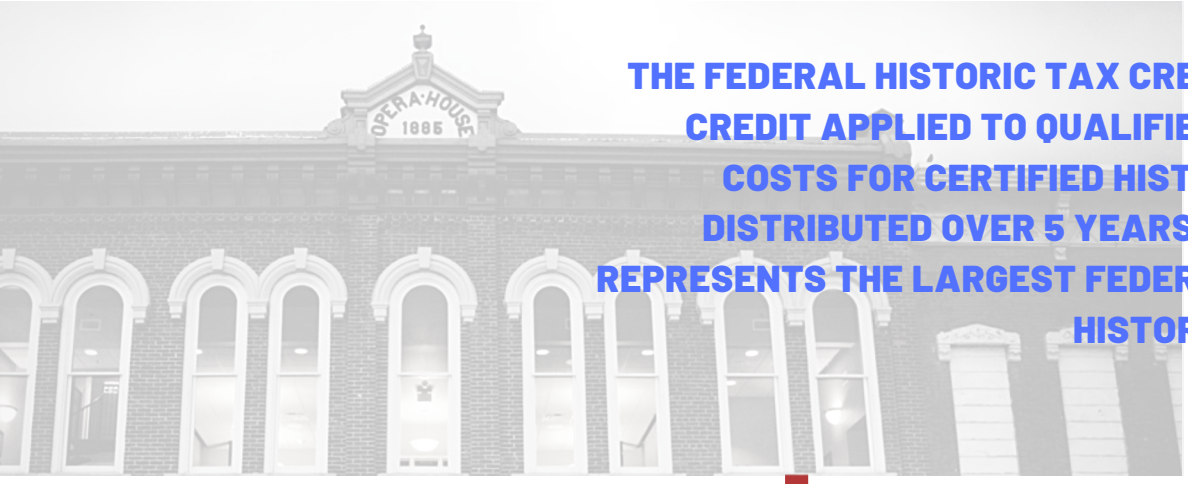
THE FEDERAL HISTORIC TAX CREDIT



THE FEDERAL HISTORIC TAX CREDIT (HTC) IS A 20% CREDIT APPLIED TO QUALIFIED REHABILITATION COSTS FOR CERTIFIED HISTORIC STRUCTURES, DISTRIBUTED OVER 5 YEARS (4% PER YEAR). IT REPRESENTS THE LARGEST FEDERAL INVESTMENT IN HISTORIC PRESERVATION.

RETURN ON INVESTMENT

- The HTC encourages **private investment** in historic buildings.
- The credit attracts private capital—approximately **$162 billion** since inception—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 generates new economic activity. According to the National Park Service HTC Impact Report (2018), since its inception, the rehabilitation of over **44,000 historic buildings** has created more than **2.7 million jobs** and has produced over **166,000 low- and moderate-income affordable housing units**.
- The same study concluded that the HTC returns more to the Treasury than it costs. The HTC has generated **$35.9 billion in federal tax revenue** from the $30.8 billion in federal tax credits.
- From 2013 to 2017, 40% of all HTC projects were in **predominantly minority census tracts** (Policy Map, US Census and NPS Data layers, report retrieved January 2019).
- According to the HTC FY2018 Annual Report (NPS), 75% of HTC projects were in **economically distressed areas**.
- **Thirty-seven states** recognize the economic development potential of historic rehabilitation and have enacted individual state HTC programs that work in tandem with the federal program.

CO-SPONSORS NEEDED

CO-SPONSOR THE HISTORIC TAX CREDIT GROWTH AND OPPORTUNITY ACT (HTC-GO), H.R. 2825/S. 2615

This bi-partisan bill would make important changes to the Historic Tax Credit to encourage **more building reuse** and more redevelopment in **small, midsize, and rural communities**. It would also make the credit **easier to use** and **increase the number** eligible properties:

- Makes it easier to complete small rehabilitation projects by increasing the credit to 30% for projects with less than$2.5 million in qualified rehabilitation expenses. The House bill (H.R. 2825) would also allow HTCs for these projects to be transferred through a certificate.
- Makes more buildings eligible for HTCs by lowering the substantial rehabilitation threshold.
- Increases the value of HTCs by eliminating the requirement that the value of the HTC must be deducted from a building's basis (property's value for tax purposes).
- Makes the HTC easier to use by non-profit organizations for projects like community health centers, local art centers, and affordable housing, by eliminating IRS restrictions that make it difficult to partner with developers.