



May 26, 2016

The Honorable Charles W. Boustany  
1431 Longworth House Office Building  
United States House of Representatives  
Washington, DC 20515

The Honorable Richard E. Neal  
341 Cannon House Office Building  
United States House of Representatives  
Washington, DC 20515

Re: Federal Historic Tax Credit

Dear Chairman Boustany and Ranking Member Neal:

We, the undersigned businesses and organizations, appreciate the opportunity presented by the House Ways and Means Tax Policy Subcommittee to comment on specific ways to improve the U.S. tax system. Accordingly, we want to emphasize the positive economic and social benefits the federal historic tax credit provides communities throughout the country and how, after more than three decades of successful operation, this program could function even more efficiently and assist more of our struggling Main Street communities.

As you consider ways to improve the U.S. tax system, we urge you to adopt the policy recommendations contained in the Historic Tax Credit Improvement Act, H.R.3846. This legislation, introduced by Representatives Mike Kelly and Earl Blumenauer, offers common sense reforms to the current program that will encourage greater building reuse and redevelopment in small, midsize, and rural communities. It also makes the rehabilitation of community-driven projects like theaters, libraries, and schools easier to accomplish. The bill would also create efficiencies by updating program requirements to reflect current industry practices.

The Historic Tax Credit Improvement Act offers a smart, sustainable approach to many of the challenges our smaller, Main Street communities currently face. By focusing enhanced support to projects with qualified rehabilitation expenses of less than \$2.5 million, the Historic Tax Credit Improvement Act would address many of the economic issues facing our smaller, Main Street communities. These issues include the lack of private sector investment, filling downtown storefronts, creating better housing opportunities, and preserving each community's unique historic character.

The federal historic tax credit is the cornerstone of rehabilitation projects throughout the country and represents the most significant investment the federal government makes in historic preservation. Research conducted for the National Park Service by the Rutgers Center for Urban Policy Research documents that since enactment of the historic tax credit in 1981, the credit has leveraged \$117.6 billion in private investment in historic rehabilitation, created nearly 2.3

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million jobs, and rehabilitated more than 41,250 historic buildings. This research also shows a positive return on investment - over the credit's 34 year history, the federal government allocated just over \$23.1 billion in historic tax credits, but it has collected \$28.1 billion in federal tax revenue generated from these repurposed, rehabilitated and economically productive historic properties.

Retention of the federal historic tax credit is important given the significant amount of rehabilitation work that remains, particularly in our smaller Main Street communities. While the HTC has made enormous strides rehabilitating anchor properties that led to the revitalization of entire commercial submarkets, tens of thousands of historic buildings remain vacant and under-utilized. These buildings are rich in architectural heritage but continue to exert blighting influences on the surrounding community. With conventional loans for historic property transactions averaging only 65 percent of total project cost, historic rehabilitation projects are simply not economically feasible without federal incentives.

As the House Ways and Means Tax Policy Subcommittee continues its work to develop a blueprint for tax reform, we ask that you protect and enhance the federal historic tax credit program that effectively utilizes our nation's past to meet the needs of today's economy.

Sincerely,

**[To add your business or organization's name to the letter, please email Carl Wolf at [CWolf@savingplaces.org](mailto:CWolf@savingplaces.org) by COB Thursday, May 25<sup>th</sup> ]**