



# HISTORIC TAX CREDITS

## SUPPORT THE HISTORIC TAX CREDIT GROWTH & OPPORTUNITY ACT: H.R.1785 & S.639

### BACKGROUND

The federal Historic Tax Credit (HTC) encourages private investment in historic buildings. **The credit attracts private capital - approximately \$199B since inception** - to revitalize often vacant and underutilized properties that have a financing gap between what banks will lend and the project cost.

The 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.

According to the National Park Service HTC Annual Report (2021), since its inception, the rehabilitation of over 48,000 historic buildings has **created nearly 3 million jobs** and has produced over 185,000 low- and moderate-income affordable housing units.

The NPS 2021 study concluded that **the HTC returns more to the Treasury than it costs**. The HTC has generated \$42.9 billion in federal tax revenue from the \$37.6 billion in federal tax credits.

According to the HTC FY 2022 Annual Report (NPS), 78% of HTC projects were in economically distressed areas.

### CHALLENGES

- Over the last 10 years, HTCs have lost about 25% of their value.
- Due to unfavorable IRS guidance and Congress spreading delivery of the credit over 5 years, combined with inflation and raising of interest rates, these projects are increasingly more challenging.
- **Improving the HTC is needed now more than ever.**

### SUPPORT THE HTC-GO ACT (H.R.1785, S.639)

- Improving the Historic Tax Credit will encourage more building reuse and more redevelopment in small, midsize, and rural communities.
- HTC-GO will bump up the credit to 30% for projects with less than \$2.5 million in qualified expenses
- HTC-GO will make more buildings eligible by lowering the substantial rehabilitation threshold.
- HTC-GO will increase the value of HTCs by eliminating the requirement that the value of the HTC be deducted from a building's basis (property's value for tax purposes).
- Make it easier for non-profit owned buildings to partner with developers, which would facilitate reuse for schools, community health centers, and affordable housing.



DAYTON ARCADE | HTC TAX CREDIT RECIPIENT  
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**THE HISTORIC TAX  
CREDIT ENCOURAGES  
ECONOMIC  
DEVELOPMENT AND  
COMMUNITY  
REVITALIZATION**

