

New York State Passes First-Time Tax Credit for Historic Preservation and Rehabilitation

9/8/06 - In mid-August, Governor George E. Pataki signed into law New York State's first-ever tax incentives for rehabilitation of historic commercial and residential structures. Starting in 2001, the Governor had always included a State Income Tax Credit incentive for historic preservation in his Executive budget proposals. The new measure (A.11987/S. 8392) was sponsored by Assemblyman Ron Canestrari and Senators Vincent Leibell, Frank Padavan, and Catherine Young.

Under the new law, State and National Register-listed owner-occupied residential structures in distressed areas are eligible for a New York State Income Tax credit covering 20% of rehabilitation costs, up to a credit value of \$25,000. In addition to New York City, cities such as Albany, Binghamton, Buffalo, Elmira, Newburgh, Rochester, and Syracuse have significant numbers of housing stock in distressed areas that will qualify for the program.

The new law also includes incentives for historic commercial properties. National Register-listed or -eligible commercial properties that qualify for the Federal Rehabilitation Tax Credit would qualify for an additional New York State credit, covering 30% of the federal credit value in such projects, up to a value of \$100,000.

Under the leadership of the Preservation League of New York State, preservationists have long advocated for this new incentive which they believe will help increase the rehabilitation activity within the state.

The program will take effect on January 1, 2007.