



## **CITY OF COLUMBIA PLANNING DIVISION ABANDONED BUILDINGS ACT FREQUENTLY ASKED QUESTIONS**

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### **What is the Abandoned Buildings Act?**

In June 2013, the South Carolina State Legislature approved the Abandoned Buildings Act (ABA) in an effort to encourage the revitalization of abandoned buildings throughout the state. The ABA provides a tax credit to individuals that rehabilitate, renovate, and/or redevelop building sites. The building site must be rehabilitated and put into service for income producing purposes and meet the purpose of the act before credit can be claimed. Additionally, the credit is only allowed if the taxpayer incurs rehabilitation expenses greater than \$250,000. For more information, please visit the City's website at <http://www.columbiasc.net/planning-preservation/historic-incentives>.

### **What types of tax credit does the ABA provide?**

The ABA provides two types of tax credits. Qualified projects may choose to receive one of the following:

- 1) A credit against income taxes, corporate license fees, or taxes on associations
- 2) A credit against real property taxes levied by local taxing entities.

If a taxpayer wishes to apply for the first type of credit, they must contact the Department of Revenue, but if the taxpayer wishes to apply for the second type of credit they should contact the City of Columbia Planning Division.

### **How does a taxpayer apply for the credit against real property taxes?**

To begin the application process, the taxpayer must file a "Notice of Intent to Rehabilitate" along with a completed application to the City of Columbia Planning Division. More information about what information must be contained in the "Notice of Intent" is available on the website at <http://www.columbiasc.net/planning-preservation/historic-incentives>.

### **What counts as a rehabilitation expense?**

Expenses incurred in the rehabilitation, demolition, renovation, or redevelopment of the building site count as rehabilitation expenses. These may include costs associated with renovating or redeveloping existing buildings, environmental remediation, site improvements, and the construction of new buildings and other improvements on the building site. For the expenses associated with the building site to qualify, the abandoned buildings on the building site must be renovated or redeveloped.

### **What expenses do not qualify?**

The following expenses do not qualify:

- 1) Expenses associated with increasing the amount of square footage on the building site in excess of 200% of the amount of square footage of the buildings that existed on the site at the time the "Notice of Intent to Rehabilitate."
- 2) Any rehabilitation expenses incurred prior to filing the "Notice of Intent to Rehabilitate"
- 3) Demolition expenses associated with the demolition of a building on the National Register of Historic Places
- 4) Costs associated with acquiring the building
- 5) Cost of personal property located at the building site.

### **What is considered an abandoned building?**

For a building to be considered abandoned it must be a structure or building in which at least 66% of the space has been closed continuously to business or otherwise nonoperational for income producing purposes for a period of at least five years at the time the applicant files a "Notice of Intent to Rehabilitate."

### **How do I determine if 66% of the building or structure has been closed?**

The calculation should be based upon the total amount of square footage as certified by the Richland County Tax Assessor's web site located at:

<http://www.richlandonline.com/OnlineServices/PropertyValueTaxEstimate.aspx>

### **How do I determine how long the building has been closed to income producing purposes?**

It is the responsibility of the applicant to provide City Staff with proof of the building's/structure's abandonment. A letter from the City's Business Licensing Department indicating when the last business license was revoked is preferred.

### **Does it matter what I use the building/building site for after it is rehabilitated or redeveloped?**

Yes. The new use must be income producing; therefore, the construction of a single-family residence does not meet the intent of the Abandoned Buildings Act because it is not income producing.

### **What happens after a taxpayer files a "Notice of Intent to Rehabilitate" and application?**

Planning Staff will review the letter and application for completeness, and if no additional information is needed they will determine if the proposed work will require review by any other city board or commission such as Planning Commission, the Board of Zoning Appeals, or the Design/Development Review Commission.

The application and "Notice of Intent" will be presented to City Council for them to grant a resolution deeming the building site and expenses as eligible. They will then need to pass an ordinance that will grant the credit. City Staff will facilitate this process. For additional information, please visit the City's website at <http://www.columbiasc.net/planning-preservation>.

**How do I claim my credit once I have completed the project?**

Once you have completed your project you will need to submit paid invoices to City Staff and schedule an on-site meeting with the Planning Division contact and the City's Building Official. Once Planning Staff has confirmed the expenses meet the requirements and the project is completed as proposed, the Building Official will issue a Certificate of Occupancy. Planning Staff will notify the local taxing entities that the project is completed and you can begin claiming the credit. For additional information, please visit the City's website at <http://www.columbiasc.net/planning-preservation>.