



WASHINGTON STATE
MAIN STREET
PROGRAM

FINANCIAL INCENTIVES FOR YOUR HISTORIC PROPERTY



Photo: Aberdeen, WA

Among the many ways to finance rehabilitation, there are two major tax incentive programs available to historic buildings in Washington state: the Federal Historic Rehabilitation Tax Credit and Special Valuation.

The **Federal Historic Rehabilitation Tax Credit Program (HTC)** supports the rehabilitation of historic structures of every period, size, style, and type. This program can provide a tax credit for 20% of the amount spent on a substantial rehabilitation project that results in an income-producing property. These credits provide a dollar-for-dollar reduction on an owner's tax liability, and can help to cover the extra costs of doing faithful historic rehabilitation work.

- **Eligible projects:** Income-producing buildings listed or eligible for listing* in the National Register of Historic Places, as well as contributing buildings in a National Register-listed historic district. (Note: *Building or district must ultimately be listed in the National Register before the tax credit can be realized.)
- **How to apply:** The best first step is to contact the Department of Archaeology and Historic Preservation (DAHP) and discuss certified historic status and planned rehabilitation of the building.

Be sure to connect with your community's local Main Street organization to see if there are local resources, networks, funders, or initiatives that can help to elevate your project and take it across the finish line!



Photo: Dayton, WA

Often working hand-in-hand with Federal Historic Rehabilitation Tax credits, **Special Valuation** is a statewide tax incentive program typically managed at the local level. It provides a 10-year tax break that reduces property tax liability by effectively lowering the assessed value by the total qualifying rehabilitation costs of the project. In order to take advantage of this program, rehabilitation costs (or “qualified expenditures”) need to be at least 25% of the assessed value of the structure prior to rehabilitation. This might sound daunting, but the value of the structure does not include the value of the land. In addition, the “qualified expenditures” can be soft or hard development costs of the whole project, beyond work completed on historic character-defining features.

- **Eligible buildings:** Income-producing and private residential historic buildings listed in a local register (e.g., those that meet the definition of a “Historic Property” defined in local ordinance)
- **How to apply:** Applying for Special Valuation is done at the municipal level with approval from a Historic Preservation Commission or local review board. Filing an application with the assessor’s office should be done no later than two years after beginning the rehabilitation work.

WANT TO LEARN MORE?

preservewa.org/historic-property-resource-guide

To learn more about eligibility, application processes, and other financing tools and funding sources, access our full Historic Property Resource Guide online at the URL above, and visit the Washington State Department of Archaeology and Historic Preservation’s grant directory at dahp.wa.gov/grants



Since 1984, the Washington State Main Street Program (WSMSP) has been helping communities revitalize the economy, appearance, and image of their downtown commercial districts using the National Trust for Historic Preservation’s successful Main Street Approach. Main Street is a comprehensive, incremental approach to revitalization built around a community’s unique heritage and attributes. Using local resources and initiative, the state program helps communities develop their own strategies to stimulate long-term economic growth and pride in the heart of the community downtown. The Washington State Main Street Program is a program of the Department of Archaeology & Historic Preservation and is managed, under contract, by the Washington Trust for Historic Preservation.