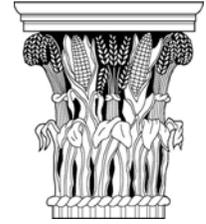


# North Carolina State Historic Preservation Office

Department of Cultural Resources  
Office of Archives and History



## Residential / Homeowner Historic Preservation Tax Credits

North Carolina's State Historic Rehabilitation Tax Credit Program provides jobs, bolsters the tax base, and revitalizes existing buildings and infrastructure, while preserving the state's priceless historic character. This program administered by our office, the State Historic Preservation Office, encourages the conservation of North Carolina's historic resources.

**The state tax credit offers owners of historic buildings:**

**A state tax credit of 30% for qualifying rehabilitations of nonincome-producing historic structures.**



*Before*

### Residential / Homeowner Rehabilitation Tax Credit Example:

**\$100,000 Rehabilitation Expenses**

**x 30% State Tax Credit**

**\$30,000 Tax Credit Amount**



*After*

### Eligibility

- Buildings listed in the **National Register of Historic Places** are candidates, either individually or as a contributing building in a National Register historic district. Contributing buildings within one of the state's three certified local historic districts in Raleigh, Goldsboro, or Madison, are also candidates.
- The rehabilitation of the historic structure must be substantial. Therefore the rehabilitation expenses must exceed \$25,000 within a 24 month test period; however, the overall project may take longer than 24 months.
- All rehabilitation work must meet **The Secretary of the Interior's Standards for Rehabilitation**. Our office reviews the proposed work and final project to determine if it meets the Standards.

**The Secretary of the Interior's Standards for Rehabilitation** were developed to determine the appropriateness of proposed project work on National Register listed properties and have been widely used since 1976. The intent of the Standards is to promote the long-term preservation of a property's significance through the preservation of historic materials and features on the exterior and interior of buildings. They also encompass related landscape features and the building's site and environment, as well as attached, adjacent, or related new construction.

## Application Process

**Property owners are strongly advised to consult with our office before beginning a rehabilitation to resolve potential design and rehabilitation problems that could result in the denial of the credits.**

The tax credit application process is two steps, both submitted by the owner for review and approval by our office.

- **Part A- Description of Rehabilitation**

Consists of detailed descriptions of existing conditions and the proposed work, overall before rehabilitation photos, and plans or drawings, as needed, to fully describe the scope of the rehabilitation project.

- **Part B – Request for Certification of Completed Work**

Consists of after photos documenting the rehabilitated property and documentation that the building contributes to a National Register Historic District. No documentation is needed for properties individually listed on the National Register.

## Claiming the Credit

- The credits cannot be claimed against the cost of acquisition, new additions (volume increase), site work, or personal property. Generally, costs incurred for rehabilitating the existing structure will qualify as rehabilitation expenses.
- The tax credits must be claimed in five equal annual installments, beginning with the taxable year the project is completed. Any unused credits from one year may be carried forward the next five years.

**Taxpayers should consult a tax advisor or the NC Department of Revenue for help in determining tax and other financial implications.**

A property is listed in the **National Register of Historic Places** by a nomination prepared according to detailed state and federal guidelines. Although all nominations are reviewed by the State Historic Preservation Office, the final authority on National Register listing is the Keeper of the National Register in Washington, D.C. Most nominations are prepared by private consultants hired by property owners, local governments, or private non-profit organizations. The nomination process typically takes a minimum of six months, and may take much longer. For information about the National Register of Historic Places and the requirements and procedures for listing contact our office.

**For application materials contact:**

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**Restoration Services Branch**  
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