July 17, 2013

The Honorable Peter Roskam
Chief Deputy Whip
2268 Rayburn House Office Bldg.
Washington, D.C. 20515

The Honorable Aaron Schock
328 Cannon House Office Bldg.
Washington, D.C. 20515

The Honorable Danny Davis
2159 Rayburn House Office Bldg.
Washington, D.C. 20515

Dear Congressmen Roskam, Schock and Davis:

We, as Co-Chairs of the Illinois Historic Preservation Caucus, are reaching out to you, as members of the House Ways and Means Committee, to express our support for the Federal Historic Rehabilitation Tax Credit (HTC). We believe weakening or eliminating the credit would endanger the economic feasibility of nearly all historic rehabilitation projects as historic rehab nearly always costs more than new construction. The HTC is also a critical economic incentive to layer with state rehabilitation tax credits, which we are working hard to expand in Illinois.

Based on research conducted for the National Park Service by the Rutgers Center for Urban Policy Research, we know that, since its enactment in 1981, the HTC has leveraged $106 billion in private investment in historic rehabilitation, created nearly 2.4 million jobs, and rehabilitated 38,700 historic buildings. In Illinois, since 2000, the federal historic tax credit has generated over $2.3 billion in development expenditures and over 22,000 jobs.

The HTC is an efficient use of taxpayer dollars. Over the credit’s 32 years, the federal government has allocated just over $20 billion in tax credits but collected nearly $25 billion in federal taxes resulting from rehabilitation projects—more than paying for the program. In our view, tax incentives that generate this kind of economic impact while offsetting their cost are worthy of keeping in the tax code.
We also note, rehabilitation projects across the country are putting Americans back to work. Laborers on a rehab project are more likely to be hired locally and spend into the local economy. Seventy-five percent of the economic ripple effect of a historic rehabilitation project is captured by the state and city where the property is located. It has been stated time and again that the vast majority of new jobs in the United States are created by small businesses. Rehabilitated historic buildings are ideally suited to support emerging small businesses that look for central locations and Main Street appeal.

Efforts are now underway in Congress not simply to support the historic tax credit, but to improve it. The Creating American Prosperity through Preservation Act, S. 1141, reintroduced by Senators Cardin and Collins in the 113th Congress and pending reintroduction in the House, would create a more effective credit by targeting investment to rebuild America’s Main Streets, strengthen complementary state historic tax credits, and encourage energy efficient rehabilitation. These improvements would greatly benefit communities throughout Illinois.

Attached you will find information, prepared by the Illinois Historic Preservation Agency, about specific projects in Illinois that have utilized the HTC. As efforts continue to reform our nation’s tax code, we ask that you protect and enhance this federal incentive that preserves our nation’s past while meeting the needs of today’s economy.

Thank you for your consideration.

Sincerely,

State Senator Pamela Althoff

State Senator Andy Manar

State Representative Rich Brauer

State Representative Jerry Costello II

Co-chairs of the Illinois Historic Preservation Caucus

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