

What is the impact of North Carolina's Historic Rehabilitation Tax Credit?



INTRODUCTION

The North Carolina Historic Rehabilitation Tax Credit (HTC) program, enacted in 1997, provided a 30% credit for historic homeowners and 20% for income-producing properties, which could be used in addition to the Federal tax credits, providing large tax incentives to owners of historic properties. While the tax credit came at a cost to the state, the HTC program increased local property values, provided jobs and embraced the historical heritage of North Carolina. Yet in 2013, the North Carolina General Assembly decided that the current tax credit was not consistent with the state's new tax reform plan and set the credit to expire in 2015.

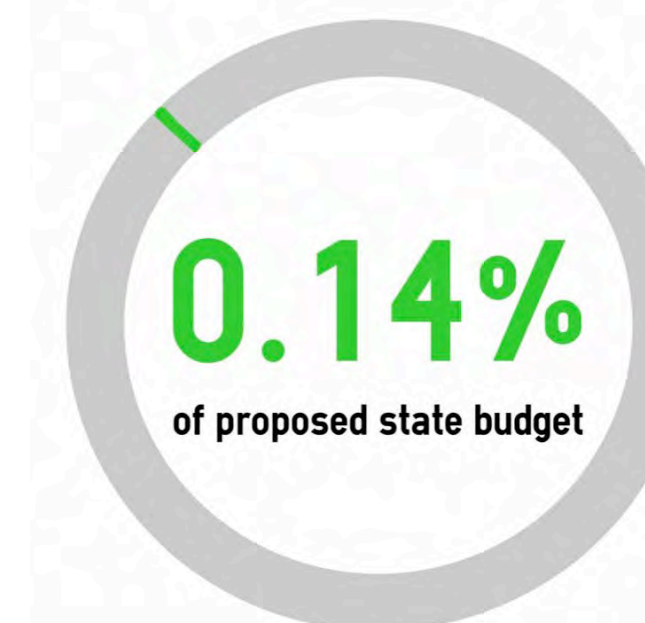
What was the impact of the NC Historic Rehabilitation Tax Credit?
Should the state restore the HTC program?

Ethical Tensions:

- Do rural counties benefit less than more urban counties?
- Should taxpayer money be used to subsidize renovations of income-producing properties?
- What part should the local government play in funding historic rehabilitation projects?
- Are large developers given an unfair advantage compared to individual homeowners?

ECONOMIC IMPACT

- Cost of the HTC program is only 0.14% of the state's proposed budget
- Since 1998, over 2,400 historic tax credit projects have been completed statewide, creating nearly \$1.5 billion in private investment
- Increases local property values
- Provides jobs during the construction phase
- Encourages investment in critical infrastructure
- Contributes an annual average of \$124.5 million to state GDP
- Generates tax revenue through sales taxes, increased property taxes, and income tax from new jobs
- Contributes to increase in local tourism



RENOVATIONS

Before



After



Mount Airy, Surry County, NC

Before



After



Douglas Block, Rocky Mount, NC

Before



After



Golden Belt Mill, Durham, NC

Before

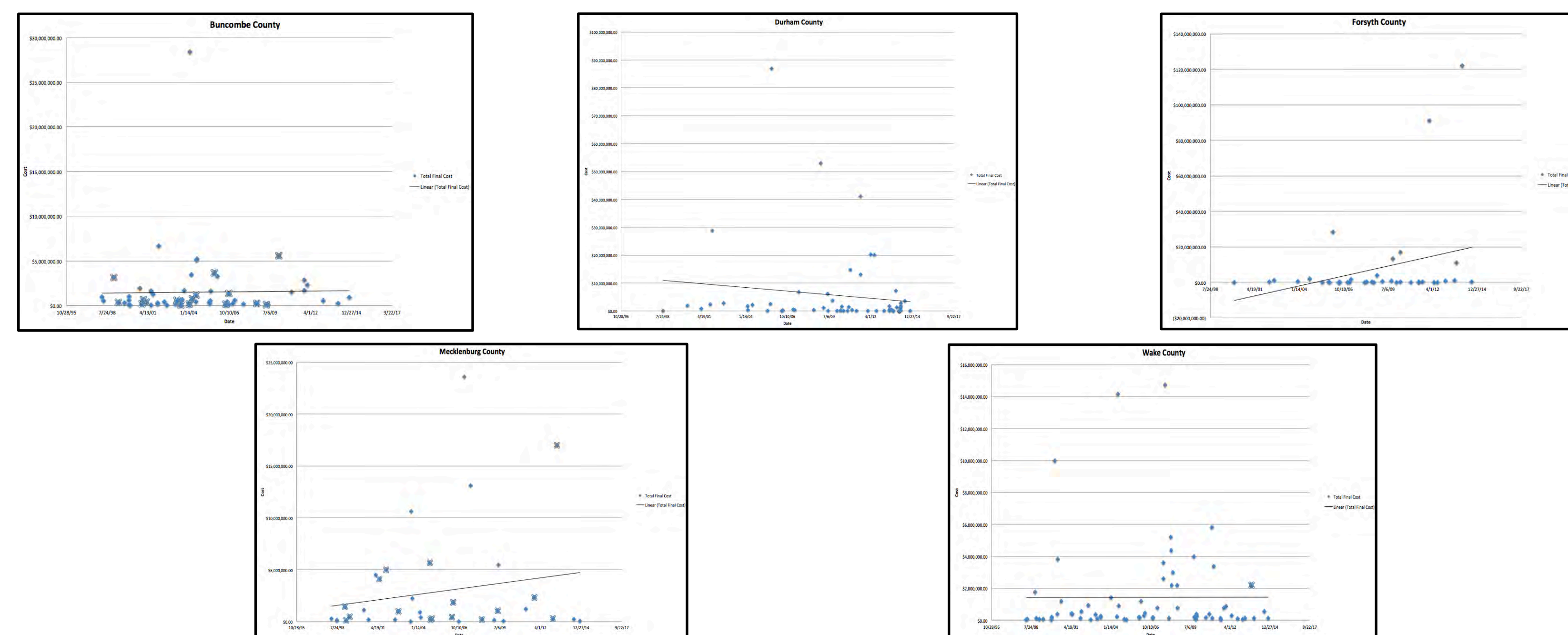


After



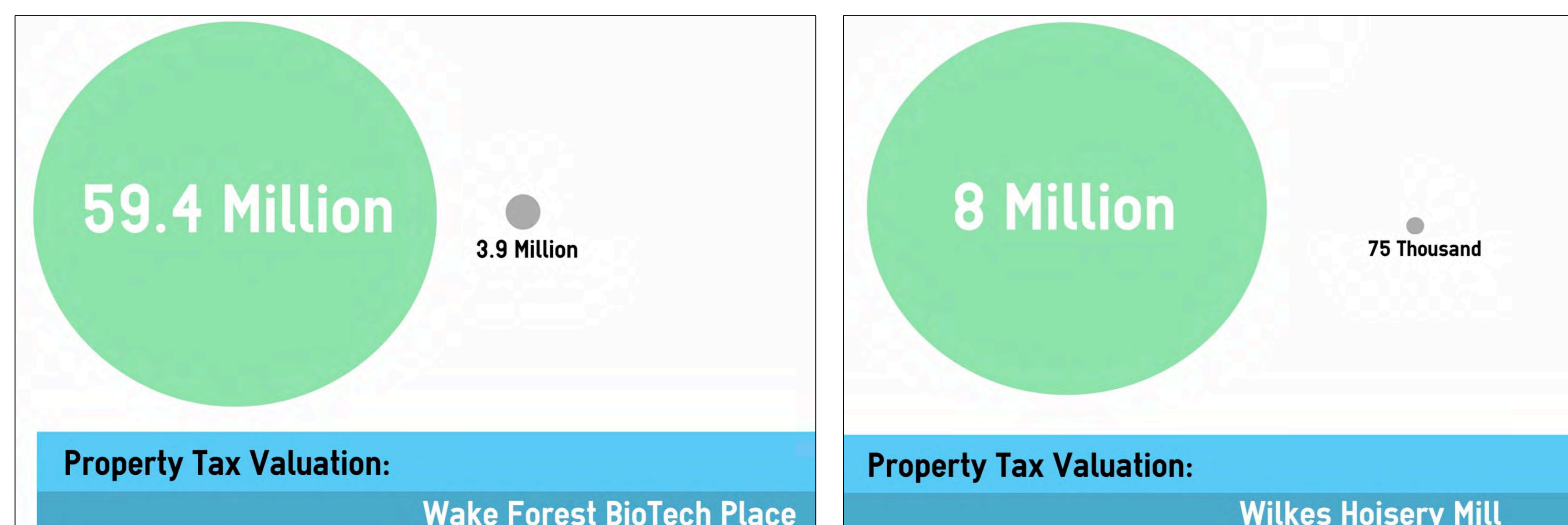
516 E. Jones Street, Raleigh, NC

TOP 5 COUNTIES



Shown above: Top 5 counties with the most money spent on historic income-producing projects using the historic tax credit between 1998 and 2014

PROPERTY TAX VALUATION



An increase in property tax valuation generates local property tax revenue, transforms surrounding areas, and elevates the community as a whole.

SOCIAL IMPACT

- Embraces historic heritage of North Carolina
- Preserves cultural identity
- Attracts new business investment from out-of-state investors
- Improves neighborhoods and downtowns statewide
- Allows smaller cities to perform large-scale renovations
- Builds safer communities and reverses crime
- Creates a unique NC city landscape

ACKNOWLEDGEMENTS

Sources:

- The Historic Preservation Foundation of North Carolina
- LEAD
- NC Dept. of Cultural Resources
- NC State Historic Preservation Office
- Triangle Business Journal
- Preservation North Carolina
- JD News
- The News & Observer
- North Carolina General Assembly

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A Visual History of

Restoration Policy

