

★ ISSUE BRIEF

Promote the Preservation of Historic Buildings and Spaces

Support the Federal Historic Tax Credit.

AIA POSITION

The American Institute of Architects believes that preservation of historic resources and their environments deserves high priority from policymakers. The Historic Tax Credit has a proven track record in helping revitalize communities across the nation.

The federal Historic Tax Credit (HTC) was created in 1981 as an incentive to catalyze economic development through the restoration and reuse of America's historic buildings. Since its inception, the HTC has been a widely used redevelopment tool, helping revitalize cities, towns and rural communities all across the country. The HTC has a proven track record for stimulating economic growth through private investment that creates good paying, local jobs.

As Congress considers reforming the tax code, the federal historic tax credit is exactly the kind of market-based incentive needed to leverage private investment in historic properties.

BACKGROUND

The HTC is administered by the National Park Service and the Internal Revenue Service in conjunction with the State Historic Preservation Offices. It is comprised of two distinct and separate tax credits used to rehabilitate all types of income producing historic buildings like vacant schools, warehouses, factories, retail stores, apartments, hotels and office buildings in communities throughout the country.

The 20 percent credit applies only to certified historic structures. A certified historic building is one that is listed individually on the National Register of Historic Places, or contributes to the character of a National Register-listed Historic District. The 20 percent credit is available for any income producing commercial property.

The 10 percent credit is for the rehabilitation of older, non-residential buildings built before 1936. The pre-1936 building must meet certain wall and structure retention requirements.

Since its inception, the Historic Tax Credit (HTC) has rehabilitated more than 40,000 buildings, created nearly 2.5 million jobs and leveraged \$117 billion in private investment nationwide. On average, the credit leverages \$5 dollars of private investment for every \$1 dollar in federal funding creating highly effective public-private partnerships. The cumulative \$21 billion cost of this program has been more than offset by the \$26.6 billion in federal tax receipts generated solely by these rehabilitation projects.