



# ECONOMIC INCENTIVES

for the Repair and Rehabilitation of  
Historic Buildings in Fredericksburg, Virginia

For more information:  
Community Planning and Building  
City of Fredericksburg, VA  
540.372.1179  
fredericksburgva.gov

## COMMERCIAL & INDUSTRIAL BUILDINGS

### Eligible Buildings



### CITY OF FREDERICKSBURG REHABILITATION TAX EXEMPTION

**WHAT IT DOES:** Provides a partial real estate tax exemption for 7 years. The initial increase in taxes caused by rehabilitation is excused for 2 years and continues on a declining scale for 5 years. Available for *buildings over 40 years old* through the Commissioner of the Revenue.

**MINIMUM INVESTMENT:** The base value of the structure must be increased by at least 30%. Learn more at [fredericksburgva.gov](http://fredericksburgva.gov).

### ZERO INTEREST LOAN PROGRAM

**MS** **WHAT IT DOES:** Provides zero interest loans for facade and interior improvements as well as business expansion through a revolving fund. Loans up to \$5,000 have a 3-year term, and loans up to \$2,500 have a 2-year term. Applications accepted on an ongoing basis. Learn more at [fredericksburgdowntown.org](http://fredericksburgdowntown.org).

### 25% VIRGINIA REHABILITATION TAX CREDIT

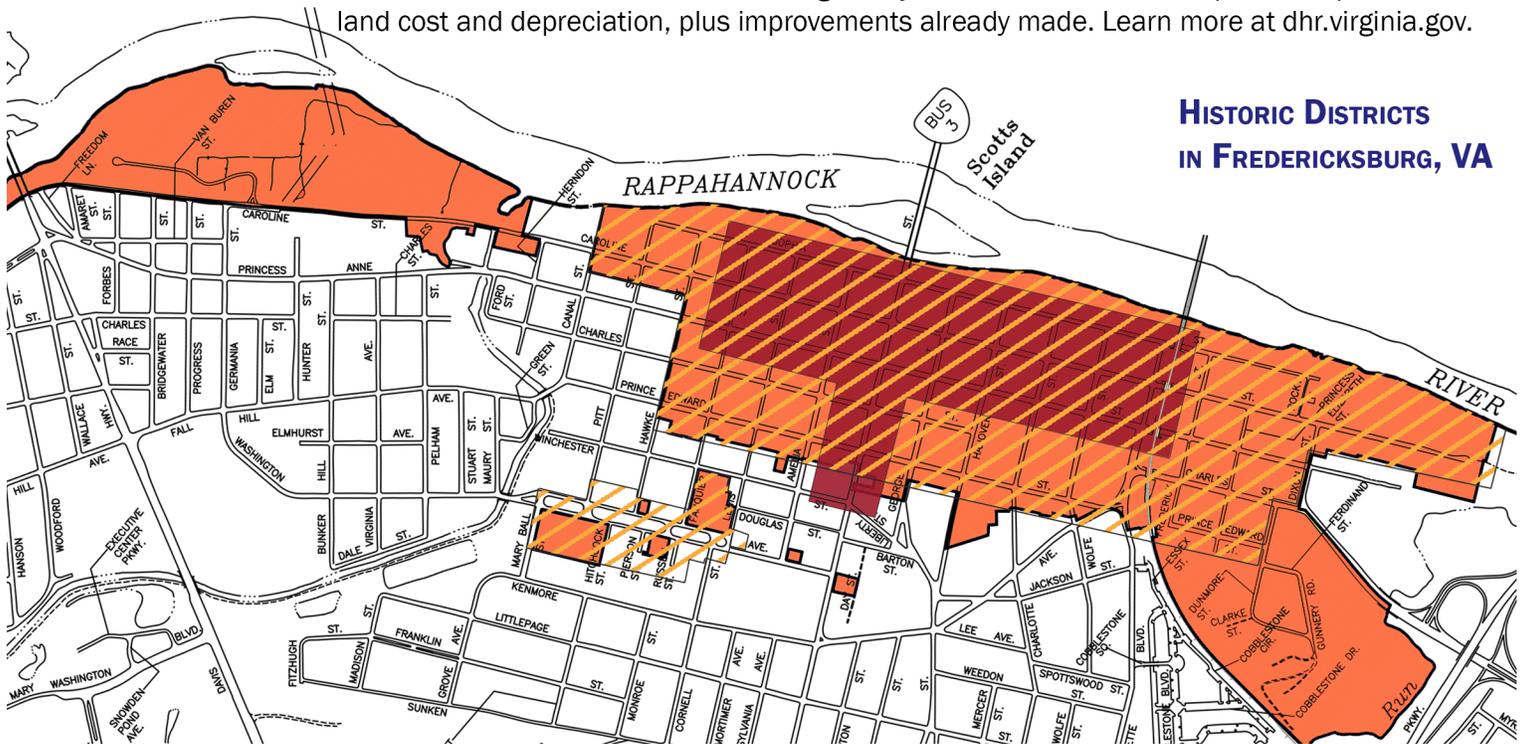
**NR** **WHAT IT DOES:** Dollar-for-dollar state income tax credit equal to 25% of the construction costs for rehabilitating a certified historic structure; the credit may be used in combination with the federal 20% tax credit. Apply through the Virginia Department of Historic Resources (VDHR).

**MINIMUM INVESTMENT:** Rehabilitation expenses must be greater than or equal to 50% of the assessed value of the building. Learn more at [dhr.virginia.gov](http://dhr.virginia.gov).

### 20% FEDERAL REHABILITATION TAX CREDIT

**NR** **WHAT IT DOES:** Dollar-for-dollar Federal income tax credit equal to 20% of the construction costs for rehabilitating a certified historic structure; the credit may be used by the building owner or sold to a tax credit investor. Apply through VDHR.

**MINIMUM INVESTMENT:** 100% of the building's "adjusted basis"; that is, the purchase price minus land cost and depreciation, plus improvements already made. Learn more at [dhr.virginia.gov](http://dhr.virginia.gov).



**HISTORIC DISTRICTS  
IN FREDERICKSBURG, VA**

## COMMERCIAL & INDUSTRIAL BUILDINGS, continued

### Eligible Buildings

HFD

NR

#### **FACADE EASEMENT DONATION**

**WHAT IT DOES:** A one-time, charitable, Federal income tax deduction equal to the appraised value of the preservation easement; a legal agreement which assigns the rights to review and approve alterations to a qualified nonprofit organization for the purpose of preservation. Learn more through the Historic Fredericksburg Foundation, Inc., online at [hffi.org](http://hffi.org).

HFD

NR

MS

NH

#### **COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY FINANCING**

**WHAT IT DOES:** Provides loans for the acquisition and installation of clean energy improvements for existing and new commercial, non-profit, and multi-family buildings. The minimum loan amount is \$20,000. Learn more through the Fredericksburg Economic Development and Tourism Department at [fredericksburgva.com](http://fredericksburgva.com).

#### **FACADE IMPROVEMENT DESIGN ASSISTANCE**

MS

**WHAT IT DOES:** Free design assistance for property owners for exterior alterations to commercial properties in Fredericksburg's Main Street District through Frazier Associates, Virginia Main Street's Design Consultant. Design work does not address structural or more substantial repairs. Apply through Main Street and learn more at [fredericksburgdowntown.org](http://fredericksburgdowntown.org).

## RESIDENTIAL BUILDINGS

HFD

NR

#### **CITY OF FREDERICKSBURG REHABILITATION TAX EXEMPTION**

**WHAT IT DOES:** Provides a partial real estate tax exemption for 7 years. The initial increase in taxes caused by rehabilitation is excused for 2 years and continues on a declining scale for 5 years. Apply through the Commissioner of the Revenue's office.

**MINIMUM INVESTMENT:** The base value of the structure must be increased by at least 20%. Learn more at [fredericksburgva.gov](http://fredericksburgva.gov).

NR

#### **25% VIRGINIA REHABILITATION TAX CREDIT**

**WHAT IT DOES:** Dollar-for-dollar state income tax credit equal to 25% of the construction costs for rehabilitating owner-occupied residential certified historic structures. Apply through VDHR.

**MINIMUM INVESTMENT:** Rehabilitation expenses must be greater than or equal to 25% of the assessed value of the building in the year before work begins. Learn more at [dhr.virginia.gov](http://dhr.virginia.gov).

NR

#### **20% FEDERAL REHABILITATION TAX CREDIT - RENTAL PROPERTIES ONLY**

**WHAT IT DOES:** Dollar-for-dollar Federal income tax credit equal to 20% of the construction costs for rehabilitating a certified historic structure; the credit may be used by the building owner or sold to a tax credit investor. Owner-occupied homes not eligible. Apply through VDHR.

**MINIMUM INVESTMENT:** 100% of the building's "adjusted basis"; that is, the purchase price minus land cost and depreciation, plus improvements already made. Learn more at [dhr.virginia.gov](http://dhr.virginia.gov).

HFD

NR

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HFD

Historic Fredericksburg District

NR

National Register District

MS

Main Street District

NH

Non-Historic Buildings

### FOR MORE INFORMATION, CONTACT:

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