

HISTORIC PRESERVATION TAX INCENTIVE PROGRAMS

Updated August 2017

Tax Incentives for Rehabilitation

ABILENE

Tax exemptions are available for the rehabilitation of structures located within a local historic district. The city compensates the property owner for all or part of the eligible costs of rehabilitation by reducing the owner's city property taxes for a period of up to 10 years. The exemption equals 50% of the increased value of a structure after an approved rehabilitation project. Rehabilitation costs must exceed \$750.

In addition to the tax exemption for rehabilitation, the city offers an annual property tax exemption of \$200 or 20% (whichever is greater) for all properties located within a local historic district.

<http://abilenetx.com/home/showdocument?id=7043>

AUSTIN

Contributing properties in Austin's locally-designated historic districts are eligible to receive a tax abatement for qualified historic rehabilitation. The property owner must spend a minimum amount on rehabilitation work including a certain percentage spent on the exterior in order to qualify. The project must be approved by the Austin Historic Landmark Commission with a Certificate of Appropriateness, and city staff will inspect the project at completion to certify compliance. Once the project is certified, the city abates 100% of the city property taxes assessed on the added value of the property for either 7 or 10 years, depending on the location and use of the property.

https://www.austintexas.gov/sites/default/files/files/Planning/Historic_Preservation/lhd_tax_abatement_application.pdf

Austin also offers tax incentives to owners of local historic landmarks. Properties that are owner occupied may be exempt from 100% of the value of the structure and 50% of the value of the land for the city and county portion of the property tax. The school district will exempt 50% of the value of the structure and 25% of the value of the land.

Income-producing local landmarks are eligible for an exemption at half the percentages as an owner-occupied residence (i.e. 25% and 12.5%).

For newly-designated owner occupied landmarks, there is a cap of \$8,500 (\$2,500 by the city and county and \$3,500 by the school district). All property owners seeking the tax exemption must file an annual application with the appraisal district and an affidavit with the city stating the reason they are seeking the tax relief pursuant to the Texas Tax Code.

DALLAS

Tax exemption program for rehabilitating historic structures. The amount of tax exemption depends on the type of property and how much the person invests in the property. Only properties designated

as a City of Dallas historic landmarks and properties contributing to a historic district are eligible. The types of exemptions are broken up into four areas: endangered historic districts, urban historic districts, revitalizing historic districts, and all other areas. These areas determine the minimum required expenditure to be eligible.

http://dallascityhall.com/departments/sustainabledevelopment/historicpreservation/Pages/tax_incentives.aspx

Type of Exemption:

Please ask staff which category of exemption you may qualify to receive.

Category		Type	Required Expenditures (% of pre-rehab value of structure only)	Amount (portion of land and structure)	Duration	Renewable (façade expenditures only)
Urban Historic Districts Includes all properties located within the Urban historic district area shown on the last page of this packet	<input type="checkbox"/>	Based on Rehab	75%	100%	10 years	Yes
	<input type="checkbox"/>	Based on Rehab	50%	Added Value	10 years	Yes
	<input type="checkbox"/>	Residential / ground floor conversion	50% must be converted to residential and 65% of ground floor must be converted to retail	100%	5 years	No
Revitalizing Historic Districts Includes properties located in: <ul style="list-style-type: none"> • Junius Heights • Lakecliff • Peak's Suburban • South Blvd. / Park Row • Winnetka Heights 	<input type="checkbox"/>	Based on Rehab	25%	100%	10 years	Yes
Endangered Historic Districts <ul style="list-style-type: none"> • 10th Street • Wheatley Place 	<input type="checkbox"/>	Based on Rehab	25%	100%	10 years	Yes

Citywide Includes properties located in: <ul style="list-style-type: none"> • Munger Place • State Thomas • Swiss Avenue • All properties not located within the Urban, Endangered, or Revitalizing historic districts 	<input type="checkbox"/>	Based on Rehab	50%	Added Value	10 years	Yes
	<input type="checkbox"/>	Endangered Property (Landmark Commission must find that this property is endangered.)	25%	100%	10 years	Yes
Citywide – maintenance	<input type="checkbox"/>	Maintenance	3%	Added Value	3 years	Yes
Ownership by a non-profit entity open to the public	<input type="checkbox"/>	Non-profit	Be a contributing structure in the district, and be a designated historic landmark that is open to the public and is operated by a non-profit with 501(c)(3) status. See Sec 51A-11.207 for other requirements	100%	As long as the building is owned by a non-profit entity and is open to the public	Annually

PLEASE NOTE: All tax exemption approvals that accumulatively (new applications and renewals) will receive exemptions totaling in excess of \$50,000 will have to be approved by both the Landmark Commission and the City Council.

ENNIS

Landmarked structures are eligible for a property tax exemption of 25% of the assessed value of the property, not to exceed \$25,000. Non-residential structures in the designated historic downtown district may receive a re-investment tax abatement equal to the amount of rehabilitation completed within a calendar year, with a cap set at the annual tax liability of the property.

<http://ennistx.com/downtown-incentives>

FORT WORTH

Fort Worth's tax exemption requires that an amount equal to or greater than 30% of the assessed valuation of the improvements be spent on rehabilitation. The program freezes the assessed valuations of the land and improvements at the pre-rehabilitation values for the purposes of assessing city taxes. The exemption period is ten (10) years.

<http://fortworthtexas.gov/planninganddevelopment/historic-preservation/tax-exemption/>

GALVESTON

The city offers three different types of tax incentives. (1) all properties in newly designated historic districts receive a 35% exemption on their city property taxes for five years. The exemption is also available for newly designated Galveston Landmarks located outside of historic districts. (2) all properties in newly designated conservation districts receive a 25% exemption on their city property taxes for five years. (3) local landmarks and properties located within a local historic district are eligible to receive a tax exemption for a rehabilitation that costs equal or more than 50% of the improvement value. City property taxes are assessed at the pre-rehabilitation value for ten years.

<http://www.galvestontx.gov/DocumentCenter/View/3221>

GRANBURY

Residential structures that have been designated as local historic landmarks are eligible for an exemption up to 100% of the city's ad valorem tax assessed on the structure for a period of 10 years.

In addition, rehabilitation equal to \$40,000 or more to residential structures located within the

historic neighborhood improvement zone are eligible to receive up to a 70% exemption of the city's ad valorem tax for the structure for a period of 10 years. Also, minor interior or exterior improvements equally \$15,000 or more to residential structures located within the historic neighborhood improvement zone may receive up to 40% exemption of the city's ad valorem tax for the structure for a period of 10 years.

<http://www.granbury.org/index.aspx?NID=634>

HOUSTON

City of Houston Landmarks, Protected Landmarks, or buildings that have been classified as "contributing" or "potentially contributing" within a Historic District qualify for the tax exemption. The rehabilitation must amount to at least 25% of the assessed value of the improvements on the land. The percentage of the tax exemption (from 25% up to 100%) is dependent on the amount of qualified expenditures relative to the pre-rehabilitation value. The tax exemption applies to the tax on the improvement only, not the land, for up to 15 years. The exemption only applies to the City of Houston taxes.

The City of Houston also offers a tax exemption for "significant" historic buildings. The building must have more than four residential units and originally built and used for non-residential purposes. The significant historic building may be exempted from city ad valorem taxes for both improvements and land, up to \$30,000 per year in perpetuity.

<http://www.houstontx.gov/planning/HistoricPres/hist-incentives-broch.pdf>

KILLEEN

Commercial and multifamily units are eligible to receive a tax exemption on the added value of a property after a rehabilitation for up to five years. Rehabilitation must equal at least 25% of the assessed value.

<http://www.killeentexas.gov/index.php?section=310>

KINGSVILLE

Properties designated at the federal, state, or local level may apply to the city for municipal ad valorem tax relief based on rehabilitation expenses.

<http://www.cityofkingville.com/departments/planning-and-development-services/community-appearance-grants/>

MCALLEN

Currently, the City of McAllen offers an exemption from the annual city ad valorem taxation to incentivize local designation, proper maintenance, and rehabilitation of historic properties. The incentive program also ensures that property owners comply with the requirements of the Certificate of Appropriateness process.

To encourage regular maintenance, local landmarks may apply for a tax exemption in perpetuity equal up to 50% of the assessed value of the historic structure and the land. While properties designated at the federal or state level qualify for an exemption equal up to 100% of the assessed value of the structure and land.

The City also incentivizes historic rehabilitation. Heritage Properties, which are defined as properties that are at least 50 years old but are not listed as local landmarks, qualify for an ad valorem tax exemption equal to 100% of the increase in the assessed value post rehabilitation. The exemption is

good for 10 years. Similarly, properties located in a local historic district may apply for an ad valorem tax exemption for 5 years equal to 100% of any increase to the assessed value post rehabilitation.

https://library.municode.com/tx/mcallen/codes/code_of_ordinances?nodeId=PTIICOORSUGGEOR_C_H98TA_ARTIADVATA_DIV3HIPR

MOUNT VERNON

Property will be taxed on the pre-rehabilitation value for up to 10 years after a rehabilitation of a historic, commercial building.

<http://www.comvtx.com/default.aspx?name=economic.development>

NEW BRAUNFELS

Locally designated landmarks are eligible to receive tax exemptions for rehabilitation which represents at least 10% of the value of the property and which improvements extend the life of the structure. The *pre-rehabilitation value* is used to calculate the city's ad valorem tax for five years. In the fourth year of the relief, the applicant may apply to have the relief extended for an additional five years.

In addition to tax exemptions for rehabilitation, the City of New Braunfels offers a 20% reduction in city assessed ad valorem taxes for properties located within a locally designated historic district.

<http://www.nbtexas.org/1091/Benefits>

PALESTINE

Tax relief is given to property owners who undertake a rehabilitation. Relief period is up to five years.

<http://www.cityofpalestinetx.com/users/OldFiles/upload/Historic%20Property%20Handbookpdf.pdf>

PARIS

Historically significant sites are eligible to receive a tax exemption equal to 100% of any increase in assessed value after a substantial rehabilitation for a period of seven years. Rehabilitation must cost \$5,000 or more for residential, and \$10,000 for commercial. Only work on the exterior will be eligible.

In addition to the tax exemption for rehabilitation, historically compatible new construction shall be exempted, for a period of three years, 100% of any increase in the assessed value.

<https://www.paristexas.gov/index.aspx?NID=305>

SAN ANTONIO

A local tax exemption is available for designated local landmarks and properties within local historic districts that undergo a substantial rehabilitation. Following the rehabilitation, city property taxes are frozen at the assessed value prior to the rehabilitation for ten years. Commercial properties that undergo a substantial rehabilitation are eligible for the 5 zero/5 fifty tax exemption. This exemption means no city property taxes are owed for the first five years, and for the next five years the city taxes are assessed at 50% of a post-rehabilitation appraisal.

San Antonio also offers a tax exemption for owner-occupied residences in new historic districts. All residential properties occupied by the property owner in newly designated local historic districts at

the time of designation receive a 20% exemption on their city property taxes for ten years. The exemption can be extended for an additional five years.

<http://www.sanantonio.gov/historic/Programs/incentives>

SEGUIN

Properties located in the downtown historic district which undergo a substantial rehabilitation (spending \$2,000-\$500,000) may be exempt from taxation on the increase in value following rehabilitation for up to five years. Rehabilitations which cost more than \$500,000 may be exempt from the increase in value following rehabilitation for up to ten years.

Owners of Recorded Texas Historic Landmarks located in Seguin are eligible to receive a tax exemption equal to the amount they have spent in the year on maintaining the property.

Documentation verifying the expenses must be provided, and owners must apply each year.

http://www.seguintexas.gov/departments/main_street/historic_preservation.php

TYLER

The city offers a tax exemption for rehabilitation in the amount equal to 100% of any increase in the assessed value for the purposes of ad valorem taxes levied by the City of Tyler for a period of five (5) years following issuance of a Certificate of Appropriateness and provided the property maintains its landmark status.

The city also allows for 50% of the assessed value (up to \$2 million) of any building listed on the Tyler Historic Landmark Register to be exempt from annual city ad valorem taxation provided that the property maintains its local landmark status.

<http://www.cityoftyler.org/Departments/HistoricPreservation/HistoricTaxAbatementCredits.aspx>

WACO

Any property which has been designated as a historic landmark shall qualify for an exemption of City ad valorem taxes, provided that the historic landmark has been determined by the City Council to be a historically or archaeologically significant site in need of tax relief to encourage its preservation. The tax exemption shall exempt from city ad valorem taxation any increase in the assessed value of the building or structure and the land necessary for access and use of the building/structure following the designation by the City Council for a period of 10 years.

<http://www.waco-texas.com/planning-hlpc-information.asp#incentives>

WAXAHACHIE

Waxahachie offers an exemption of 25% of the assessed value of the property, not to exceed \$25,000 for designated city landmarks which are in full compliance with city regulations, including adherence to decisions of the Waxahachie Historic Preservation Commission. The exemption applies to both residential and commercial properties. Applications for the tax exemption must be filed every year.

Waxahachie also offers a rehabilitation exemption of up to 50% of the total property tax bill for rehabilitation amounting to at least \$1,250 in improvements to a property designated at the city, state, or federal level. The Waxahachie Historic Preservation Commission oversees all restorations under this incentive program. The applications must be filed annually.

<http://www.waxahachie.com/Departments/HeritagePreservation>

Maintenance Only Tax Incentives

BROWNSVILLE

Properties listed on the National Register or designated as an RTHL are exempted from all ad valorem taxation by the city.

Properties designated as a primary resource are granted an ad valorem tax exemption equal to 50% of the gross assessed value of the site.

https://library.municode.com/tx/brownsville/codes/code_of_ordinances?nodeId=PTIICOOR_CH348_ZO_ARTIXHIPRURDE

PLANO

Plano's tax exemption program offers a full or partial exemption based the designation and use of the property. See table below. The money saved by participating in the program is meant to be used by the participant to make improvements and repairs to the structure. Exemptions apply to the improvements only, not the land. <http://www.plano.gov/2737/Tax-Exemption-Program>

Class A Structures - Structures occupied exclusively for residential purposes and individually designated as a local historic resource could potentially receive a 100% exemption.

Class B Structures - Structures occupied in whole or in part for purposes other than residential and individually designated as a local historic resource could potentially receive a 50% exemption.

Class C Structures - Structures occupied exclusively for residential purposes and noted as a contributing resource in a locally designated historic district could potentially receive a 75% exemption.

Class D Structures - Structures occupied in whole or in part for purposes other than residential and noted as a contributing resource in a locally designated historic district could potentially receive a 38% exemption.

ROUND ROCK

Historically-significant residential and commercial property owners may receive a 75% exemption of municipal property taxes. The program encourages properties to use money saved on taxes to provide regular maintenance and/or repair to their historic structures.

<https://www.roundrocktexas.gov/departments/planning-and-development-services/historic-preservation/historic-tax-exemption/>

UVALDE

The City of Uvalde and Uvalde County grant a 25% exemption of the assessed value for properties listed on the National Register or designated an RTHL. City landmarks are eligible for city tax exemption only. The exemption was created to encourage proper maintenance of historic structures; therefore, maintenance standards are verified.

<http://www.uvaldetx.com/content/historic-preservation>