

September 28, 2021

Dear Maine Congressional Delegation,

I am writing to urge your continued support of the Historic Tax Credit program. Provisions to enhance the Historic Tax Credit have been included in the House infrastructure budget reconciliation bill. These provisions are very similar to the provisions of the Historic Tax Credit Growth and Opportunity Act (H.R. 2294/S. 2266), which would provide tremendous benefits to the entire State of Maine. Please continue to support and protect these critical provisions as the bill moves forward.

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:**

- Increasing the credit from 20 to 30 percent for 2020 through 2025;
- Permanent increase in the HTC credit from 20 percent to 30 percent for projects with qualified expenses at \$2.5 million or less;
- Making it easier to meet the substantial rehabilitation test;
- Creating greater flexibility for nonprofit organizations and public schools to access HTC benefits; and
- Eliminating the HTC basis adjustment requirement which will bring more value to all HTC projects by increasing the basis of rehabilitated historic buildings for building owners and eliminating the so-called 50(d) rules.

These key provisions will help support Maine's economic recovery during the COVID-19 pandemic by supporting small businesses, facilitating the creation of affordable housing, and creating quality jobs. By temporarily increasing the HTC percentage for all rehabilitation projects from 20 to 30 percent for Qualified Rehabilitation Expenditures, the HTC can be adapted to provide targeted and timely economic recovery to Maine communities both small and large.

These provisions would make the credit easier to use for small projects and non-profits, allow more historic properties to utilize the incentive, and would enhance the overall value of the HTC, bringing more investment capital into projects that will use it directly for job creation and sustained

economic activity. Additionally, modifying requirements to extend substantial rehabilitation deadlines and allowing for tax credits to be used by investors on future projects for previous tax years, will help local projects overcome some immediate obstacles as well as promote liquidity, capital flow and investor appetite for future projects.

In Maine more than 124 historic buildings have been rehabilitated using HTC investment, leveraging more than \$553 million in total development. Rehabilitation projects tend to use a greater percentage of locally purchased materials. As a result about 75% of the economic benefits of these projects remain in the communities where projects are located, and for Maine that's over \$220 million in labor costs and materials purchases.

In Greater Portland, where affordable housing is a pressing issue, HTCs coupled with Maine's State Historic Tax Credits have been critical to funding the rehabilitation of historic schools, industrial buildings, and institutional buildings into senior and affordable housing for Maine's most vulnerable populations, including the working class. In addition, the reuse of these buildings invigorates neighborhoods, keeps tons of building waste out of our state's landfills, and drives investment in jobs instead of materials.

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