

Historic Tax Credits

REQUEST TO CONGRESS

- Support the Historic Tax Credit Growth and Opportunity Act of 2025:
 - **HTC-GO: H.R. 2941 / S. 1459**
 - Sponsored by Reps. LaHood (R-IL)/Suozi (D-NY) and Sens. Cassidy (RLA) and Warner (D-VA)
- Include these provisions in the emerging tax bill.

The federal Historic Tax Credit (HTC) has been a cornerstone of community revitalization efforts throughout the U.S. for more than forty years.

The credit is claimed against income taxes and equals 20% of qualified rehabilitation expenditures for certified historic properties. The credit leverages tax credit equity to pay development costs.

To date, the credit has preserved more than 50,000 properties in every state leveraging more than \$235 billion in private investment. The federal HTC is a model credit that has led 39 states to create similar tax incentive programs.

Highlights

- The HTC is a development tool for rehabilitating historic buildings, promoting small business opportunities, housing creation, and well-paying construction jobs.
- Roughly half of all HTC projects certified each year have development costs of less than \$1 million, ensuring private investment small towns and rural communities.
- Proposed changes to the HTC will revitalize cities and smaller main street communities, and avoid wasteful demolition.

Challenges

- HTC hasn't changed since 1986, and is cumbersome for property owners to pair with other incentives like the Low-Income Housing Tax Credit (LIHTC).
- HTCs have lost 25% of their investment value over the last 10 years, resulting in a decrease in project applications received by NPS each year, due to investors having to claim the HTC over 5 years (vs. 1), adverse impacts of IRS guidance on HTC deal structures, and high cost of materials and labor.



MAIN STREET (CAPE GIRARDEAU, MO)

THE HISTORIC TAX CREDIT ENCOURAGES ECONOMIC DEVELOPMENT AND COMMUNITY REVITALIZATION

HTC-GO: H.R. 2941 / S. 1459 Bill Provisions

- Returns to a 1-year delivery of Historic Tax Credits for all projects
- Eliminates the HTC Basis Adjustment, bringing more value to HTCs and making it easier to pair with the Low-Income Housing Tax Credit
- Reduces the substantial rehabilitation threshold from 100% to 50%, making more buildings eligible to use the HTC
- Modifies Tax Exempt Use Rules, making the credit easier to use by non-profits
- Increases the credit from 20% to 30% for small projects below \$3.75 million
- Increases the credit from 20% to 30% for projects below \$5 million in rural areas
- All small/rural projects are eligible for direct transfer