



Pieces of the FedReg Puzzle

by Shirley Maxwell

Federal income-tax credits for historic-building rehabilitation almost always require a long, bewildering journey through a lush jungle of federal regulations. But for those whose buildings qualify, the trek through the tangled underbrush of preservation FedRegs can pay off handsomely. The key pieces of the FedReg puzzle follow.

Begin at Your SHPO

If you want to get a building listed in the National Register of Historic Places, or to find out if its neighborhood is slated to become a historic district, the State Historic Preservation Office (SHPO) is the place to begin. SHPO officers, one per state, nominate historic properties and districts to the National Register. For your SHPO officer's name, contact your local preservation organization or the Preservation Assistance Division of the National Park Service. 202/343-9579.

The Advisory Council Can Step In

The Advisory Council on Historic Preservation advises the President and Congress on national historic-preservation issues and reviews activities by federal agencies that might adversely affect properties in, or eligible for, the National Register. While it cannot always save historic structures, the Council's intervention might help—for instance, if historic-district homes are endangered by a highway construction project. Advisory Council on Historic Preservation, 1100 Pennsylvania Ave., NW, Washington, DC 20006. 202/786-0503.

The Roster

The National Register of Historic Places is America's roster of architecturally, culturally, and historically significant districts, buildings, structures, sites, and objects. Listing in the National Register provides important protections for buildings threatened by federally financed projects, but it cannot prevent demolition or alteration paid for with private money. Register listing is also the basic criterion for eligibility for federal tax benefits and preservation grants. Your local library will have a copy. National Register of Historic Places, U.S. Dept. of the Interior, Washington, DC 20240. 202/343-9536.

HABS Can Help

The Historic American Building Survey (HABS), although not a regulatory agency, can still affect your rehab project if the building happens to be among the thousands for which HABS photographs, measured drawings, and written documentation have been compiled. HABS's meticulous drawings may be especially helpful to owners whose buildings have suffered severe damage or misguided remodeling. A number of state catalogues of

HABS projects are available, as is a nationwide checklist. HABS, NPS, U.S. Dept. of the Interior, Washington, DC 20240. 202/343-9606. The official archives for HABS data is the Prints and Photographs Div., Library of Congress, Washington, DC 20540. 202/287-6399.

NHL's Make the Register

National Historic Landmark (NHL) is the National Park Service's designation for buildings, sites, structures, districts, and objects of national—rather than merely state or local—significance. NHL's are automatically entered in the National Register.

Preservation Assistance Holds the Key

The Preservation Assistance Division (Technical Preservation Services) of the National Park Service reviews all applications for certification of rehab projects. The staff in one of its regional offices will decide whether your project complies with the Secretary of the Interior's standards. The Division provides invaluable technical advice and publications on restoration and rehabilitation techniques. Preservation Assistance Div., National Park Service, Dept. of the

Interior, Washington, DC 20240. 202/343-9579. ■

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A Basic Bibliography

The Secretary of the Interior's Standards for Rehabilitation and Revised Guidelines for Rehabilitating Historic Buildings. U.S. Dept. of the Interior. 1983. Free. Preservation Assistance Div., NPS, U.S. Dept. of the Interior, Washington, DC 20240.

Historic America: Buildings, Structures, Sites. Alicia Stamm and Ford Peatross. 1983. \$29. Gov't. Printing Office, 710 N. Capital St., NW, Washington, DC 20401. GPO order no.: 030-000-00149-4.

Easements and Other Legal Techniques to Protect Historic Houses in Private Ownership. Thomas A. Coughlin III. 1981. \$5. HHA, 1600 H St., NW, Washington, DC 20006.

How to Complete National Register Forms. National Register of Historic Places, 1983. Free. National Register of Historic Places, NPS, U.S. Dept. of the Interior, Washington, DC 20240.

Historic Preservation Tax Incentives Certification of Rehabilitation Workbook is the only complete compilation of all legal, technical, and administrative documents related to the historic-rehabilitation incentives. For information on this publication, write: Tax, The National Trust for Historic Preservation, 1785 Massachusetts Ave., NW, Washington, DC 20036. ■

WHAT'S WHAT

from the National Trust for Historic Preservation

These questions and answers are excerpted from a newly published 20-page booklet, A Guide to Tax-Advantaged Rehabilitation. This clearly written and detailed guide to rehab incentives is available for \$3.50 plus \$2 postage and handling. Write: Tax, National Trust for Historic Preservation, 1785 Massachusetts Ave., NW, Washington, DC 20036.

What is the rehabilitation tax credit? Federal tax law offers an incentive to taxpayers who contribute to the preservation of old and historic buildings. By rehabilitating or investing in the rehab of eligible buildings, taxpayers can take advantage of a two-tier tax credit.

The federal income-tax credit is equal to 20 percent of the cost of rehabilitating certified historic buildings, or 10 percent of the cost of rehabilitating non-historic buildings constructed before 1936. Credits provide a dollar-for-dollar reduction of income tax owed. While the 20 percent credit is available for residential rental buildings, neither credit is available for homes or apartments occupied by their owners.

What rehabilitations qualify? To receive a rehab credit, a taxpayer must substantially rehabilitate a qualifying historic or old building.

A substantial rehabilitation means a

taxpayer's expenditures must exceed the greater of the "adjusted basis" of the building, or \$5,000, during any 24-month period (or 60-month period in the case of "phased rehabilitations").

When can the credit be claimed? Generally, the credit is claimed for the taxable year in which the rehab is completed.

Who can take the credit? The credit is available to the owners and, in certain situations, renters of a qualified rehabilitated building.

What other tax benefits are available? *Historic-Preservation Easements:* A charitable-contribution deduction is allowed for the donation of a historic-preservation easement to a preservation organization. This deduction applies to both commercial property and owner-occupied housing. An easement is an agreement by owners of property to relinquish their right to alter or demolish property, and to abide by other preservation conditions.

Low-Income Rental-Housing Credit: Owners of residential rental property providing low-income housing may claim separate tax credits for new construction and rehabilitation of low-income housing, and for certain costs of acquisition of existing housing to serve low-income individuals. ■