Historic Tax Credit Guide

The credits are real — and so are the strings. Here's the clear-eyed version.



Prefer something digital? Scan to fill this out on your phone instead. We'll email you your finished copy — and keep your numbers on file, so when we talk, we start exactly where you left off.

Using the digital version shares your entries with Horizon Realty Group. No spam — that's the standing promise.

1 What actually exists

- **Federal credit — 20%** of qualified rehabilitation costs, for income-producing certified historic structures (rentals, commercial). Not for your own residence.
- **North Carolina state credits** — separate credits for income-producing projects *and* for owner-occupied historic homes with substantial qualified rehab. Percentages, minimum-spend thresholds, and caps are set by statute and have changed before — **confirm current figures with your tax professional before planning around them.**

2 The sequence that protects your credit

1. **Part 1 — Certify the building.** Is it a certified historic structure (individually listed, or contributing to a listed district)?
2. **Part 2 — Approve the work BEFORE you start.** The State Historic Preservation Office reviews your rehab plan against the Secretary of the Interior's Standards.
3. **Part 3 — Certify completion.** Finished work is reviewed against what was approved.

> **The order is the whole game.** ***Work performed before approval can forfeit the credit — the single most expensive mistake in historic rehab. Get Part 2 approval before a contractor touches the building.***

Horizon Real Estate Group, LLC
dba Horizon Realty Group
Prepared by Travis Old, REALTOR®
422A Caratoke Hwy, Moyock, NC 27958 · (252) 632-8681

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3 What counts — and what doesn't

Generally qualifies:

- Structural work, roof, masonry
- Electrical, plumbing, HVAC systems
- Windows and interior rehab meeting the Standards

Generally doesn't:

- Additions and new square footage
- Landscaping, driveways, outbuildings
- Furniture and appliances

4 The ownership realities nobody puts in the listing

- **Local review:** in a designated historic district, exterior changes typically need a Certificate of Appropriateness from the local preservation commission — on its meeting schedule, not yours.
- **Materials and methods** are reviewed — matching what's there can cost more than replacing it.
- **Holding period:** the federal credit carries a five-year recapture — sell early and part of it comes back.
- **Timelines:** approvals add weeks-to-months. Budget the calendar, not just the dollars.

Thinking about a specific property? Tell us which one. We'll pull its district status and flag what its file would need — before you spend money on plans.

Questions while you work through this? Call or text Travis at **(252) 632-8681**.

This guide is general information, not tax or legal advice. Credit percentages, caps, and sunset dates change; confirm current federal and North Carolina provisions with your CPA and the NC State Historic Preservation Office before committing funds.

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