

NPS Qualified Expenses

Not every expense associated with a rehabilitation project contributes toward the calculations for the 20% rehabilitation tax credit. In general, only those costs that are directly related to the repair or improvement of structural and architectural features of the historic building will qualify.



Costs associated with these items are generally eligible

- Walls
- Partitions
- Floors
- Ceilings
- Permanent coverings, such as paneling or tiles
- Windows and doors
- Components of central air conditioning or heating systems
- Plumbing and plumbing fixtures
- Electrical wiring and lighting fixtures
- Chimneys
- Stairs
- Escalators, elevators, sprinkler systems, fire escapes
- Other components related to the operation or maintenance of the building

Expenses that do not qualify for the rehabilitation tax credit

- Acquisition costs
- Appliances
- Cabinets
- Carpeting (if tacked in place and not glued)
- Decks (not part of original building)

- Demolition costs (removal of a building on property site)
- Fencing
- Feasibility studies
- Financing fees
- Furniture
- Landscaping
- Leasing Expenses
- Moving (building) costs (if part of acquisition)
- New construction costs or enlargement costs (increase in total volume)
- Outdoor lighting remote from building
- Parking lot
- Paving
- Planters
- Porches and Porticos (not part of original building)
- Retaining walls
- Sidewalks
- Signage
- Storm sewer construction costs
- Window treatments

Expenses that Qualify for the Rehabilitation Tax Credit

Any expenditure for a structural component of a building will qualify for the rehabilitation tax credit. Treasury Regulation 1.48-1(e)(2) defines structural components to include walls, partitions, floors, ceilings, permanent coverings such as paneling or tiling, windows and doors, components of central air conditioning or heating systems, plumbing and plumbing fixtures, electrical wiring and lighting fixtures, chimneys, stairs, escalators, elevators, sprinkling systems, fire escapes, and other components related to the operation or maintenance of the building. In addition to the above named "hard costs", there are "soft costs" which also qualify. These include construction period interest and taxes, architect fees, engineering fees, construction management costs, reasonable developer fees, and any other fees paid that would normally be charged to a capital account.

Are solar panels, wind turbines or geothermal systems eligible expenses?

Because IRS regulations define structural components to include all features (whether in, on, or adjacent to the building) of a central air conditioning or heating system, plumbing and plumbing fixtures, electric wiring, and other components relating to the operation or maintenance of a building, the function and purpose of a renewable energy system will determine if it is an eligible expense. Solar panels, wind turbines, and geothermal systems that are essential to the operation or maintenance of the rehabilitated historic building should qualify for this tax credit. However, systems that produce electricity to back feed the power grid may not qualify.

Sec. 44-5. Tax relief for the restoration or preservation of historical sites

(a) The city council may, by ordinance, grant tax relief in the form of an exemption from ad valorem taxation to any "historic site," which for purposes of this section means a structure that has been designated as a landmark or as a contributing structure or a potentially contributing structure in a historic district pursuant to article VII of chapter 33 of this Code. The historic site must meet the first of the following qualifications, and, in the case of any historic site that is designated as a potentially contributing structure, the second qualification:

(1) At any time following the designation of the historic site by the city council pursuant to article VII of chapter 33 of this Code, the owner must perform restoration or preservation of the historic site to encourage its preservation. The work performed must be at a cost of at least 50 percent of the assessed value of the historic structure or improvements, not including the value of any land associated with the historic site. The required expenditure shall be determined by the director of finance, based upon the assessed value of the historic structure or improvements not including the value of any land associated with the historic site prior to the work ("the base value"). Only expenditures made for work performed either following or within five years of the designation of the property by the city council pursuant to article VII of chapter 33 of this Code may be applied.

(2) For a potentially contributing structure, the restoration or preservation made or proposed to be made must have the effect of reversing incompatible alterations or deteriorating conditions of the structure, as evidenced by a certificate of appropriateness issued by the Houston Archaeological and Historical Commission.

The denial of any application for a certificate of appropriateness under article VII of chapter 33 of this Code shall be grounds for denial or revocation of any tax exemption authorized by this ordinance.

(b) Each historic site for which a tax exemption is sought must meet the applicable qualifications set out in subsection (a) hereof. The historic site must not be or have been the subject of a certificate of appropriateness, as defined in section 33-201 of this Code, issued pursuant to sections 33-247 or 33-250 of this Code, which shall be grounds for denial or revocation of the exemption. Each owner desiring the tax exemption must make sworn application to the director of finance of the city. The application shall be in a form approved by the director of finance and shall set forth facts sufficient to show that the historic site is eligible for tax relief hereunder.

(c) An exemption granted hereunder by the city council shall exempt the historic structure or improvements not including the value of any land associated with this historic site from ad valorem taxation on the basis of qualifying expenditures made for bona fide restoration or preservation, as determined by the director of finance upon demonstration by the owner. The exemption shall be computed on the following basis:

(1) If the said qualifying expenditures are at least 50 percent but less than 100 percent of the base value, then the exemption for each tax year on the assessed value of the structure shall be equal to the amount of the qualifying expenditures;
or

(2) If the said qualifying expenditures are 100 percent or more of the base value of the improvements, then the exemption for each tax year shall be one hundred percent of the assessed value of the historic structure or improvements not including the value of any land associated with this historic site.

In any event, however, the exemption granted to any historic site pursuant to this section shall be subject to a limitation in the form of a maximum dollar amount. The maximum dollar amount shall be the assessed value of the historic structure in the year following demonstration of completion of the restoration or preservation work and demonstration of the qualifying expenditures to the director of finance. The amount of the exemption allowed on a historic structure shall not exceed the aforesaid maximum dollar amount in any tax year for the duration of the exemption period.

The duration of the aforesaid exemption shall be for a period of 15 years if the restoration project receives no financial incentive from the city funded by municipal hotel occupancy taxes, or ten years if the restoration project receives a financial incentive from the city funded by municipal hotel occupancy taxes. The exemption shall begin on January 1 of the year following the date that the director of finance makes the determination that the owner of the historic site has met all of the requirements of this section for an exemption.

The director of finance, in consultation with the planning official, shall establish and promulgate written procedures for the implementation of the exemption provided herein and the review of applications, and the said officials shall jointly make a recommendation to the city council regarding each application that is duly submitted for consideration.

(d) An exemption granted under this section shall be effective as of January 1 of the year following demonstration of completion of the restoration or preservation work and demonstration of the making of the qualifying expenditures to the director of finance. If sufficient restoration work on a designated historic site has not been completed to satisfy either subdivision one or two of subsection (c) above within five years of the passage of a historic site tax exemption ordinance, then said ordinance shall expire. After the expiration of any such ordinance under the terms of this provision, upon a showing of good cause for the delay, the owner of the historic site may apply for a new tax exemption ordinance.

(e) The exemption shall be automatically continued as of January 1 of each year succeeding the year the exemption was first granted for the duration of the ten- or 15-year period. The exemption shall be continued in the event of a transfer of an ownership interest or a portion of an ownership interest in the historic structure during such ten or 15-year period. However, the exemption shall be terminated in the event of a second transfer of an ownership interest or a portion of an ownership interest in a historic structure, other than a single-family property containing no more than four residential units, during such ten- or 15-year period. In the case of a condominium or other multi-family residential building, the second transfer of an ownership interest or a portion of an ownership interest in an individual unit shall cause the termination of the exemption pertaining to that particular unit. As used in this section, a "transfer" of an ownership interest or portion of an ownership interest shall not include such transfers as a lease, a mortgage, a transfer by inheritance, a creation of a trust for the benefit of the owner, or other transaction not ordinarily regarded as a "sale" of property.

A person who has an ownership interest in property that has been granted a historic site exemption from ad valorem taxation shall record a copy of the ordinance providing for such exemption in the real property records of the county in which the property is located. Failure on the part of the applicant to deliver a copy of such recorded ordinance, showing the date of recordation in the appropriate real property records, to the director of finance within 90 days of the date of passage of the ordinance providing for a tax exemption shall cause the expiration of the exemption at the end of such 90-day period.

(f) The director of finance shall conduct an annual review of each property granted an exemption hereunder, and, if he finds that any city taxes assessed on the subject property are delinquent, the historic site has deteriorated, has been demolished or destroyed, or has been the subject of a certificate of appropriateness issued pursuant to sections 33-247 or 33-250 of this Code, then the changed condition shall constitute grounds for revocation of the exemption.

(g) Tax receipts and tax certificates issued for any historic site receiving tax relief pursuant to this section shall be clearly marked: "Historic site--Subject to recapture of additional taxes under Code of Ordinances." Each year during which the property is granted tax relief, the director of finance shall note on his records the valuation which would have been made and the taxes that would have been due had the historic site not qualified for tax relief under this section. If the historic site is subsequently damaged, demolished, or destroyed, or if a certificate of appropriateness is issued for the historic site pursuant to sections 33-247 or 33-250 of this Code, then the property shall be subject to a recapture of taxes and subject to penalties and interest calculated under pertinent provisions of the Texas Tax Code. The additional tax shall be equal to the difference between taxes paid or payable hereunder and the amount of the tax payable for the preceding fifteen years had the property not been granted tax relief. Such additional taxes shall be deposited in a segregated account, the use of which shall be established by city council by a subsequent ordinance. Until paid, there shall be a lien for additional taxes, penalty, and interest on the property granted tax relief under the provisions of this section. An obligation to pay recaptured taxes is extinguished by operation of force majeure. Force Majeure means: fires, floods, hurricanes, tornadoes, ice storms and other natural disasters, explosions, war, terrorist acts, riots, and the acts of superior governmental or military authority, and which the affected party is unable to prevent by the exercise of reasonable diligence. The term does not include any changes in general economic conditions such as inflation, interest rates, economic downturn or other factors of general application, bankruptcy or an event that merely makes performance more difficult, expensive or impractical.

(h) A historic site for which an exemption has expired or has been withdrawn, revoked, or terminated may not requalify hereunder except as allowed under subsection (d).

(i) It is the policy of the city to facilitate the issuance of building permits for work to be performed under this section. Consistent with the terms of the Construction Code, the building official shall work with persons who are performing preservation and restoration work to allow alternative methods of construction and alternative materials that are determined to be suitable under the provisions of the Construction Code and shall waive strict conformance with the Construction Code as authorized by Section 3406.1 of the Building Code.

(j) Notwithstanding any other provision of this code, a structure that has been designated as a landmark or as a contributing structure or a potentially contributing structure in a historic district pursuant to article VI of chapter 33 of this Code and that is owned by the State of Texas or a political subdivision thereof is entitled to an exemption equal to 100 percent of the assessed value of the historic structure and the land necessary for access and use of such structure. If an application for an exemption pursuant to this subsection is granted prior to the adoption of the ad valorem tax rate for the tax year in which the application is granted, the exemption shall be effective as of January 1 of that tax year. If such an application is granted after the adoption of the ad valorem tax rate for the tax year in which the application is granted, the exemption shall be effective as of January 1 of the tax year following the date the application was granted. An exemption granted pursuant to this subsection shall remain effective until the property is sold. The director of finance and administration shall conduct an annual review of each property granted an exemption pursuant to this subsection, and if he finds that a historic site has deteriorated or has been demolished or destroyed, then such changed condition shall constitute grounds for revocation of the exemption.

(Code 1968, § 44-4.1; Ord. No. 81-625, § 1, 4-1-81; Ord. No. 95-227, § 2, 3-1-95; Ord. No. 01-212, § 2, 3-7-01; Ord. No. 02-399, § 91, 5-15-02; Ord. No. 02-838, § 2, 9-4-02; Ord. No. 03-159, § 10, 2-12-03; Ord. No. 04-955, § 1, 9-15-04; Ord. No. 07-658, § 2, 6-6-07; Ord. No. 08-52, § 76, 1-16-08, eff. 1-26-08)

Sec. 44-29. Tax relief for significant historic structures

(a) The city council may, by ordinance, grant tax relief in the form of an exemption from ad valorem taxation to any significant historic structure, that:

- (1) Is at least 50 years old;
- (2) If a residence, the structure:
 - A. Was originally built and used for non-residential purposes and
 - B. Now contains more than four residential units;
- (3) Has received a city protected landmark designation under article VII of chapter 33 of this Code; and
- (4) Has been designated as a Recorded Texas Historical Landmark, or is individually listed in the National Register of Historic Places, or has been mentioned as having historic significance in an authoritative survey conducted by a non-profit or government agency.

(b) For purposes of this section, any property that meets the criteria in subsection (a) is a significant historic structure. Each significant historic structure must obtain a 75 percent approval of the members of the Houston Archeological and Historical Commission present at a regularly scheduled meeting. The Houston Archeological and Historical Commission shall review the applications for tax relief for significant historic structures on an annual basis to determine whether the eligibility standards of subsection (a) are met. Each owner desiring the tax exemption must make sworn application to the director of finance of the city. The application shall be in a form approved by the director of finance and shall set forth facts sufficient to show that the significant historic structure is eligible for tax relief as described in this section.

(c) An exemption granted by city council upon recommendation of the Houston Archeological and Historical Commission shall exempt from ad valorem taxation the significant historic structure, improvements and land associated with this significant historic structure from ad valorem taxation. The exemption shall be computed on the following basis:

100 percent of the appraised value of the structure, improvements and the land necessary for access to and use of the significant historic structure per year may be exempt from ad valorem taxation. If the significant historic structure is owned by more than one owner, then the total tax reduction shall be pro-rated among the various multiple owners, in proportion to the appraised value of each owner's respective ownership interest in the structure to the total appraised value of all the owners' ownership interests in the structure. Under no circumstances may the exemption for any one structure result in a tax reduction of greater than \$30,000.00 for any tax year.

City council from time to time may, by ordinance, exempt properties from the maximum limit established above so long as the properties meet the criteria required for this exemption. The duration of the aforesaid exemption shall be for the duration of compliance with subsection (a) of this section. The exemption shall begin on January 1 of the year following the date that the exemption is granted by city council.

The director of finance, in consultation with the planning official, shall establish and promulgate written procedures for the implementation of the exemption and the annual review of applications, and these officials shall jointly make a recommendation and submit the recommendation of the Houston Archeological and Historical Commission to the city council regarding each application that is duly submitted for consideration.

(e) The director of finance shall conduct an annual review of each property granted an exemption as a significant historic structure, and, if he finds that:

- (1) Any city taxes assessed on the subject property are delinquent;

- (2) The owner or, in the case of multiple owners, any of the multiple owners is delinquent on city taxes on any other property;
- (3) The significant historic structure has deteriorated, has been relocated, demolished or destroyed; or
- (4) The site no longer meets the requirements of section (a) of this ordinance; then the changed condition shall constitute grounds for revocation of the exemption. The director of finance shall give a 90-day notice to the owner of a significant historic structure prior to any revocation of the exemption granted pursuant to this section. The purpose of such notice shall be to allow the owner an opportunity to correct the changed condition.

(f) Tax certificates issued for any significant historic structure receiving tax relief pursuant to this section shall be clearly marked: Significant Historic Structure--Subject to recapture of taxes under Code of Ordinances. (Each year during which the property is granted tax relief, the director of finance shall note on his or her records the valuation that would have been made and the taxes that would have been due had the significant historic structure not qualified for tax relief under this section. If the property has a changed condition described under subsection (e) of this section or no longer meets the requirements of subsection (a) of this section, then the property shall be subject to a recapture of taxes and subject to penalties and interest calculated under pertinent provisions of the Texas Tax Code. The additional tax shall be equal to the amount of the tax payable for the preceding fifteen years had the property not been granted tax relief. Such additional taxes shall be deposited in a segregated account, the use of which shall be established by city council by a subsequent ordinance. Until paid, there shall be a lien for additional taxes, penalty, and interest on the property granted tax relief under the provisions of this section. An obligation to pay recaptured taxes is extinguished by operation of force majeure. Force Majeure means: fires, floods, hurricanes, tornadoes, ice storms and other natural disasters, explosions, war, terrorist acts, riots, and the acts of superior governmental or military authority, and which the affected party is unable to prevent by the exercise of reasonable diligence. The term does not include any changes in general economic conditions such as inflation, interest rates, economic downturn or other factors of general application, bankruptcy or an event that merely makes performance more difficult, expensive or impractical.

(g) This exemption is not available to any qualifying significant historic structure that has been acquired or improved in whole or in part by a city funded economic development grant or loan, tax increment reinvestment zone financing or funding, tax abatement agreement, or acquired or improved as the subrecipient of a federally funded economic development grant or loan agreement.

(h) The owner of a historic site that receives an exemption under section 44-5 of this code may apply for and receive an exemption as a significant historic structure if it meets the requirements under this section.

(Ord. No. 07-658, § 3, 6-6-07; Ord. No. 08-52, § 78, 1-16-08, eff. 1-26-08)

Property Tax Incentives for Historic Properties in Fort Worth

Highly Significant Endangered Structure --historic (landmark) or contributing structure deemed in need of tax relief to encourage its preservation

HSE	Tax Benefit for Improvements	Tax Benefit for land	Requirements	Term
City of Fort Worth	100% tax exemption	<u>Frozen Valuation:</u> 100% of increase in value (pre-renovation)	Costs of renovation must meet or exceed the greater of 30% of the value of the structure prior to rehab, or at least \$3,000	Minimum of 10 years, maximum of 15 years. Renewable after 10 years of NO benefits
Tarrant County	<u>Frozen Valuation:</u> 100% of the increase in value (pre-renovation), no exemption shall reduce the taxes less than they were before the exemption.	<u>Frozen Valuation:</u> 100% of the increase in value (pre-renovation), no exemption shall reduce the taxes less than they were before the exemption	(1) Must prove economic justification to qualify, and, (2) Costs of renovation must be at least 50% of the appraised value of the Improvement and Land (3) Must be multi-family housing or commercial, no single family housing	10 years -- Non-renewable

Historic and Cultural Landmark --A historic (landmark) or contributing structure within a Historic District

Landmark	Tax Benefit for Improvements	Tax Benefit for land	Requirements	Term
City of Fort Worth	<u>Frozen Valuation:</u> 100% of the increase in value (pre-renovation), if value goes down, lower value applies	<u>Frozen Valuation:</u> 100% of the increase in value (pre-renovation), if value goes down, lower value applies	Costs of renovation must meet or exceed the greater of 30% of the value of the structure prior to rehab, or \$3,000	10 years. Renewable after 10 years of NO benefits
Tarrant County	<u>Frozen Valuation:</u> 100% of the increase in value (pre-renovation), no exemption shall reduce the taxes less than they were before the exemption	<u>Frozen Valuation:</u> 100% of the increase in value (pre-renovation), no exemption shall reduce the taxes less than they were before the exemption	(1) Must prove economic justification to qualify, and, (2) Costs of renovation must be at least 50% of the appraised value of the Improvement and Land (3) Must be multi-family housing or commercial, no single family housing	10 years -- Non-renewable

Tarrant County Hospital District: According to an exemptions specialist, very few incentives are given by the Hospital District and they are determined on a case-by-case basis.

Property Tax Incentives for Historic Properties in Dallas
Urban Historic Districts --A historic (landmark) or contributing structure within this district

UHD	Tax Benefit for improvements	Tax Benefit for land	Requirements	Term
City of Dallas	100% tax exemption	100% tax exemption	Costs of renovation must be at least 75% of the value of the improvements (pre-renovation)	10 years
City of Dallas	<u>Frozen Valuation:</u> 100% of the increase in value (pre-renovation)	<u>Frozen Valuation:</u> 100% of the increase in value (pre-renovation)	Costs of renovation must be at least 50% of the value of the improvements (pre-renovation)	10 years
City of Dallas-Residential/ground floor conversion	100% tax exemption	100% tax exemption	50% of the improvements must be converted to residential and 65% of Ground Floor must be converted to retail	5 years
Dallas County*	<u>Frozen Valuation:</u> 50% to 90% of the increase in value (pre-renovation), bonus abatements may be awarded	None offered	The renovated project must increase the County's tax base (tax valuation) by at least \$2M within the first 3 yrs.	10 years -- Non-renewable

Revitalizing Historic District --A historic (landmark) or contributing structure within this district

RHD	Tax Benefit for improvements	Tax Benefit for land	Requirements	Term
City of Dallas-rehabed properties	100% tax exemption	100% tax exemption	Costs of renovation must be at least 25% of the value of the improvements (pre-renovation)	10 years
City of Dallas-Maint. on properties	<u>Frozen Valuation:</u> 100% of increase value (pre-renovation)	<u>Frozen Valuation:</u> 100% of increase value (pre-renovation)	Annual costs of maintenance must be at least 3% of the value of the improvements (pre-renovation)	3 years
Dallas County*	<u>Frozen Valuation:</u> 50% to 90% of the increase in value (pre-renovation), bonus may be awarded*	None offered	The renovated project must increase the County's tax base (tax valuation) by at least \$2M within the first 3 yrs.	10 years -- Non-renewable

Property Tax Incentives for Historic Properties in Dallas Cont.
Citywide --A (landmarked) structure within any area not within the RHD or UHD

Citywide	Tax Benefit for improvements	Tax Benefit for land	Requirements	Term
City of Dallas-rehabed properties	Frozen Valuation: 100% of increase value (pre-renovation)	Frozen Valuation: 100% of increase value (pre-renovation)	Costs of renovation must be at least 50% of the value of the improvements (pre-renovation)	10 years
City of Dallas-endangered properties	100% tax exemption	100% tax exemption	Costs of renovation must be at least 25% of the value of the improvements (pre-renovation)	10 years
Dallas County*	Frozen Valuation: 50% to 90% of the increase in value (pre-renovation), bonus may be awarded*	None offered	The renovated project must increase the County's tax base (tax valuation) by at least \$2M within the first 3 yrs.	10 years -- Non-renewable

*bonus abatements awarded if a project develops housing, is located in distressed area, utilizes a structure with extraordinary historical significance, is in serious danger of being demolished and/or project will generate significant economic activity

Property Tax Incentives for Historic Properties in San Antonio

Residential historic (landmark) or contributing structures

	Tax Benefit for improvements	Tax Benefit for land	Requirements	Term
City of San Antonio - Basic Residential	(1) Frozen Valuation: 100% of increased value (pre-renovation) for 10 years, or, (2) 100% tax exemption for 5 years, then 50% reduction of valuation for last 5 years (post rehab value)	(1) Frozen Valuation: 100% of increased value (pre-renovation) for 10 years, or, (2) 100% tax exemption for 5 years, then 50% reduction of valuation for last 5 years (post rehab value)	"Substantial Rehabilitation"* is required and must include efforts to prolong the life of the bldg.	Either: (1) 10 years - added value or, (2) 5 years no tax then 5 years 50% abatement
City of San Antonio - Owner Occupied	20% abatement if owner remains in property	20% abatement if owner remains in property	Applies to properties in New Historic Districts. Owner must occupy the house at the time the district is designated	10 years
City of San Antonio - Long-Time Resident	20% abatement if owner remains in property	20% abatement if owner remains in property	Applies to properties in New Historic Districts. Owner must occupy the house at the time the district is designated	10 years - 5 year extension if owner remains at property
City of San Antonio - Substantially Rehabbed Low - Income Rental	100% tax exemption	100% tax exemption	(1)"Substantial Rehabilitation"* is required and must include efforts to prolong the life of the bldg. and (2) 40% of the units must be offered to low-income tenants	10 years
Bexar County	does not offer incentives	does not offer incentives	does not offer incentives	does not offer incentives

Commercial historic (landmark) or contributing structures

	Tax Exemption on assessed value of improvements	Tax Exemption of assessed value of land	Requirements	Term
City of San Antonio	100% tax exemption for 5 years, then 50% reduction of valuation for last 5 years (post rehab value)	100% tax exemption for 5 years, then 50% reduction of valuation for last 5 years (post rehab value)	"Substantial Rehabilitation"* is required and must include efforts to prolong the life of the bldg.	10 years
Bexar County	does not offer incentives	does not offer incentives	does not offer incentives	does not offer incentives

*According to Tricia at COSA "Substantial Rehabilitation" is at the discretion of the board but is generally considered to be between 30 & 50% of the improvement value, that sustain the building for a long time (plumbing, roof, brick, not just interior remodel)

Property Tax Incentives for Historic Properties in Houston

General Historic Buildings and Residences

	Tax Benefit for improvements	Tax Benefit for land	Requirements	Term
City of Houston	Frozen Valuation: Valuation reduced between a min. of 50% and a max of 99% post-renovation) improvement valuation only, based upon a formula	None offered	Costs of renovation must be at least 50-99% of the base value. Valuation is reduced based upon a formula = to rehab expenditures divided by valuation of improvements	up to 15 years
City of Houston	100% tax exemption (post-renovation) improvement value, plus any added value the first taxable year after rehab completion	None offered	Costs of renovation must be at least 100% of the base value. Valuation is reduced based upon a formula = to rehab expenditures divided by valuation of improvements	up to 15 years
Harris County*	Frozen Valuation: Valuation reduced by maximum of 75%* of Improvement valuation only	None offered	Cost of rehab must be equal to or greater than 100% of the pre-renovation appraised value of structure and land, but in no case less than \$1M	7 years

*Owner must show economic justification, showing that the project is unlikely to be developed without the exemption

Significant Historic Buildings - Structures must have been built for commercial purposes originally

	Tax Benefit for improvements	Tax Benefit for land	Requirements	Term
City of Houston	Tax Exemptions for amounts up to \$30,000 per year total for land and improvements	Tax Exemptions for amounts up to \$30,000 per year total for land and improvements	(1) Must have been built originally for commercial purposes, and, (2) undergo renovation to contain more than 4 residential units, or be used commercially	annually renewable
Harris County*	Frozen Valuation: Valuation reduced by maximum of 75%* of Improvement valuation only	None offered	Cost of rehab must be equal to or greater than 100% of the pre-renovation appraised value of structure and land, but in no case less than \$1M	7 years

*Owner must show economic justification, showing that the project is unlikely to be developed without the exemption

Property Tax Incentives for Historic Properties in Tyler**General Historic Buildings and Residences**

	Tax Benefit for improvements	Tax Benefit for land	Requirements	Term
	Frozen Valuation: Added Value reduced up to 100% (up to a maximum assessed value of \$2M)	Frozen Valuation: Added Value reduced up to 100% (up to a maximum assessed value of \$2M)	\$30,000 must be spent in rehabbing property	5 years
City of Tyler				
Smith County	does not offer incentives	does not offer incentives	does not offer incentives	does not offer incentives

Property Tax Incentives for Historic Properties in Austin**Landmarks used exclusively as residence by the owners or owned by a non-profit**

	Tax Benefit for improvements	Tax Benefit for land	Requirements	Term
City of Austin	100%*	50%*	none	annually renewable
Travis County	100%	50%	none	annually renewable

*Properties designated post 12/04/2004 eligible for the greater of 50% of the tax levy or \$2,000

General Historic Landmarks

	Tax Benefit for improvements	Tax Benefit for land	Requirements	Term
City of Austin	50%	25%	none	annually renewable
Travis County	100%	50%	none	annually renewable