

07 NCAC 04R .0902 DEFINITIONS

- (a) "Certified Historic Structure" means a structure which is of a character subject to the allowance for depreciation provided in Section 167 of the Internal Revenue Code of 1954, as amended, which is either listed in the National Register or located in a registered historic district and certified by the Secretary as being of historic significance to the district. For purposes of the charitable contribution provisions only of the Internal Revenue Code, properties need not be depreciable to qualify as certified historic structures. For purposes of the demolition expense provisions of the Internal Revenue Code, any structure located in a registered historic district is considered a "certified historic structure" unless the secretary has determined, prior to the demolition of the structure, that it is not of historic significance to the district.
- (b) "Certified Rehabilitation" means any rehabilitation of a certified historic structure within the time frame specified by the law, which the secretary has certified to the Secretary of the Treasury as being consistent with the historic character of the property and, where applicable, with the district in which the property is located.
- (c) "Historic District" means a geographically definable area, urban or rural, possessing a significant concentration, linkage, or continuity of sites, buildings, structures, or objects which are united by past events or aesthetically by plan or physical development.
- (d) "Inspection" means a visit by an authorized representative of the SHPO or the secretary to a historic structure for the purpose of reviewing and evaluating the significance of the structure and the completed rehabilitation work.
- (e) "National Register of Historic Places" means the national listing of districts, sites, buildings, or structures and objects significant in American history, architecture, archaeology, engineering, and culture that the secretary is authorized to expand and maintain pursuant to Section 101(a)(1) of 16 U.S.C. 470.
- (f) "Owner" means a person who holds a fee simple interest in a structure; a holder of a life estate in property; a holder of a life estate in property with remainder to another person; or a lessee whose lease term without regard to renewal periods extends beyond the useful life of the improvements or for 15 years, whichever is greater.
- (g) "Registered Historic District" means any district listed in the National Register or any district designated under a state or local statute which has been certified by the secretary as containing criteria which will substantially achieve the purpose of preserving and rehabilitating buildings of significance to the district and which has been certified by the secretary as meeting substantially all of the requirements for the listing of districts in the National Register.
- (h) "Rehabilitation" means the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its historic, architectural and cultural values. Seventy-five percent or more of the existing external walls must be retained in place as external walls in the rehabilitation process to qualify for the investment tax credit.
- (i) "Secretary" means the Secretary of the Interior or the designee authorized to carry out his responsibilities.
- (j) "Secretary's Standards for Evaluating Structures within Registered Historic Districts" means the criteria for judging whether or not a structure is contributing to the historic significance of a district and the eligibility of structures less than 50 years old. See 36 CFR 67.5.
- (k) "Secretary's Standards for Rehabilitation" means the ten broadly worded statements to guide the rehabilitation of all historic buildings. They are used by the SHPO and the Secretary in reviewing and evaluating all projects requesting certification. See 36 CFR 67.7.
- (l) "State or Local Statute" means a law of the state or local government designating, or providing a method for the designation of, a historic district or districts.
- (m) "State Historic Preservation Officer" means the official within each state, designated by the governor at the request of the secretary, or the designee authorized to carry out his responsibilities, who acts as liaison for purposes of implementing historic preservation programs within the state.
- (n) "Substantial Rehabilitation" means that the expenditures must exceed the greater of the taxpayer's adjusted basis in the structure (cost of the structure plus capital improvements minus depreciation) or five thousand dollars (\$5,000), within a 24-month period ending on the last day of the taxable year. A 60-month alternative is available only if there is a written set of architectural plans and specifications for all phases of the rehabilitation.
- (o) "Tax Act Coordinator" means the designee of the SHPO authorized to carry out his responsibilities for Tax Act certification reviews and coordination of information concerning the Tax Acts and the preservation of historic structures.

History Note: *Authority G.S. 121-8; 26 U.S.C. 46-48; 26 U.S.C. 170; 26 U.S.C. 191; 26 C.F.R. Part 1; 36 C.F.R. 62.2; 36 C.F.R. 67; Eff. February 1, 1985; Amended Eff. June 1, 1989; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 26, 2015.*