

Louisiana Tax Incentives for Historic Buildings

	Federal Historic Rehabilitation Tax Credit	Louisiana State Commercial Tax Credit	Louisiana State Residential Tax Credit
Purpose	Encourages the preservation of historic buildings through incentives to support the rehabilitation of historic and older buildings	Encourages the preservation of historic buildings through incentives to support the rehabilitation of historic and older buildings.	Encourages taxpayers to preserve and improve their homes by offering a tax credit on rehabilitation costs
Eligibility	Income producing property individually listed on the National Register (NR) or a contributing element within a National Register Historic District	Income producing property that is a contributing element within a Downtown Development District or Cultural District as determined by the Division of Historic Preservation.	An owner occupied building that is a contributing element to a NR District, a locally designated historic district, a Main Street District, a Cultural District, or a DDD; a residential structure that is listed or is eligible for listing on the NR; or a vacant and blighted building at least 50 years old
% of Credit	20% of construction costs and fees	25%	25% credit = AGI less than or equal to \$50,000; 20% credit = AGI \$50,001 - \$75,000; 15% credit = AGI \$75,001 - \$100,000; 10% credit = AGI \$100,001 plus. (Available only for vacant and blighted residential buildings at least 50 yrs. old.)
Minimum Expenditure	The rehabilitation must exceed the adjusted basis of the building. If adjusted basis is less than \$5,000, the rehabilitation cost must be at least \$5,000.	\$10,000	\$20,000
Credit Cap	None	\$5 million per taxpayer within a particular DDD	\$25,000 per structure
Application	Submitted to DHP and forwarded to NPS with recommendation. Part 1 certifies the building as historic. Part 2 describes the proposed rehabilitation. Part 3 is final certification of completed work.	Submitted to DHP. Part 1 certifies the building as historic. Part 2 describes the proposed rehabilitation. Part 3 is final certification of completed work.	Preliminary Application-A establish initial eligibility. Proposed Rehabilitation Application-B determines if the proposed rehabilitation is consistent with the Standards. Certificate of Completion-C is the final certification.
Fees	Initial fee request by NPS of \$250 with Part 2; final fee is scaled to the size of the rehabilitation	\$250 with Part 2	\$250 with Proposed Rehabilitation Application-B
Program Standards	Secretary of the Interior's Standards for Rehabilitation	Secretary of the Interior's Standards for Rehabilitation	Secretary of the Interior's Standards for Rehabilitation
Taking the Credit	Credit is claimed for the year the project is completed and has received an approved Part 3. Unused Credit can be carried back one year and forward for 20 years.	Credit is claimed for the year the project is completed and has received an approved Part 3. Any unused credit may be carried forward for up to 5 years. This credit may be sold to a third party.	The tax credit is divided into 5 equal portions, with the first portion being used in the taxable year of the completion date, and the remaining portions used once a year for the next four years. If the full credit for one year cannot be taken, the owner will receive that amount as a refund.
Recapture	If the owner sells the building within 5 years of the rehabilitation, he loses 20% of the earned credit for each year short of the full 5 years.	If the owner sells the building within 5 years of the rehabilitation, he loses 20% of the earned credit for each year short of the full 5 years.	If the building is sold during the five-year credit period, all unused credit will immediately become void.