Listing Historic Properties in the National Register of Historic Places & How Historic Tax Credits Work

What the National Register DOES:

1. **Identifies Historic Sites:** Recognizes buildings, structures, and areas of historical significance.
2. **Supports Preservation Efforts:** Helps document and support local preservation projects.
3. **Informs Project Planning:** Requires federal, state, and local agencies to consider historic properties in project planning.
4. **Reviews Federal Projects:** Reviews federally funded or sponsored projects that may affect historic properties.
5. **Offers Grant Eligibility:** Makes historic property owners eligible to apply for preservation grants.
6. **Provides Tax Incentives:** Offers tax incentives for rehabilitating income-producing historic properties that meet preservation standards.

What the National Register DOES NOT Do:

1. **Does NOT Limit Private Property Rights:** Does not restrict owners from using, selling, or developing their property.
2. **Does NOT Create Historic District Zoning Automatically:** Does not lead directly to zoning changes or new ordinances.
3. **Does NOT Stop Projects:** Does not halt federal, state, or private projects.
4. **Does NOT Review Non-Federal Projects:** Does not review state, local, or privately funded projects that may impact historic properties.
5. **Does NOT Guarantee Grant Funding:** Does not ensure grant funding for all historic properties (but when grant programs are available, the National Register is typically the qualifying criteria).
6. **Does NOT Provide Tax Credits to All Owners:** Tax credits only apply to income-producing properties (rentals, commercial, etc.), not to privately-owned residential properties (yet – there are some efforts in Maine to expand this).

Effects of Listing in the National Register:

- **Official Recognition:** Listing acknowledges a property's historic and cultural significance.
- **Federal Protection:** Properties listed or eligible for listing are protected from negative impacts of federally funded projects through a review process.
- **Tax Credit Eligibility:** Income-producing properties listed in the Register may qualify for federal and state rehabilitation tax credits.
- **Owner Control:** Property owners retain full control over their property unless they receive federal funding or participate in a tax credit project.

How Historic Tax Credits Work

- The credits are awarded according to the property's use, not the developer. The building must ultimately be an income-producing property that's not tax-exempt from property or income taxes.
- The credits are sold upfront for cash (at approximately $0.80 on the dollar). So for nonprofit developers, they don't use the credits for their own tax liability, they sell them for cash in order to develop historic buildings.