



AN  
**A.D. MARBLE & COMPANY**  
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# Historic Preservation: Rehabilitation Tax Credits

**D**id you know that the federal government rewards private investment in rehabilitating historic properties? The Federal Historic Preservation Tax Credit Program provides federal income tax incentives for the rehabilitation of historic income-producing properties. As long as the building and the rehabilitation meet certain standards, your property may be eligible for a tax credit worth 20 percent of the construction costs related to the rehabilitation of a historic building. The federal historic preservation tax credit program benefits not only the owner but also the occupants and the surrounding community by:

- ◆ *Encouraging the protection of historic properties through the promotion, recognition, and designation of historic structures;*
- ◆ *Increasing the value of rehabilitated properties resulting in the renewal of underutilized properties; and*
- ◆ *Upgrading downtowns and neighborhoods, often increasing the available housing within the community.*



*The Onion-Rawl House, eligible for listing in the National Register, is located in Baltimore County, Maryland.*

## PROPERTIES THAT ARE ELIGIBLE FOR TAX CREDIT

The Rehabilitation Investment Tax Credit (RITC) is only available to resources that are:

- ✓ Listed in the National Register of Historic Places;
- ✓ Contribute to a National Register-listed district; or
- ✓ Contribute to a Certified Local District (a locally designated historic district that has been certified by the National Park Service).



*Colonial Germantown Historic District, Philadelphia, Pennsylvania.*

The use of the building must be for an income-producing purpose, such as rental-residential, commercial, industrial, or agricultural. The resource must also be undergoing a substantial rehabilitation (more than \$5,000 over the adjusted basis of the building) that meets the Secretary of Interior's Standards for Rehabilitation. Properties eligible for the tax credit are generally 50 years of age or older AND are notable to local, regional, and/or national history or architecture. The RITC is not available for the rehabilitation of owner-occupied private residences.

#### How the RITC Works

Tens of thousands of properties throughout the United States have been approved for the RITC. A.D. Marble & Company has experience fulfilling all three parts required to successfully complete the RITC application and achieve certification for the RITC.

#### Part I: Evaluation of Significance

First, the building must be certified as historic. If the building is already listed in the National Register or National Historic Landmark Survey or is individually eligible for listing in the National Register, this step may be skipped. If a building is located within a National Register Historic District or a resource has not been previously listed

in the National Register, Part I must be submitted as part of the application packet.

#### Part II: Description of Rehabilitation

Full documentation of the building's character-defining features and a description of the work plan proposed to rehabilitate and reuse the building must be undertaken. This step must be completed BEFORE work begins to ensure that the proposed work meets the Secretary of Interior's Standards for Rehabilitation and is consistent with the historic character of the property. Proposed alterations, new construction, and demolitions must be approved beforehand by the State Historic Preservation Office in order to receive the tax credits.

#### Part III: Request for Certification of Completed Work

After the rehabilitation work is complete, the work is certified for the IRS. This document serves as proof that the rehabilitation is in accordance with the Secretary's Standards, thereby resulting in certification of the rehabilitation. Part III of the RITC application is substantiated by "before" and "after" photographs and plans.

#### How A.D. Marble & Company Can Help

A.D. Marble & Company professionals possess the experience and skills to immediately and continually save time and money in the tax

credit process. Its staff has completed National Register-eligibility documentation for thousands of properties throughout the United States and is well-versed in the application of the standards necessary to qualify rehabilitation for tax credits. A.D. Marble & Company has established relationships with the state and federal offices responsible for the listing of historic buildings in the National Register and for the certification of each of the tax credit applications.

	<p><b>Emma Young</b> <i>Architectural Historian</i></p>
<p>MA, Historic Preservation, University of Delaware 2005</p>	
<p>In her position as Architectural Historian, Ms. Young assists in the preparation of proposals; prepares architectural surveys; conducts historic research; and writes historic contexts, determination of eligibility reports and effects documentation, along with other project documents. Ms. Young has identified, surveyed, and evaluated a wide array of residential, agricultural, and commercial properties throughout the Mid-Atlantic Region.</p>	
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