

Eligible Expenses for Historic District Tax Abatement
 DRAFT FOR DISCUSSION 5/14/2020

These amendments are proposed in an effort to more closely align the list of eligible expenses with the Federal Rehabilitation Tax Credit, which staff believes will add clarity and encourage use of the tax abatement. Proposed changes include expanded eligibility for permanent interior work (elements attached to the building) and soft costs. A certain proportion of expenses will still be required for exterior work, depending on property location (if in the East Austin Revitalization Area) and use (homestead or income-producing).

Additions are not allowed by the federal tax credit and have not been allowed to date by the local tax abatement; that item is noted for discussion by the Commission.

The Historic Landmark Commission must review and approve all eligible expenses. If the property owner completes the work themselves, s/he must submit at least one quote from a professional contractor providing an estimate of costs for materials and labor. Only work completed after the owner has obtained a Certificate of Eligibility can be considered.

- X = proposed to be added
- X = proposed to be removed

Expense	Proposed eligible	Currently eligible	Eligible for fed. historic tax credit	Proposed ineligible
Carpeting (if glued in place)	X		X	
Ceilings	X	X	X	
Chimneys	X		X	
Doors, exterior (repair and rehabilitation; replacement if staff concurs is necessary)	X	X	X	
Doors, interior	X		X	
Electrical wiring	X	X	X	
Energy efficiency improvements (weather-stripping, etc.; solar panels if essential to the operation and maintenance of the building)	X	X	X	
Fire escapes	X	X	X	
Floors (construction)	X	X	X	
Foundation (repair, replacement)	X	X	X	
Gutters	X	X	X	
Hazardous material abatement (lead paint, asbestos)	X		X	
HVAC systems (permanent)	X	X	X	
Light fixtures	X		X	
Roofing (repair, replacement)	X	X	X	
Painting, exterior	X	X	X	
Painting, interior	X		X	
Paneling or other permanent interior wall covering	X		X	

Expense	Proposed eligible	Currently eligible	Eligible for fed. historic tax credit	Proposed ineligible
Plumbing and plumbing fixtures	X	X	X	
Reconstruction of documented missing architectural features	X	X	unsure	
Soft costs: architect fees, engineering fees, construction management costs, reasonable developer fees, financing fees	X		X	
Sprinkler/fire suppression systems	X	X	X	
Stairs, escalators, and elevators	X	X	X	
Structural repairs	X	X	X	
Tiling or other permanent floor covering	X		X	
Walls, exterior (repair, rehabilitation, and demolition of non-historic additions)	X	X	X	
Walls, interior (construction, demolition)	X	X	X	
Windows (repair and rehabilitation; replacement if staff concurs is necessary)	X	X	X	
Acquisition costs				X
Additions (increase in total interior volume)	DISCUSS	no	no	
Appliances				X
Cabinets				X
Carpeting (if tacked in place and not glued)				X
Decks (if not part of original building)				X
Demolition costs (removal of any building on property)				X
Fencing				X
Feasibility studies				X
Financing fees				X
Furniture				X
Landscaping (historic exterior walls and features)		X		X
Landscaping (non-historic features)				X
Leasing expenses				X
Moving (building) costs (if part of acquisition)				X
New buildings (construction)				X
Outdoor lighting (not physically on building)				X
Parking lot				X
Paving				X
Planters				X
Porches and porticos (if not part of original building)	DISCUSS			
Retaining walls				X
Security, operations, and maintenance systems		X		X
Sidewalks				X
Signage		X		X
Storm sewer construction costs				X
Window treatments (e.g., curtains, blinds)				X