

Historic Site Tax Exemptions

Exemption descriptions

as of March 21, 2019



**PLANNING &
DEVELOPMENT
DEPARTMENT**

Eligibility	Investment Benefit															
<p>Qualified Expenses (QE) are between 25% and 99% of the structures's value</p> <ul style="list-style-type: none"> • Landmarks • Protected Landmarks • Contributing Structures located inside a City of Houston Historic District 	<p>Exemption equals QE:</p> <p><i>For example:</i></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-right: 20px;">Starting Land Value</td> <td style="text-align: center;">=</td> <td style="text-align: right;">\$200,000</td> </tr> <tr> <td>Starting Structure Value</td> <td style="text-align: center;">=</td> <td style="text-align: right;">\$100,000</td> </tr> <tr> <td>Investment</td> <td style="text-align: center;">=</td> <td style="text-align: right;">\$30,000</td> </tr> <tr> <td>Exemption (annually/15 yrs)</td> <td style="text-align: center;">=</td> <td style="text-align: right;">\$30,000</td> </tr> </table> <p>Assuming no other exemptions, the property owner pays taxes on land value, structure value (less the QEs) times the tax rate for 15 years.</p>	Starting Land Value	=	\$200,000	Starting Structure Value	=	\$100,000	Investment	=	\$30,000	Exemption (annually/15 yrs)	=	\$30,000			
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<p>Qualified Expenses (QE) equal or greater than 100% of the structures's value</p> <ul style="list-style-type: none"> • Landmarks • Protected Landmarks • Contributing Structures located inside a City of Houston Historic District <p>EXCEPT: For single family structures that meet the above criteria, they must also be located within Qualifying Census Tracts, defined as Census Tracts in which the poverty rate is at least 20% or the median family income for such tract does not exceed 80% of the metropolitan area median family income. (see map on back)</p>	<p>Exemption equals the HCAD value on January 1 of the next year:</p> <p><i>For example:</i></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-right: 20px;">Starting Land Value</td> <td style="text-align: center;">=</td> <td style="text-align: right;">\$200,000</td> </tr> <tr> <td>Starting Structure Value</td> <td style="text-align: center;">=</td> <td style="text-align: right;">\$100,000</td> </tr> <tr> <td>Investment</td> <td style="text-align: center;">=</td> <td style="text-align: right;">\$200,000</td> </tr> <tr> <td>Year 1 Improvement Value</td> <td style="text-align: center;">=</td> <td style="text-align: right;">\$225,000</td> </tr> <tr> <td>Exemption (annually/15 yrs)</td> <td style="text-align: center;">=</td> <td style="text-align: right;">\$225,000</td> </tr> </table> <p>Assuming no other exemptions, the property owner pays taxes on land value, structure value (less the HCAD value on January 1 of the first year after the improvements are complete) times the tax rate for 15 years.</p>	Starting Land Value	=	\$200,000	Starting Structure Value	=	\$100,000	Investment	=	\$200,000	Year 1 Improvement Value	=	\$225,000	Exemption (annually/15 yrs)	=	\$225,000
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For the purpose of this ordinance, Qualified Expenses (QE) are:

1. Restoration performed pursuant to a certificate of appropriateness (COA) granted under the Historic Preservation Ordinance;
2. Repair or reconstruction of the historic portion of the structural components, which includes parts of a building such as walls, partitions, floors, ceilings; windows and doors; all components of a central air conditioning or heating system, whether within or adjacent to a building, including motors, compressors, pipes and ducts; plumbing and plumbing fixtures, such as sinks and bathtubs; electric wiring and lighting fixtures; chimneys; stairs, escalators, and elevators; interior sprinkler systems; fire escapes; and other components relating to the operation or maintenance of a building;
3. Interior remodeling of the historic portion of the structure's paint, flooring, permanent coverings such as paneling or tiling;
4. Professional services such as architectural, engineering, and other development fees; and
5. Construction management and labor, materials, and reasonable overhead.