

# INCENTIVE PROGRAMS FOR NATIONAL REGISTER PROPERTIES

## City of Wilmington, Delaware

v. 02-18-21

### 1. Federal Historic Preservation Tax Incentives

Income-producing properties are eligible for up to a 20% tax credit for substantial, certified rehabilitation expenditures for certified historic structures. [This program does not apply to owner-occupied residential properties currently.] The program is administered in three parts. Part 1, *Evaluation of Significance*, certifies that a property included in a National Register district contributes to the significance of that district. Individually listed National Register properties are already certified historic structures and do not require Part 1. Unlisted historic properties can use the Part 1 application to request a preliminary determination of significance from the National Park Service (NPS). If the property is found to be significant, the NPS can allow the project to proceed while the National Register nomination is being prepared by the applicant. Part 2 of the application is the *Description of Rehabilitation*. Certification of this portion acknowledges that the plans are consistent with the historic character of the building and do not harm or cover up significant historic features of the interior or exterior. Part 3, *Request for Certification of Completed Work* is a final inspection to verify that the approved plans were carried out as stated in Part 2.

The Delaware Division of Historical and Cultural Affairs is the first point of contact for property owners. They provide application forms, guidance, and make certification recommendations for Parts 1, 2 and 3 to the National Park Service (NPS). The NPS reviews the applications, makes certification decisions, and transmits decisions to the Internal Revenue Service. Frequently, property owners consult with tax attorneys or tax credit specialists for assistance with the program. Details of the program can be found in the National Park Service pamphlet titled "Preservation Tax Incentives for Historic Buildings." Visit the NPS website <http://www.nps.gov/tps/tax-incentives.htm>

Code References: U.S. Department of the Interior: 36 CFR Part 67; Treasury Regulation Section 1.48-12.

### 2. Delaware Historic Preservation Tax Credits

The Delaware Historic Preservation Tax Credit can be applied to rehabilitations of both income-producing and owner-occupied certified historic properties. Properties that may be considered for certification include those listed on the National Register, and those designated historic by local ordinance AND that meet the NR eligibility criteria. The state program uses criteria similar to the federal program, and coordination when both programs are used is easily accomplished. State credits range from 20% to 40% depending upon eligibility for other tax credit programs, including the low-income housing tax credit. Projects involving owner-occupied residential properties and non-profit properties have a tax credit cap of \$30,000. The fiscal yearly cap for the sum of all state credits is \$8M. The Delaware Historic Preservation Tax Credit program is currently authorized through June 30, 2025. The full text of the regulations can be obtained by contacting the Delaware Division of Historical and Cultural Affairs or by visiting the website at: <https://history.delaware.gov/preservation/taxcredit.shtml>

Code References: Statutory Authority: Title 30 Delaware Code, Chapter 18 Subchapter II Section 1815(b), (as amended).

### **3. City of Wilmington Property Tax Abatement Program for Historic Structures**

Any property that is on the National Register of Historic Places and any property within a City Historic District (overlay zoning) are eligible for this incentive program, which amounts to abatement of any increased tax assessment resulting from a substantial and qualified rehabilitation or new construction. There is no maximum increased valuation limit. Renovation of an existing structure carries an abatement period of 10 years from the date of the increased assessment; new construction carries an abatement period of 5 years. The work must meet City Historic District requirements and the City's Finance Director must approve a documentation package. The ordinance may be viewed from the City's website at [www.wilmingtonDE.gov](http://www.wilmingtonDE.gov). Contact the Department of Planning if you intend to apply. View the application at <https://www.wilmingtonde.gov/home/showpublisheddocument?id=9869>

Code References: Ordinance No. 00-063 & No. 06-041. Chapter 44-70 of Wilmington City Code.

### **4. Delaware Preservation Fund**

The Delaware Preservation Fund maintains a program of property easements, low-interest loans and small grants targeting National Register and locally designated historic properties. The annual deadline for grant submissions is in December, but applications are accepted year-round. Application forms and additional information can be found at the Preservation Delaware website: [www.preservationde.org](http://www.preservationde.org)

### **5. Delaware Downtown Development District (DDD) Program**

The DDD program, administered for each certified district (250 acres in Wilmington) by the Delaware State Housing Authority, supports large and small development projects with rebates of up to 20% of qualified costs. This program can be layered with the Delaware Historic Preservation Tax Credit program for qualified historic properties within DDD districts. See the website below for requirements and maps.

### **CONTACT INFORMATION**

Delaware Preservation Fund, Inc.  
302-832-0300; [dpf@dca.net](mailto:dpf@dca.net)

Delaware Division of Historical and Cultural Affairs – Timothy Slavin, Director  
302-736-7400

Delaware State Housing Authority - Downtown Development District Program  
[penny@destatehousing.com](mailto:penny@destatehousing.com); [http://www.destatehousing.com/Developers/dv\\_ddd.php](http://www.destatehousing.com/Developers/dv_ddd.php)

City of Wilmington, Department of Planning - Patricia Maley, AICP, City Historic District/DRPC Coordinator  
302-576-3113; [pmaley@wilmingtonde.gov](mailto:pmaley@wilmingtonde.gov)

City of Wilmington, Department of Planning - Debra Martin, Preservation Planner  
302-576-3107; [dmartin@wilmingtonde.gov](mailto:dmartin@wilmingtonde.gov)

City of Wilmington, Department of Finance  
302-576-4320 (Division of Revenue)

Disclaimer: This two-page summary has been compiled to give owners of National Register & CHD properties an overview of incentive programs available to them. Owners are strongly urged to obtain the primary materials for each program and to read them carefully before deciding to participate. The City of Wilmington is not responsible for any errors or omissions in this summary document.