Support the Historic Tax Credit

The Historic Tax Credit (HTC) is a proven tax incentive for revitalizing historic community assets and supporting economic development and recovery. It is a 20% credit applied to qualified rehabilitation costs for certified historic structures, distributed over 5 years (4% per year). The credit generates new economic activity by leveraging private dollars—$173 billion since inception—to preserve historic buildings and create jobs. Through 2020, the rehabilitation of 46,000 historic buildings has created more than 2.8 million jobs. The Historic Tax Credit represents the largest federal investment specifically supporting historic preservation.

Urge your representatives to support improvements to the Historic Tax Credit included in the Historic Tax Credit Growth and Opportunity Act (HTC-GO) (H.R. 2294/S. 2266)

Located in Portland, Maine, the Motherhouse at the Sisters of Mercy Site was built in 1906 but closed in 2005 due to a dwindling number of Sisters living on the community’s 18.98 acres. A Portland developer used the historic tax credit to restore the unique character of the property, including its grand stairways, stained glass windows, three-story chapel with altar, and grand organ. The National Register building now provides 66 affordable and 22 market-rate apartments for seniors.

PHOTO BY DAVID MELE

The Historic Tax Credit Growth and Opportunity Act (H.R. 2294/S. 2266)

Introduced in the House by Representatives Blumenauer (D-OR) and LaHood (R-IL) and by Senators Cardin (D-MD), Cassidy (R-LA), Cantwell (D-WA), and Collins (R-ME), the Historic Tax Credit Growth and Opportunity Act (HTC-GO) includes provisions that will bring more value to the HTC, improve access to the credit, and enhance investment opportunities for smaller rehabilitation projects. The version introduced in the House would also bring relief to projects impacted by the economic slowdown by raising the HTC percentage from 20% to 30% through 2024. These important changes to the Historic Tax Credit would encourage more building reuse and redevelopment nationwide and would be particularly impactful for small, midsize, and rural communities. These provisions would not only make the credit easier to use and more historic properties eligible, but they would also enhance the value of the HTC and make it easier to create affordable housing.

For additional information, contact Shaw Sprague, Vice President of Government Relations, ssprague@savingplaces.org.
The Federal Historic Tax Credit’s Success

The HTC encourages private investment in historic buildings. The credit attracts private capital to revitalize often vacant and underutilized properties that have a financing gap between what banks will lend and what the project will cost. The credit also generates new economic activity. According to the National Park Service’s most recent annual report, the HTC has contributed to the rehabilitation of 46,372 historic buildings, created nearly 3 million jobs, and produced over 178,305 low- and moderate-income affordable housing units. The NPS consistently reports that the HTC returns more to the Treasury than it costs. When last examined, the NPS reported the HTC had generated $38.1 billion in federal tax revenue that was leveraged by $32.9 billion in federal tax credits.

The credit is used in both larger urban areas and smaller towns. In 2019, 34% of projects were in communities with populations under 100,000 and approximately 50% of projects were under $1 million in rehabilitation development costs. From 2013 to 2017, 40% of all HTC projects were in predominantly minority census tracts, and, in 2019, 74% of HTC projects were in economically distressed areas.

Enacting the provisions included in the Historic Tax Credit Growth and Opportunity Act (H.R. 2294/S. 2266) will generate more credits, increase their value, and broaden their applicability. The HTC has a demonstrated history of successfully promoting historic preservation projects throughout the country. Now is the time to strengthen this incentive to address the slowdown in rehabilitation activity and provide communities with the tools they need to support economic recovery.

The Arvon Block in Great Falls, Montana, built in 1890, gained new life through the Historic Tax Credit and now houses an Irish pub and restaurant as well as a boutique hotel, all while retaining the building’s historic character.

 COURTESY THE CELTIC COWBOY PUBLIC HOUSE & THE HISTORIC HOTEL ARVON

For additional information, contact Shaw Sprague, Vice President of Government Relations, ssprague@savingplaces.org, Michael Phillips, Director of Public Policy at NTCIC, mphillips@ntcic.com, and/or Patrick Robertson, Principal of Confluence GR, probertson@confluencegr.com.