $50M in areas of high poverty; small projects uncapped</td>
<td>$250K in credits per homeowner</td>
<td>●</td>
<td>●</td>
<td></td>
<td>10 years and 3 years carry back</td>
<td></td>
</tr>
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<tr>
<td>Montana</td>
<td>Montana Code, 15-31-151</td>
<td>1997</td>
<td>5% if receiving federal HTC</td>
<td>Allows residential rental purpose with min. 4 dwelling units</td>
<td>Up to 45% for transformative projects in qualified Incentive tracts or municipality</td>
<td>Greater of $5,000 or adjusted basis</td>
<td>None</td>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Jersey</td>
<td>Historic Property Reinvestment Act</td>
<td>2020</td>
<td>Up to 40%</td>
<td></td>
<td>20%</td>
<td>25% for barns</td>
<td>Greater of $5,000 or adjusted basis</td>
<td>Greater of adjusted basis or $5,000</td>
<td>$50M</td>
<td>$4M per project; $6M if transformative project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Mexico</td>
<td>(Amended 10.91, 10.93)</td>
<td>1984</td>
<td>50%</td>
<td>50%</td>
<td>None</td>
<td>None</td>
<td>$25K ($550K Inside Arts &amp; Cultural Districts)</td>
<td>$50M</td>
<td>$4M</td>
<td></td>
<td></td>
<td>4 years</td>
</tr>
<tr>
<td>New York</td>
<td>New York State Parks, Recreation, and Historic Preservation</td>
<td>2007</td>
<td>20% if receiving federal HTC; 30% for small projects under $2M QRE</td>
<td>20%</td>
<td>25% for barns</td>
<td>Greater of $5,000 or adjusted basis (commercial); $5,000 (homeowners) and 5% exterior work</td>
<td>None</td>
<td>$3M commercial; $50K homeowners; $750K barns</td>
<td>$50M</td>
<td>$4M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Carolina</td>
<td>NC Statutes, Chapter 105, 105-AHC N, Credit for Mill Rehabilitation Article 3H</td>
<td>2016</td>
<td>15% for up to $50M QRE; 10% for $50-200M QRE</td>
<td>15%</td>
<td>Additional credits for qualifying former industrial sites (mills, etc.)—% varies based on target area</td>
<td>Greater of $5,000 or adjusted basis in 24 months (commercial); $10K homeowners</td>
<td>None</td>
<td>$4.3M commercial; $22.5K homeowners; $3M vacant industrial</td>
<td>$5M</td>
<td>$50M</td>
<td>Yes, when 40% allocated to owner</td>
<td></td>
</tr>
<tr>
<td>North Dakota</td>
<td>N.D. Cent. Code § 30-65-08</td>
<td>1999</td>
<td>25% for projects in Renaissance zones</td>
<td>25%</td>
<td>50% of building value</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ohio</td>
<td>OHPTC Programs and Policies</td>
<td>2007</td>
<td>25% and goes to 55% in a city with less than 300,000 in population</td>
<td></td>
<td></td>
<td>$120M 2023–2024; $60M 2025–forward</td>
<td>$10M</td>
<td>$500,000</td>
<td>$5M</td>
<td></td>
<td></td>
<td>5 years</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>State Statute 68-2357.41</td>
<td>2009</td>
<td>20% if receiving federal HTC</td>
<td></td>
<td>Greater of $5,000 or adjusted basis</td>
<td>None</td>
<td>None</td>
<td>$3M</td>
<td>$50K</td>
<td>Yes for tax exempt entities</td>
<td></td>
<td>10 years</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>PA Article X, Historic Preservation, Incentive Tax</td>
<td>2013</td>
<td>25%</td>
<td>None</td>
<td>10% if workforce housing created</td>
<td>Greater of $5,000 or adjusted basis</td>
<td>$5M</td>
<td>$500,000</td>
<td>$5M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rhode Island</td>
<td>Rhode island laws §§ 33-35</td>
<td>2002</td>
<td>20%</td>
<td>20% for scattered site development of 5 residential units (which includes single family homes)</td>
<td>25% if quarter of space or 1st floor for business</td>
<td>Adjusted basis of the building</td>
<td>$28M (2022); $25M (2021)</td>
<td>$5M</td>
<td>$5M</td>
<td>Yes for 10% credit; Yes for pass through entities using mills credit</td>
<td></td>
<td>10 years</td>
</tr>
<tr>
<td>South Carolina</td>
<td>SC Code of Laws, Chapter 12, Article 12-67-102</td>
<td>2003</td>
<td>10% credit and; 25% optional credit if no federal HTC is used and less then $1M QRE per structure</td>
<td>25% and additional credits for hurricane preparations or retrofit</td>
<td>25% if quarter of space or 1st floor for business</td>
<td>Same as federal HTC (commercial); $15K for homeowners</td>
<td>$3M for those taking 25% optional credit; Yes for those also using mill credit</td>
<td>$3M</td>
<td>$5M</td>
<td>Yes for 10% credit; Yes for pass through entities using mills credit</td>
<td></td>
<td>5 years</td>
</tr>
</tbody>
</table>
## STATE HTCS AROUND THE COUNTRY, continued

<table>
<thead>
<tr>
<th>STATE</th>
<th>STATUTE</th>
<th>EFFECTIVE YEAR</th>
<th>CREDIT PERCENTAGE FOR INCOME-PRODUCING PROPERTIES</th>
<th>CREDIT PERCENTAGE FOR HOMEOWNERS</th>
<th>ADDITIONAL CREDITS/STATE PRIORITIES</th>
<th>SUBSTANTIAL REHAB REQUIREMENT</th>
<th>ANNUAL AGGREGATE CAP</th>
<th>ANNUAL PER-PROJECT CAP</th>
<th>DIRECT TRANSFER</th>
<th>DISPROPORTIONATE ALLOCATION BY PARTNERSHIP AGREEMENT</th>
<th>REFUND</th>
<th>CARRY FORWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>Tax Code Chapter 171, Subchapter B, Sec. 171.901</td>
<td>2015</td>
<td>25%</td>
<td>None</td>
<td>25% for nonprofit projects</td>
<td>$5,000</td>
<td>None</td>
<td>None</td>
<td>●</td>
<td></td>
<td></td>
<td>5 years</td>
</tr>
<tr>
<td>Utah</td>
<td>Utah Title-455, Rule-455</td>
<td>1993</td>
<td>None</td>
<td>20% for rental residential</td>
<td>25% façade, 50% code improvements, and 50% flood mitigation</td>
<td>None</td>
<td>$10,000</td>
<td>None</td>
<td>None</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vermont</td>
<td>32 V.S.A. § 5930cc</td>
<td>1998</td>
<td>10% if federal HTC is used</td>
<td>25% for nonprofit projects</td>
<td></td>
<td>None</td>
<td>No limit for 10% credit; $25K façade improvement; $12K–$75K bldg code; $75K flood mitigation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virginia</td>
<td>VA Code Title 58.1, Chapter 1, Section 58.1-339.2</td>
<td>1997</td>
<td>25%</td>
<td>25%</td>
<td>at least 50% of the assessed value (commercial); at least 25% of the assessed value (homeowner)</td>
<td>None</td>
<td>$15M per taxpayer</td>
<td>$15M per taxpayer</td>
<td></td>
<td></td>
<td></td>
<td>10 years</td>
</tr>
<tr>
<td>West Virginia</td>
<td>WV §11-21-8a</td>
<td>2018</td>
<td>25%</td>
<td>20%</td>
<td>$5,000 or adjusted basis</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>●</td>
<td></td>
<td></td>
<td>10 years</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>WI 71.07(1)(m)</td>
<td>2013</td>
<td>20%</td>
<td>25%</td>
<td>$50K commerical; $10K homeowner can take up to 5 years to spend</td>
<td>None</td>
<td>$3.5M per person</td>
<td>$3.5M per person</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### IMPORTANT DEFINITIONS

**Aggregate Cap:** the dollar limit on how much a state will invest in a state historic tax credit program, usually on an annual basis.

**Carry Backward:** the ability to apply current tax credits against taxes due in past years.

**Carry Forward:** the ability to apply current tax credits against taxes due in future years.

**CLG (Certified Local Government):** a local government certified by the state historic preservation officer as having the capacity to administer preservation programs, including grants under the National Historic Preservation Act.

**Disproportionate Allocation:** a mechanism involving the use of pass-through entities by which a state tax credit can be allocated to a taxpayer within the state in which the project is located, while the federal tax credit for the same project is allocated to an out-of-state person or entity.

**Direct Transferable:** the ability to make an outright transfer or assignment of the tax credit to another person or entity.

**Per-Project Cap:** a limit on how much in credits a state will be allocated to a single rehabilitation project.

**Recapture Period:** period during which specified action, such as a change in ownership of the property, will trigger an obligation to pay back a ratable portion of the tax credit previously claimed.

**Qualified Rehabilitation Expenditure:** expenditures that are certified by a state historic preservation office as being connected with the rehabilitation or restoration of a historic structure. Only expenses that are “qualified” may be used in the calculation to receive historic tax credits (HTCs).

**Secretary of the Interior’s Standard for Rehabilitation:** general standards adopted by the Department of the Interior governing the rehabilitation of historic buildings. Rehabilitation must be carried out in accordance with these standards to qualify for federal historic tax credits as well as for many state tax incentives, financing, or programs impacting designated historic structures.

**Sunset Date:** the date on which a statutory provision, such as a state tax credit program, will expire.
CONCLUSION

Over the last four decades, state historic tax credit incentives have encouraged public-private partnerships that help drive private investment into our older and historic communities. With an established record of success and innovation, these incentives are widely accepted as one of the most efficient and effective ways for states to support community revitalization and historic preservation goals.

The National Trust for Historic Preservation is committed to supporting and improving these state incentives and is pleased to produce and update this resource guide on an ongoing basis. With these incentives, states not only increase revenue by broadening their tax base, they also transform areas of disinvestment into neighborhoods that attract residents and tourists alike. State historic tax credits fill a critical funding gap in development project financing and enable vacant and underutilized historic buildings to become economically productive again.

In the last ten years, the National Trust has observed that states are more frequently looking to their state historic tax credit programs to find innovative ways to address critical issues, including the need for affordable and workforce housing. It is also clear that state historic rehabilitation tax credits that avoid program caps and are easily transferred are doing the most to achieve historic preservation, community revitalization, and other state policy objectives. As states continue to develop more dynamic and innovative historic tax credit programs, these incentives will become increasingly more important as the full effect of changes to the federal historic tax credit in 2018, which reduced the value of the federal credits, is realized.

The National Trust looks forward to helping states create and strengthen historic tax credit incentives that make even the most challenging rehabilitation projects possible and help address the needs of their citizens, residents, communities.
THE NATIONAL TRUST FOR HISTORIC PRESERVATION works to save America’s historic places for the next generation. We take direct, on-the-ground action when historic buildings and sites are threatened. Our work helps build vibrant, sustainable communities. We advocate with governments to save America’s heritage. We strive to create a cultural legacy that is as diverse as the nation itself so that all of us can take pride in our part of the American story.

National Trust for Historic Preservation
Paul Edmondson, President & CEO
Katherine Malone-France, Chief Preservation Officer
Tabitha Almquist, Chief Administrative Officer
Laura Bracis, Chief Financial Officer
Thompson Mayes, Chief Legal Officer and General Counsel
Ann McElwain, Chief Development Officer
Matt Montgomery, Chief Marketing Officer

Principal Authors
Renee Kuhlman joined the National Trust for Historic Preservation in 1997 and currently serves as the Senior Director of Outreach. Since 2004, she has been assisting legislators and advocates across the country with the adoption, expansion, and protection of state historic tax credits. Ms. Kuhlman earned an M.S. Degree in Historic Preservation from the University of Vermont and a B.A. Degree in History from the College of William and Mary.

Kate Lenzer, GISP, is a geospatial scientist and cartographer with a passion for using geospatial tools and data visualization methods to inform and inspire positive action. In her current role as the Senior GIS Project Manager at the National Trust for Historic Preservation, she uses GIS to research and analyze preservation issues such as sustainability, equity, and economic development. Kate received her B.A. from Ohio University and her M.S. from The University of New Mexico in Geography (Geographic Information Systems/Science).

James B. Lindberg has more than 30 years of experience in preservation, planning, and sustainable development, including five years as director of the National Trust’s Preservation Green Lab. He has led nationally recognized preservation and sustainable development projects, including the adaptive reuse of a former dude ranch in Rocky Mountain National Park and the green rehabilitation of a historic school in Denver. As Senior Director of State and Local Policy, Jim seeks innovative ways to encourage building reuse and create more inclusive, healthy, and resilient communities. He also teaches a class on adaptive reuse at the University of Colorado Denver. Jim earned a M.S. Degree in Historic Preservation from the University of Vermont and a B.A. Degree in the Growth & Structure of Cities from Haverford College.

Shaw Sprague joined the National Trust in 2012 and is the Vice President of Government Relations, where he oversees a team focused on advancing historic preservation priorities on Capitol Hill and with the Administration, including efforts to improve the federal historic tax credit. Prior to his time with the National Trust, Shaw advocated to preserve open space and culturally important lands as a Senior Legislative Representative with the Trust for Public Land. Shaw also served as a principal advisor to U.S. Senator Susan Collins on Natural Resource, Trade, and Energy and Environmental issues. Shaw earned a B.A. Degree in English Literature from the University of Colorado, Boulder and a J.D. from Suffolk University Law School in Boston, Massachusetts where he concentrated on environmental, municipal, and land use law.

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For more information, contact:
Renee Kuhlman, Senior Director of Outreach
202.588.6234 // rkuhlman@savingplaces.org
Kate Lenzer, GISP, Senior GIS Manager
202.588.6051 // klenzer@savingplaces.org
Jim Lindberg, Senior Director of State and Local Policy
720-634-5104 // jlindberg@savingplaces.org
Shaw Sprague, Vice President, Government Relations
202.588.6339 // ssprague@savingplaces.org