

*Delaware's
Historic
Preservation
Tax Credit
Program*



*It pays to maintain
your historic property!*

Delaware's Historic Preservation Tax Credit Program offers state tax credits to property owners for expenses incurred during the rehabilitation of historic buildings. Administered by the Division of Historical and Cultural Affairs, the program has awarded more than \$27 million in tax credits since 2001. These tax credits have, in turn, spurred more than \$79 million in private investment, resulting in the rehabilitation of buildings for use as private residences, residential rental properties, and businesses.

BENEFITS OF OWNING & REHABILITATING HISTORIC BUILDINGS

- ◆ Historic buildings provide a link to the past and a sense of community
- ◆ The character and charm of historic buildings, exemplified by high-quality workmanship and vintage design features, provide a unique setting for people to live and work
- ◆ Property values rise faster in designated historic districts than in similar, non-designated locations
- ◆ Historic properties in need of repair can often be purchased at a reduced price, enabling the purchaser to increase value through rehabilitation

HOW TAX CREDITS REDUCE REHABILITATION COSTS

The program reduces the amount of state taxes owed by a percentage of the cost of rehabilitation. Tax credits can be transferred, sold, or assigned to anyone with Delaware income tax or franchise tax liability. The percentage of expenses eligible for tax credits is determined by the following types of property:

- ◆ 20% for income-producing buildings
- ◆ 30% for owner-occupied, residential buildings
- ◆ Low-income housing projects are eligible for an additional 10% credit

ELIGIBILITY

Expenditures involving the rehabilitation of a building's exterior and/or interior, as well as system upgrades are eligible for tax credits under the program. Eligible buildings must be listed individually in the National Register of Historic Places or located within a historic district that is listed in the National Register. In addition, rehabilitation work must be consistent with program guidelines, and rehabilitation costs must be at least \$5000 for homeowners and must meet IRS guidelines for income-producing properties. For complete guidelines, visit the following Web address: <http://history.delaware.gov/preservation/taxcredit.shtml>.

HOW TO APPLY

Property owners should contact the State Tax Credit Program Manager who will determine eligibility and provide advice on submitting a successful application. While applications are accepted throughout the year, tax credits are awarded on a first-come/first-served basis with a maximum annual distribution of \$5 million.

CONTACT INFORMATION

State Tax Credit Program Manager
Delaware Division of Historical and Cultural Affairs
21 The Green
Dover, DE 19901
Telephone: 302-736-7400
<http://history.delaware.gov/preservation/taxcredit.shtml>



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The Historic Preservation Tax Credit program can assist you with financing your historic property rehabilitation...



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call our program coordinator today for more information.