

# CITY OF ATLANTA

## DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

### OFFICE OF PLANNING

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## Economic Incentives for Historic Preservation

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### Landmark Historic Property Tax Abatement Program

The owner of an income-producing building, which is listed in the National or Georgia Register of Historic Places and has been designated by the City of Atlanta as a Landmark Building or a contributing building in a Landmark District, may obtain preferential property tax treatment. The building must be in standard condition. For purposes of tax assessment for City of Atlanta taxes, excluding bonded indebtedness, the fair market value of the building and up to two acres of land surrounding it, is frozen for eight years at the level existing at the time of application and certification. In the ninth year, the fair market value is fixed at one-half the difference between the frozen value and the current fair market value. The application for this tax freeze must be filed with the county tax assessor's office by December 31<sup>st</sup> of the year before the freeze will go into effect. For further information, contact Doug Young, Atlanta Urban Design Commission, 55 Trinity Avenue, SW, Suite 3400, Atlanta, Georgia 30335-0331 (404-330-6200) or [dyoung@atlantaga.gov](mailto:dyoung@atlantaga.gov).

### Rehabilitated Historic Property Tax Abatement Program

The owner of a building, which qualifies for listing in the Georgia Register of Historic Places and has undergone a major rehabilitation initiated after January 1, 1989, may obtain preferential property tax treatment. For purposes of tax assessment for City of Atlanta taxes, excluding bonded indebtedness, the fair market value is frozen at the pre-rehabilitation level for a period of eight years. In the ninth year, the fair market value is fixed at one-half the difference between the frozen value and the current fair market value. Qualifying rehabilitations must meet the standards promulgated by the Department of Natural Resources and must have increased the fair market value of the building by not less than 50% for owner-occupied residential real property, or not less than 100% for income-producing real property. The application for this tax freeze must be filed by December 31<sup>st</sup> of the year before the freeze will go into effect. For further information, contact Ced Dolder, Tax Incentives Coordinator, at the Georgia Department of Natural Resources, Historic Preservation Division, 34 Peachtree Street, NW, Suite 1600, Atlanta, Georgia 30303-2316 (404-651-5566) or [ced\\_dolder@dnr.state.ga.us](mailto:ced_dolder@dnr.state.ga.us).

### Federal Income Tax Credit Program

If a property is listed in the National Register of Historic Places, the owner or long-term lessee of an income-producing property is entitled to an investment tax credit of up to 20% of the qualified rehabilitation expenses of a substantial rehabilitation performed in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation. All buildings, sites and districts designated by the City of Atlanta are required to meet the criteria for listing in the National Register of Historic Places. For further information, contact the Georgia Department of Natural Resources at the address, telephone number, and email above.

### State Income Tax Credit Program

The owner of a building, which qualifies for listing in the Georgia Register of Historic Places and is planning to start a substantial rehabilitation on or after January 1, 2004, is eligible to apply for the credit. The program provides property owners of historic properties who complete a Department of Natural Resources-approved rehabilitation the opportunity to take 10% of the rehabilitation expenditures as a state income tax credit up to \$5,000. If the home is located in a target area, the credit may be equal to 15% of the rehabilitation expenditures up to \$5,000 and for any other certified structure; the credit may be equal to 20% of rehabilitation expenses up to \$5,000. Department of Natural Resources-approved rehabilitations must meet the standards promulgated by the Department of Natural Resources and must have qualified rehabilitation expenses that exceed the lesser of \$25,000 or 50% of the adjusted basis of a historic home used as a principal residence, \$5,000 for a historic home used as a principal residence in a target area, or the greater of \$5,000 or the adjusted basis of the building for any other certified historic structure. Further, at least 5% of the qualified rehabilitation expenses must be allocated to work completed on the exterior of the structure.

In May, 2008, State House Bill 851 was signed into law amending the program. The new law increases the state income tax credit to 25% of qualified rehabilitation expenses from the current 10%-20% as noted above. The law new bill also removes the existing \$5,000 cap and provides a new cap of \$100,000 for personal residential properties and \$300,000 for commercial/income-producing properties. **The new law will go into effect Jan. 1, 2009.** For further information, contact the Georgia Department of Natural Resources at the address, telephone number, and email above.

### City/County Urban Enterprise Zone Tax Abatement Program

Ad valorem property tax exemptions covering a ten-year period can be obtained by owners of qualifying historic multi-family and non-residential structures located in urban enterprise zone eligible areas. There is no minimum acreage requirement for proposed zones. Tax abatements are also available for commercial, industrial, and mixed-use properties. For housing urban enterprise zones, structures suitable for rehabilitation/renovation must provide a minimum of four multi-family housing units. For further information, contact Garnett Brown, the Urban Enterprise Zone Administrator at the Atlanta Bureau of Planning, 55 Trinity Avenue SW, Suite 3350, Atlanta, Georgia 30335-0310 (404-330-6145) or [gbrown@atlantaga.gov](mailto:gbrown@atlantaga.gov).

### Development Impact Fee Exemption

The owner of a city-designated Landmark Building or a contributing in a Landmark District, which will undergo a rehabilitation or conversion, may obtain a 100% exemption from the payment of Development Impact Fees for building permits associated with the rehabilitation/conversion project. Such an exemption must be obtained prior to the issuance of a Building Permit. For further information, contact Impact Fee Coordinator, Atlanta Bureau of Buildings, 55 Trinity Avenue SW, Suite 3900, Atlanta, Georgia 30335-0309 (404-330-6691) or [mamiller@atlantaga.gov](mailto:mamiller@atlantaga.gov).

### Façade Easements

A preservation easement is a legally enforceable commitment by a property owner to preserve the facades of a historic structure so that its exterior architectural features remain unchanged in perpetuity. Properties must be National Register-eligible structures. Federal and State income tax deductions can be taken as well as the possibility of other tax advantages related to a property's decrease in value as a result of an easement donation. For further information, contact Easements Atlanta, Inc. c/o the Atlanta Preservation Center, 327 St. Paul Avenue, SE, Atlanta, Georgia 30312 (404-688-3353) or [www.preserveatlanta.com](http://www.preserveatlanta.com).

### Transfer of Development Rights (TDR)

See Section 16-28.023 of the Code of Ordinances of the City of Atlanta for information.