

Preserve and Enhance the Federal Historic Tax Credit

- The Historic Tax Credit (HTC) **encourages private investment** in the rehabilitation of historic buildings. The credit attracts private capital—\$120.8 billion since inception—to revitalize often abandoned and underperforming properties that have a financing gap between what banks will lend and the total development cost of the transaction.
- The credit in turn generates new economic activity by leveraging private dollars to preserve historic buildings and create jobs; through 2015, the rehabilitation of 41,270 historic buildings has **created more than 2.3 million jobs**. The HTC can be adapted to provide targeted and timely economic help to areas with special needs. For example, the HTC was temporarily increased to 26% to help rebuild New Orleans after Hurricane Katrina through the GO-ZONE Act of 2005.
- The HTC **benefits local communities**, especially our nation's urban core and rural areas. Over 40% of projects financed in the last fifteen years are located in communities with populations of less than 25,000.
- In addition to revitalizing communities and spurring economic growth, the HTC **returns more to the Treasury than it costs**. In fact, Treasury receives \$1.20-1.25 in tax revenue for every dollar invested. According to a study commissioned by the National Park Service, since inception, \$23.1 billion in federal tax credits have generated more than \$28.1 billion in federal tax revenue from historic rehabilitation projects.
- **Tax reform aimed at growing the economy should enhance, not diminish the HTC.** Historic rehabilitation projects frequently have higher costs, greater design challenges, and weaker market locations—all of which results in lender and investor bias against investments in rehabilitation. The Historic Tax Credit Improvement Act enjoys solid bipartisan support and would enhance the HTC by directing more investment to small business transactions along older Main Street corridors. Specifically, the bill creates a 30% credit for small deals to make these transactions more attractive to outside investors who tend to favor much larger investment opportunities. In addition, the bill allows the historic tax credits in these small transactions to be transferred with lower transaction costs, as a tax certificate, making it easier for small business owners to bring outside investment into smaller transactions.

FEDERAL HISTORIC TAX CREDIT PROJECTS

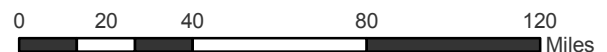
Ohio

A total of 878 Federal Historic Tax Credit projects received Part 3 certifications from the National Park Service between fiscal year 2002 through 2015, resulting in over \$2.7 billion in total development.

Data source: National Park Service, 2015



Federal Historic Tax Credit Projects



Provided by the National Trust for Historic Preservation and the Historic Tax Credit Coalition

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