

Nearly 60% of applications
received by OHP are
Approved in-house by staff.

Project approval may be
easier than you think.

Submit your request for a
Certificate of Appropriateness
online via the Application Portal at
sapreservation.com.

An OHP Guide to

Tax Credits and Exemptions for Historic Properties

This guide shares with historic property
owners information about incentives that
support preservation in San Antonio.

The City of San Antonio, the State of
Texas, and the federal government offer a
number of tax incentives for owners who
invest in their historic structures. And
some city incentives are transferrable.

Incentives offered by the city include

- Your choice of two 10-year city tax abatement programs for substantially rehabilitated properties
- A 10-year 20% city tax exemption for owner-occupied homes in new historic districts (with the possibility to extend five years)
- 10 years tax-free for qualifying low-income rental properties



CITY OF SAN ANTONIO
OFFICE OF HISTORIC PRESERVATION

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Use this guide to

- Learn about **city tax incentives for historic home and building owners**
- Learn about **state and federal tax programs** for historic properties
- Find out what kinds of projects and properties **qualify for tax incentives**
- Learn how to **submit and verify applications for tax incentives**



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City of San Antonio

Tax Incentives

Your project may qualify for a city tax incentive if

- Your property is a local landmark or located in a local historic district.
- Your planned rehab project meets or exceeds 30% of the assessed value of the structure.

Additional guidelines apply as listed below.

Substantial Rehabilitation Tax Exemptions for Residential Properties

Homeowners may choose one of the following:

- **City property taxes frozen for 10 years** at the assessed value prior to improvements.
- **No city property taxes owed for five years** after rehabilitation. In the following five years, city property taxes will be 50% of the post-rehab assessed value.

Property tax exemptions remain with the property regardless of changes in ownership.

20% Exemption for Owner-occupied Homes in New Historic Districts

All residential properties occupied by the owner and carrying the homestead exemption at the time of designation automatically earn a **20% city tax exemption for 10 years** as long the owner lives in the home.

Long Time Resident Extension: If the owner remains in the home for the entire 10-year exemption period and plan to remain there, they qualify for a **five-year extension**. *The maximum exemption period is 15 years total.*

Low-income Rental Properties

If you plan to substantially rehab a multi-family residence, and 40% or more of the units are offered to low-income tenants (as defined by HUD), you will not owe any city taxes for 10 years following rehab.

Tax Exemptions for Commercial Properties

No city property taxes are owed for the first five years after rehab. During the following five years, city property taxes are 50% of the post-rehab assessed value. *This incentive remains with the property regardless of changes in ownership.*

OHP staff can help you determine whether you qualify for tax incentives. Contact us at (210) 207-0035 or info@sapreservation.com, or visit the OHP counter at 1901 S. Alamo Street.

How to Claim your Substantial Rehabilitation City Tax Incentive

- Submit your tax certification application and project plans to OHP.
- The Historic and Design Review Commission (HDRC) reviews your application.
- If approved, and once your project is complete, you must submit a tax verification application to OHP.
- OHP staff will visit the property to make sure completed work matches approved plans.
- The HDRC will review tax verification.
- If approved, OHP staff will notify the Bexar County Appraisal District (BCAD) and send a tax verification letter to you.
- **Exemptions take effect on January 1 the following year.**

Owners must submit a BCAD tax exemption application along with the tax verification letter to Bexar County each year.

State and Federal Tax Incentives

The **Texas Historical Commission (THC)** administers state and federal tax incentive programs for Texas residents. To learn more about the programs below, visit thc.texas.gov or call the THC office at (512) 463-7687.

The **Federal Historic Tax Incentives Program** offers a **20% income tax credit for rehabbing historic commercial properties** and a **10% credit for rehabbing non-historic buildings**.

The **Texas Historic Preservation Tax Credit Program** offers a 25% tax credit rehabbing historic buildings.

Your project may also qualify for a **state sales tax exemption** if your structure is listed in the National Register of Historic Places.