

Federal Rehabilitation Income Tax Credit

This tax credit is available for rehabilitation of income-producing structures for commercial, industrial, agricultural or rental residential purposes, including rental single-family homes and apartment buildings. Tax credits provide a dollar-for-dollar reduction of income tax owed. The 20% rehabilitation tax credit equals 20% of the amount spent in the rehabilitation of a certified historic building. The goal of the rehabilitation credit is to put the building back to use so that it is functional and meets current housing, retail, commercial or industrial needs.

All elements of a rehabilitation project must meet the Secretary of the Interior's Standards for Rehabilitation. They must also meet basic tax requirements of the Internal Revenue Service Code. The tax credit must be claimed on the appropriate IRS form for the tax year in which the rehabilitated building is placed in service.

From 1987 through 2010, about \$552 million of investment financed by federal historic preservation tax credits was affected in Miami Beach. The total value of the credits was \$110 million. The 2009 renovation of the Fontainebleau Hotel accounted for \$322 million of the total investment in Miami Beach historic rehabilitation. Throughout the State of Florida from 1987 to 2010, federal historic preservation tax credits worth a total of \$184 million funded \$919 million in rehabilitation work. Of that, 60% was in Miami Beach.

To learn more, explore the following links:

<http://www.nps.gov/history/hps/tps/tax/>

http://www.nps.gov/history/hps/tps/tax/download/HPTI_brochure.pdf