

HISTORIC PRESERVATION TAX CREDITS

Massachusetts Historic Rehabilitation Tax Credit

<http://www.sec.state.ma.us/mhc/mhctax/taxidx.htm>

"The Massachusetts Historic Rehabilitation Tax Credit is an exciting addition to the preservation toolkit. Under the program a certified rehabilitation project on an income-producing property is eligible to receive up to 20% of the cost of certified rehabilitation expenditures in state tax credits. There is an annual cap, so there are selection criteria that ensure the funds are distributed to the projects that provide the most public benefit. The MHC certifies the projects and allocates available credits."

[The tax credit has been extended to the December 2022]

Preservation Massachusetts The Historic Tax Credit

<http://www.preservationmass.org/historic-tax-credit>

What does the MHRTC do?

"The Massachusetts Historic Rehabilitation Tax allows the certified rehabilitation of an income-producing property to receive up to 20% of the cost of certified rehabilitation expenditures in state tax credits. This credit, many times coupled with the Federal Rehabilitation Tax Credit, is a critical source of attaining project feasibility. The credits can be sold to third party investor for funds which are often put back into the project. The credit program makes evident the economic and community benefits of preservation."

Federal

What is the 20% tax credit for rehabilitating historic buildings? How long has this credit been available?

https://www.nps.gov/tPS/tax-incentives/incentives/essentials_1.htm

Answer

The FEDERAL HISTORIC PRESERVATION TAX INCENTIVES PROGRAM—the 20% tax credit—began in 1976. Since that time, the National Park Service (NPS) has administered it in partnership with the Internal Revenue Service (IRS) and with State Historic Preservation Offices (SHPOs). To date tens of thousands of rehabilitation projects have been approved, representing billions of dollars in private investment.

One of the federal government's most successful and cost-effective community revitalization programs, the Preservation Tax Incentives reward private investment in rehabilitating historic properties such as offices, rental housing, and retail stores. Abandoned or under-used schools, warehouses, factories, churches, retail stores, apartments, hotels, houses, and offices in many cities have been restored to life in a manner that retains their historic character. The Preservation Tax Incentives have also helped to create moderate and low-income housing in historic buildings.