



MacRostie Historic Advisors LLC

Bringing strategy, equity, and experience  
to historic building development

# National Park Service Updates & State Historic Tax Credits

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# National Park Service Updates

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- Government shutdown at beginning of year – mostly recovered
- New hires in progress to get up to full staffing – both project review and administrative
- Functionally-related complex guidance is being implemented and clarified
- Historic Tax Credit Coalition (HTCC) is pushing NPS and SHPOs on project review timelines

# Texas Historic Preservation Tax Credit

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- 25% tax credit for state franchise tax or insurance premium tax
- No basis test, no recapture, only \$5,000 expenditure required
- Non-profits and state institutions of higher education are eligible
- 3-part State Tax Credit Application approved by Texas Historical Commission (THC) that mirrors federal application
- Can be combined with the federal historic tax credit or undertaken independently
- Credit is certificated
- Multi-phased projects may benefit from state-only strategy in order to monetize tax incentives more quickly

# North Carolina Historic Preservation Tax Credit

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- Tiered base credit:
  - 15% up to \$10M of QREs
  - 10% from \$10M - \$20M
  - No credit above \$20M
- Bonus credits:
  - 5% Development Tier Bonus for projects in Tier 1 or 2 county
  - 5% Targeted Investment – manufacturing or agricultural related at least 65% vacant for two years preceding eligibility certification
- Sunset expected to be extended from January 1, 2021 to January 1, 2024
- “Important Notice” from NCDOR released in September (2018) raised issues about partnership structures

# California Historic Preservation Tax Credit

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- California SB 451 introduced in February, 2019
- Tax credit allocations to take place between Jan. 1, 2021 and Jan. 1, 2026
- Credit amount:
  - 20% base credit
  - 5% additional credit for projects that are federal surplus property, surplus state real property, or on surplus land; affordable housing; located in designated census tract; part of a military base reuse authority; or transit-oriented development that high-density, mixed use and within one-half mile of a transit station
- Aggregate cap: \$50M\*  
\*Plus unused allocation tax credit from the proceeding year, \$10M of which would be set aside for rehab of qualified residences and projects with QREs less than \$1M
- July 8, 2019: referred out of Committee on Rev. & Tax. to Committee on Appropriations with unanimous support