



Ask The Professional

REAL ESTATE



RAY EVANS, *Tax Manager*

revans@rina.com • 925-210-2180

1220 Oakland Blvd., Suite 300 • Walnut Creek, CA 94596

www.rina.com

Q
A

Are there any tax breaks for renovating my 80 year old building?

You're allowed a tax credit for the expenses for renovating, restoring, or rehabilitating (but not enlarging or adding new construction to) certain structures. The percentage of expenses you can take as a credit is 10% for buildings originally placed in service before 1936, and 20% for buildings listed in the National Register of Historic Places.

Eligible expenditures must be for nonresidential real property, unless it is a certified historic structure used as a residence. The building must be "substantially rehabilitated;" i.e. the expenses incurred in a 24-month period must be more than the greater of \$5,000 or your adjusted basis in the building. Also, non-certified historic structures must retain at least 50% of existing external walls or 75% of existing internal structural framework of the building in order to qualify.