



ALABAMA  

---

HISTORICAL  
COMMISSION  

---

THE STATE HISTORIC PRESERVATION OFFICE



# Alabama Historic Rehabilitation Tax Credit Program

Taylor Stewart  
State Tax Credit Coordinator  
334.230.2643 / [Taylor.Stewart@ahc.alabama.gov](mailto:Taylor.Stewart@ahc.alabama.gov)



# Alabama's Historic Rehabilitation Tax Credit

- A **25%** income tax credit on qualified expenses incurred during a rehabilitation project.
- Defrays the costs of rehabilitation projects for owners of historic properties while ensuring those properties are preserved according to preservation guidelines.



# The state tax credit helps Alabama's property owners

Owners of residential and commercial historic properties can use this program to improve and repair their properties while receiving tax credits against income tax they owe to the State of Alabama.



# Historic Rehabilitation Tax Credit Basics...

- \$20 million in tax credits are available each calendar year from 2018-2022.
- For the first six months of each calendar year, 40% of the \$20 million will be set aside for projects located in counties with less than 175,000 population. After six months, any of those funds remaining will be available for any project.
- The AHC reviews the applications and sends a list of qualifying projects to the Historic Tax Credit Evaluating Committee.



# Historic Rehabilitation Tax Credit Basics...

- The Committee decides which projects receive tax credit reservations.
- The AHC will reserve tax credits based on the Committee's ranking.
- Those receiving a reservation have up to 5 years to complete the project and take the tax credit.
- Credits are issued once a project is complete and the Part C application has been approved.



**Tax credit is refundable.**



# Program Eligibility

- 1) Property must be at least 60 years old...
- 2) Property must be listed in the National Register of Historic Places either individually or as a contributing resource in a listed National Register district.

**OR**

- 3) Property must be eligible for the National Register either individually or as a contributing resource in an eligible National Register district.



# Application—Part A

- Qualifications of property
  - Age of property
  - National Register Status (listed or eligible)
  - Physical description
  - History and significance
  - Photos and maps



# Application—Part B

- Describe work completed before submission
- Purchase price and Fair Market Value of the property
- Project estimates
  - Start & completion dates
  - Qualified and non-qualified expenses
  - Tax credit amount requested
- Attachments/Enclosures
  - “before” photos
  - Site plan – current and proposed
  - Floor plans – current and proposed



# Application—Part B

- Purchase Price
- Economic Impact
- Community Impact
- Funding Sources



# Selection Process

- AHC reviews projects based on applicant's Parts A & B.
- If the project is eligible for the program and the rehabilitation plans meet preservation guidelines, AHC passes on a list of projects to the Committee for final ranking.
- The AHC may reject projects whose applications do not meet the qualifications for the program.



# Committee Procedures

- **The Committee will receive a packet for each qualifying project two weeks before the committee meeting**
- **These packets will consist of project information including:**
  - Cover sheets for Parts A and B of the applications
  - Photograph of building and brief description of rehab
  - Applicant's answers to criteria questions
  - Letters of support
  - Scoring sheet



# Committee Members

**Clyde Chambliss - Chair**  
Senate District 30

**Bobby Singleton**  
Senate District 24

**Rod Scott**  
House District 55

**Victor Gaston**  
House District 100

**Director of the Governor's Office of  
Minority Affairs**  
Nichelle Nix, JD, MPH – Vice Chair

**Director of the Alabama Historical  
Commission**  
Lisa Jones

**ADECA Director**  
Kenneth W. Boswell

**State Finance Director**  
Clinton Carter

**Secretary of Commerce**  
Greg Canfield

**Commissioner of Revenue**  
Vernon Barnett



# Selection Process

- The evaluation Committee will determine which projects receive tax credits based on a scoring system with several factors:
  - Project's economic impact
  - Maintenance of historic fabric of the community;
  - Possible return on investment for community;
  - Geographic distribution of projects;
  - Strength of local support for the project;
  - Other types of public financing.



# Committee Procedures

- **If more than one project receives the same numerical score, a random drawing will decide the order in the ranked list.**
- **Once \$20 million in credits are reserved, ranked projects will remain in order on a waiting list until tax credits become available either through rescission of a project's tax credit reservation or when additional credits become available in the next year.**



# Project Timelines

- Projects must spend no less than
  - 20% of the estimated cost of rehabilitation within 18 months of notification of Tax Credit Reservation and
  - An additional 50% within 36 months
  - Projects must be completed within 60 months of notification of Tax Credit Reservation



# Project Timelines

- Applicants must notify the AHC of each benchmark met throughout the process.
- Once project is completed, Part C of the application must be submitted.



# Application—Part C

- Certification of completed work
- Submitted AFTER completion of project.
- Once Part C is received, reviewed, and approved, the AHC will issue a tax credit certificate.
- Actual project data
  - Actual start and finish dates
  - Actual QREs and non-QREs
  - Actual jobs created during rehab
  - Approx. jobs created post-rehab
- Attachments/Enclosures
  - “after” photos
  - Cost and expense certification
  - Appraisal



# Decatur Post Office

## At a glance:

- **Constructed c. 1925**
- **Built as a Georgian Revival Post Office**
- **Rehabilitated for use as offices**



# Decatur Post Office

**State Tax Credit: \$230,750.00**



## Before



Protect, Preserve and Interpret Alabama's Historic Places



**After**



**Protect, Preserve and Interpret Alabama's Historic Places**



**Before**



**Protect, Preserve and Interpret Alabama's Historic Places**



**After**





**Before**





**After**





**Before**





**After**





# Before





**After**



**Protect, Preserve and Interpret Alabama's Historic Places**



**Before**





**After**





# Questions?

**Taylor Stewart**

**334.230.2643**

**[Taylor.Stewart@ahc.alabama.gov](mailto:Taylor.Stewart@ahc.alabama.gov)**