The South Carolina Department of Archives and History
State Historic Preservation Office (SHPO) has had another busy year. Fiscal year (FY) 2017-2018 has seen a 28% increase in both income-producing and homeowner tax credit applications over the previous year. This fiscal year, the SHPO received applications for 64 new tax credit projects from 22 counties, covering all seven congressional districts. Historic tax credit projects continue to make a significant contribution to the South Carolina economy with approximately $65 million dollars in total project costs spent on tax credit projects completed in FY 2017-2018, and an estimated $191 million dollars in total project costs planned by in-progress tax credit projects. Together, the federal and state historic tax credit projects that were completed in FY 2017-2018 earned a combined $20 million dollars in historic tax credits.

The SHPO is responsible for reviewing applications for income-producing projects seeking the 20% Federal Historic Tax Credit and/or the 10% (optional 25%) State Historic Tax Credit, and applications for residential projects seeking the 25% State Historic Owner-Occupied Tax Credit (Homeowner). Each tax credit program includes a 3-part application process. The applications for the income-producing projects are denoted with a P, and the applications for homeowner projects are denoted with an S. The first part of the application process is the determination of historic status with a P1 or S1 application. The second part is the description of work submitted for review on a P2 or S2 application. The third part is certification of the project once the work is complete and is submitted on a P3 or S3 application. During the course of the project, if the proposed work is revised, added to, or removed from the project scope, a P2 Amendment or S2 Amendment form must be submitted to the SHPO for review. In FY 2017-2018, the SHPO reviewed 148 total P1, P2, P2A, and P3 tax credit applications and 4 total preliminary determinations for income-producing projects, and 99 total S1, S2, S2A, and S3 tax credit applications for homeowner tax credit projects. The number of tax credit applications increased 28% over the previous fiscal year. The average review time for a completed application was 14 days.

In addition to conducting application reviews, the SHPO team has been working hard to make it easier for the public to research and find information, and to make the tax credit application process more efficient. The SHPO published a new brochure for the residential tax credit which is available as a downloadable PDF on our website. We also updated the residential tax credit application forms which can be downloaded as fillable PDF’s on the website. Hardcopies of the new brochure or revised tax credit applications may also be requested by contacting the SHPO directly. In addition to updating program materials and applications, staff members have traveled to various locations throughout the state speaking about tax credit opportunities for historic properties.

The impact of increased flooding on historic properties continues to be at the forefront of our discussions. We are working with federal, state, and local governments and organizations in order to better document the current and future potential impacts of sea-level rise and flooding on historic buildings seeking tax credits. We continue to establish and strengthen our working relationships with key officials in the cities most affected by flooding to ensure mitigation efforts on historic properties seeking federal and state tax credits are completed in a manner that is compatible with the historic character of these important buildings.

This report provides greater detail on the income-producing and residential tax credit applications from FY 2017-2018. Thank you to the property owners that have participated in the historic tax credit program in years past. If you have any questions about the tax credit programs please visit our website at scdah.sc.gov or contact the appropriate SHPO staff.
The number of applications for historic rehabilitation projects seeking federal and state tax credits increased in Fiscal Year 2017-2018. Of the new project applications submitted to the State Historic Preservation Office for review in this last fiscal year, 35% of the applications were seeking the South Carolina 25% tax credit available for owner-occupied certified historic residential structures (Homeowner tax credit). 62% of the new project tax credit applications were seeking the 20% Federal Historic Tax Credit (HTC) and the 10%/25% South Carolina State Historic Tax Credit for income-producing tax credits. 3% of the new tax credit projects submitted to the SHPO were mixed-use projects meaning they are both owner-occupied and income-producing and will be seeking both forms of historic tax credits.

In FY 2017-2018, the SHPO reviewed a total of 251 applications between income-producing and homeowner tax credit projects. That is a 28% increase in applications reviewed over the last fiscal year.

Although the number of applications increased significantly since last year, the average review period for each application decreased. The SHPO has 30 days to review each tax credit application submitted to our office. In FY 2017-2018, the average review time for applications received was 14 days, compared to the 18 day average review time for tax credit applications in FY 2016-2017.

Total Tax Credits Earned in SC in FY 2017-2018*

$20 Million

*Federal and State Income-Producing Credit, & State Homeowner Credit

Increase in number of tax credit applications over last fiscal year

28%

Average number of review days for a complete tax credit application

14
*Projects with approved P3/S3 applications shown*
The nineteen income-producing projects that submitted Part 3 applications to the SHPO for review during FY '17-'18 reported combined total project costs of approx. $60 million. Of the total project costs, approximately $52 million were spent on qualified rehabilitation expenses (QREs) and are eligible for the tax credit.

From the QREs, the completed projects earned a combined estimated $10.2 million in Federal Historic Tax Credits and an estimated $9.2 million in South Carolina Historic Tax Credits for a combined estimated $19.4 million in tax credits earned this fiscal year.

The State Historic Preservation Office (SHPO) received 152 applications for income-producing tax credit projects from 18 different counties (vs. 10 counties during the last fiscal year). These projects represent the entire state of South Carolina, covering the Lowcountry, Midlands, and Upstate regions as well as both urban and rural areas of the state.
In Fiscal Year 2017-2018 the State Historic Preservation Office (SHPO) reviewed 152 applications for income-producing projects seeking the 20% Federal Historic Tax Credit (HTC) and the 10%/25% South Carolina Income-producing historic tax credit.

The number of Federal Historic Tax Credit applications the SHPO received and reviewed during Fiscal Year 2017-2018 INCREASED 31% over the previous fiscal year.

In Fiscal Year 2017-2018 the State Historic Preservation Office (SHPO) reviewed 152 applications for income-producing projects seeking the 20% Federal Historic Tax Credit (HTC) and the 10%/25% South Carolina Income-producing historic tax credit.

In Fiscal Year 2017-2018 the AVERAGE REVIEW TIME for Federal Applications:

- P1 Applications: 7 days
- P2 Applications: 25 days
- Amendments: 23 days
- P3 Applications: 16 days

The number of Federal Historic Tax Credit applications the SHPO received and reviewed during Fiscal Year 2017-2018:

FY '16-17: 116
FY '17-18: 152
**Kress Corner, Florence**

Zeigler's Drug Store (Above)
- $3,467,000 Approx. Project Cost
- Current Use: Office Space

Kress Building (bottom left)
- $6,182,000 Approx. Project Cost
- Current Use: Mixed-Use

Commercial & Savings Bank (bottom right)
- $1,639,000 Approx. Project Cost
- Current Use: Commercial/Retail
Johnston House (above)
Charleston, South Carolina
$274,000 Approx. Project Costs
Current Use: Apartments

First National Bank of Clinton (below)
Clinton, South Carolina
$1,014,000 Approx. Project Costs
Current Use: Mixed Use
William Wilkins House (above)
Greenville, South Carolina
$2,833,000 Approx. Project Costs
Current Use: Event Venue

Champion & Pearson Funeral Home (below)
Columbia, South Carolina
$1,850,000 Approx. Project Costs
Current Use: Office Space
Fremont School (right)
Spartanburg, South Carolina
$2,713,950 Approx. Total Project Costs
Current Use: Apartments

Curtiss-Wright Hangar (below)
Columbia, South Carolina
$2,021,000 Approx. Total Project Costs
Current Use: Brewery
Broad Street
Charleston, South Carolina
$3,922,000 Approx. Total Project Costs
Current Use: Commercial/Residential (Mixed-Use)
Drayton Mill (Parcel 2)
Spartanburg, South Carolina
$11,000,000 Total Project
Current Use: Commercial/Retail
The ten homeowner projects that submitted S3 applications to the SHPO for review during FY '17-'18 reported combined total project costs of approximately $4.3 million.

Of the total project costs spent, approximately $2.5 million was spent on 'allowable rehabilitation expenses'. The estimated tax credits earned by homeowner projects completed in FY '17-'18 is $600,000. The tax credits earned are distributed over three years and unused credit may be carried forward up for up to 5 years.

The STATE HISTORIC PRESERVATION OFFICE (SHPO) received 99 applications for state homeowner tax credit projects from 10 different counties (vs. 7 counties during the last fiscal year). These projects represent the entire state of South Carolina, covering the lowcountry, midlands, and upstate regions as well as both urban and rural areas of the state.
The number of state Homeowner Tax Credit applications the SHPO received and reviewed during Fiscal Year 2017-2018 increased 25% over the previous fiscal year.

In Fiscal Year 2017-2018 the State Historic Preservation Office (SHPO) reviewed 99 applications for homeowner projects seeking the 25% South Carolina Owner-Occupied historic tax credit.

In Fiscal Year 2017-2018 the average review time for Homeowner Applications:

- S1 Applications: 4 days
- S2 Applications: 6 days
- S2 Amendments: 8 days
- S3 Applications: 7 days

Number of Homeowner Applications is up 25% from last year!
William Gaillard Mazyck House  
Sullivan’s Island,  
ca. 1911  
Sullivan’s Island Historic District

Residence  
Columbia, SC  
ca. 1925  
Bellevue Historic District
Residence (below)
Charleston, South Carolina
ca. 1912-1913
Charleston Historic District

William Franklin Dargan House (above)
Darlington, South Carolina
ca. 1880-1882
Cashua Street-Spring Street Historic District
Residence (above)
Charleston, South Carolina
ca. 1913-1915
Charleston Historic District

Wegman Holmes House & Kitchen House (above)
Charleston, South Carolina
c. 1820-1825
Charleston Historic District
Residence (above)
Charleston, South Carolina
ca. 1922
Hampton Park Terrace Historic District

James McBeth House (below)
Charleston, South Carolina
ca. 1800-1810
Charleston Historic District

Residence (above)
Charleston, South Carolina
ca. 1905
Hampton Park Terrace Historic District