Historic property owners and preservationists are being adversely impacted by the COVID-19 global pandemic and by an aggressive IRS campaign that is deterring investment in historic preservation. Relief on both fronts will contribute to economic recovery.

Historic building owners have been at the epicenter of much of the economic fallout from the pandemic. Many federally recognized historic buildings house residential or commercial tenants seeking rent abatements, restaurants forced to shut down or scale back service, and hotels hovering near zero occupancy. Some historic buildings currently under renovation have been forced to stop or delay construction, potentially jeopardizing project completion.

These COVID-19 related problems are compounded by a multi-year campaign by the IRS targeting abusive land conservation easements that is unfortunately also deterring investment in historic preservation. Section 170(h) of the Internal Revenue Code provides that taxpayers may take a charitable deduction for both land and historic conservation easements. On December 23, 2016, the IRS issued Notice 2017-10, which marked the beginning of an aggressive campaign to end abusive land conservation easement transactions.

Unfortunately, this campaign has ensnared owners of federally recognized historic properties who have contributed historic conservation easements to appropriate non-profit entities to preserve important historic buildings. As a result, the IRS has sought to deny virtually all conservation easement charitable deductions, chilling much-needed investment in urban neighborhoods and severely limiting the preservation of historic landmarks.

Historic property owners are asking members of Congress to work with the IRS, Treasury, the White House Office of Management and Budget’s Office of Information and Regulatory Affairs, and other agencies across the Administration on the following initiatives to provide relief to historic property owners in light of these challenges:

1. Rescind or revise Notice 2017-10 to exempt Historic Preservation Easements from this notice and the ensuing enforcement campaign, Pursuant to the President’s May 19, 2020, “Executive Order on Regulatory Relief to Support Economic Recovery”;
2. Direct the IRS to quickly resolve pending Historic Preservation Easement cases, or pass a Congressionally authorized global settlement for historic property owners; and,

3. Provide clear regulations, sample Historic Preservation Easement documents, and safe harbor to historic property owners seeking to utilize this important preservation program.

These actions will help ensure that historic preservationists can continue to protect and restore iconic federally recognized historic buildings across the country, furthering Congressional intent of the Historic Preservation Easement program. They will also spur new investment into historic neighborhoods in urban areas across the country, contributing to a post-pandemic economic recovery. Thank you for all of your work in response to this unprecedented crisis, and for your attention to the specific challenges facing historic property owners and preservation-focused organizations.

Sincerely,

SIGNATURE

[Name]
[Title]
[Organization]