

*Historic Site Tax Exemptions
Proposed Amendments
November 28, 2018*



**PLANNING &
DEVELOPMENT
DEPARTMENT**

| Investment Benefit | Existing Eligibility | Proposed Eligibility |
|--|---|--|
| <p>Benefit equals Qualified Expenses (QE)</p> <p>Starting Land Value = \$200,000 Starting Structure Value= \$100,000 Investment = \$30,000 Benefit (annually/15 yrs)= \$30,000</p> <p>Property owner pays taxes on land value, structure value (less the qualified investment) times the tax rate for 15 years.</p> <p>Assuming a 4% annual in property value increase with a constant tax rate, total tax receipts over 20 years are:</p> <p>Without improvements: \$61,203 With improvements & exemption: \$53,508</p> | <p>QE are between 25% and 99% of the structures's value</p> <ul style="list-style-type: none"> • Landmarks • Protected Landmarks • Contributing Structures located inside a City of Houston Historic District | <ul style="list-style-type: none"> • No Change |
| <p>Benefit equals the HCAD value on January 1 of the next year:</p> <p>Starting Land Value = \$200,000 Starting Structure Value= \$100,000 Investment = \$200,000 Year 1 Improvement Value = \$225,000 Benefit (annually/15 yrs)= \$225,000</p> <p>Property owner pays taxes on land value, structure value (less the qualified investment) times the tax rate for 15 years.</p> <p>Assuming a 4% annual in property value increase with a constant tax rate, total tax receipts over 20 years are:</p> <p>Without improvements: \$63,359 With improvements & exemption: \$58,508</p> | <p>QE equal to or greater than 100% of the structures's value</p> <ul style="list-style-type: none"> • Landmarks • Protected Landmarks • Contributing Structures located inside a City of Houston Historic District | <ul style="list-style-type: none"> • No change for non-Single Family structures. • Single Family properties must meet the existing eligibility AND be located within a Qualified Opportunity Zone |