

Comparison of Federal and State Historic Tax Credit Programs

Federal Rehabilitation Tax Credit

Texas Historic Preservation Tax Credit

Credit applies to:	Federal Income Tax	Texas Franchise Tax or Insurance Premium Tax
Credit offered:	20% of qualified rehabilitation expenditures	25% of qualified rehabilitation expenditures
Credit recipient:	Current owner(s)	Current owner(s) May sell or transfer whole or partial credit to others
Eligible applicants:	Individuals, companies, partnerships	Individuals, companies, partnerships, non-profits, and public universities (until January 2022)
Eligible building uses:	Income-producing (including residential rental)	Income-producing, non-profit, and public universities
Required historic designation:	National Register of Historic Places (NRHP) (within 30 months of project completion)	National Register of Historic Places, Recorded Texas Historic Landmark, or State Antiquities Landmark (must be designated before project can be certified)
Minimum project cost:	\$5000 or adjusted basis (value of building), whichever is greater	\$5000
Application forms:	3-part federal application (1, 2, 3)	3-part state application that mirrors federal (A, B, C)
Recapture period	5 years	No recapture period
Time limit for use of credits:	Must be claimed in equal amounts over 5 years	Use immediately or carry forward over 5 years, at credit holder's discretion
Architectural oversight:	National Park Service certifies with THC's recommendation	Texas Historical Commission certifies projects; NPS reviews first if applying for federal and state
Financial oversight:	Credit managed by the IRS	Credit managed by the Texas Comptroller
Application deadline:	Must apply before project completion, unless building is individually listed in the NRHP	Must apply before project completion