

**National Park Service**

# Historic Preservation Tax Incentives

NPS.gov (<https://www.nps.gov/>) / Home (<https://www.nps.gov/subjects/taxincentives/index.htm>) / About

## About the Incentives

### 20% Credit

A 20% income tax credit is available for the rehabilitation of historic buildings that are determined by the Secretary of the Interior, through the National Park Service, to be "certified historic structures." The buildings must be considered depreciable under the Internal Revenue Code, such as in a business, commercial, or other income-producing use.

The [State Historic Preservation Offices](#)

(<https://www.nps.gov/subjects/taxincentives/shpos.htm>) and

the National Park Service review the rehabilitation work to ensure that it complies with the [Secretary's Standards for Rehabilitation](#)

(<https://www.nps.gov/subjects/taxincentives/secretarys-standards-rehabilitation.htm>). The Internal Revenue Service defines qualified rehabilitation expenses on which the credit may be taken. Owner-occupied residential properties do not qualify for the federal rehabilitation tax credit. Learn more about this credit [before you apply](#) (<https://www.nps.gov/subjects/taxincentives/before-apply.htm>).

Each year, [Technical Preservation Services](#) (<https://www.nps.gov/orgs/1739/index.htm>) approves approximately 1200 projects, leveraging nearly \$6 billion annually in private investment in the rehabilitation of historic buildings across the country. Learn more about this credit in [Historic Preservation Tax Incentives](#) (<https://www.nps.gov/orgs/1739/upload/brochure-tax-incentives-2012.pdf>).

**PLEASE NOTE** that [Public Law No: 115-97 \(December 22, 2017\)](#) (<https://www.congress.gov/bill/115th-congress/house-bill/1>) amended the Internal Revenue Code to reduce tax rates and modify policies, credits, and deductions for individuals and businesses. Section 13402 modified the 20% Historic Rehabilitation Tax Credit, repealed the 10% tax credit for the

rehabilitation of non-historic buildings, and provided transition rules for both credits. These and other changes to the Internal Revenue Code may affect a taxpayer's ability to use the 20% tax credit. Applicants requesting historic preservation certifications by the National Park Service and those interested in the use of the credits are strongly advised to consult an accountant, tax attorney, legal counsel, or the Internal Revenue Service regarding the changes to the Internal Revenue Code related to [Public Law No: 115-97 \(https://www.congress.gov/bill/115th-congress/house-bill/1\)](https://www.congress.gov/bill/115th-congress/house-bill/1).

## 10% Tax Credit

PLEASE NOTE that [Public Law No: 115-97 \(December 22, 2017\) \(https://www.congress.gov/bill/115th-congress/house-bill/1\)](https://www.congress.gov/bill/115th-congress/house-bill/1) repealed the 10% tax credit.

*The 10% tax credit is available for the rehabilitation of non-historic buildings placed in service before 1936. The building must be rehabilitated for non-residential use. In order to qualify for the tax credit, the rehabilitation must meet three criteria: at least 50% of the existing external walls must remain in place as external walls, at least 75% of the existing external walls must remain in place as either external or internal walls, and at least 75% of the internal structural framework must remain in place. There is no formal review process for rehabilitations of non-historic buildings.*

## Tax Benefits for Historic Preservation Easements

A historic preservation easement is a voluntary legal agreement, typically in the form of a deed, that permanently protects an historic property. Through the easement, a property owner places restrictions on the development of or changes to the historic property, then transfers these restrictions to a preservation or conservation organization. A historic property owner who donates an easement may be eligible for tax benefits, such as a Federal income tax deduction. Easement rules are complex, so property owners interested in the potential tax benefits of an easement donation should consult with their accountant or tax attorney. Learn more about easements in [Easements to Protect Historic Properties: A Useful Historic Preservation Tool with Potential Tax Benefits \(https://www.nps.gov/orgs/1739/upload/brochure-easements-historic-properties.pdf\)](https://www.nps.gov/orgs/1739/upload/brochure-easements-historic-properties.pdf).