

November 2, 2021

Dear Maine Congressional Delegation,

I am writing to again urge your continued support of the Historic Tax Credit program. Provisions for enhancement were included in the House Ways and Means Committee reconciliation bill, but as of last Thursday they have been removed. These provisions are very similar to those in the Historic Tax Credit Growth and Opportunity Act (H.R. 2294/S. 2266), which would provide tremendous economic benefits to Maine. We ask that you please urge Speaker Pelosi and Ways & Means Committee Chairman Neal to put the tax credit enhancement provisions back into the bill or to prioritize those that would benefit our state most.

Historic preservation preserves irreplaceable cultural assets and are a critical tool for economic recovery and community revitalization in Maine. The historic rehabilitation community, like so many others, has experienced drastic, and in some cases, devastating impacts due to the necessary COVID-19 countermeasures both with projects presently under-construction and in the financing of future projects.

Key provisions of the bill in order of importance to Maine:

- Permanent increase in the HTC credit from 20% to 30% for “small projects” – projects with qualified expenses at \$2.5 million or less. More than 80% of tax credit projects in Maine fall into this category (Section 3).
- Create greater flexibility for nonprofit organizations to use historic tax credits by changing the disqualified lease rules. This would allow nonprofits like childcare centers and social service providers in Maine to occupy buildings and spaces rehabilitated through the HTC program (Section 6).
- Eliminate the HTC basis adjustment requirement, adding more value to projects and making it easier to pair with Low Income Housing Tax Credits (Section 5)
- Increase the credit from 20% to 30% through 2024, with a phased return to 20% by 2027 (Section 2).
- Reduce the substantial rehabilitation threshold, making more historic buildings eligible for the program (Section 4).
- Allow HTC eligibility for public school buildings.

**Provisions referenced from H.R. 2294*

By supporting the Historic Tax Credit provisions in the infrastructure budget reconciliation bill, you are supporting catalytic community revitalization in a time when our region, our state and our country needs it most.

Cordially,



Sarah Hansen
Executive Director