



**AIA**  
Illinois

March 28, 2017

## ***Vote “Yes” on SB 606 Statewide Historic Buildings Credit***

### **Senate Bill 606**

*Sponsor: Sen Pamela Althoff*

### **AIA Illinois Supports**

*There are 1,001 architects firms in Illinois with almost 49,000 employees. When architects are hired, not only do they work but many more design and construction jobs soon follow.*

### **Statewide Historic Buildings Tax Credit (SB 606)**

#### **Summary**

A coalition of developers, investors, building industry representatives, and nonprofit organizations is actively promoting the Illinois Rehabilitation and Revitalization Tax Credit to encourage private investment in historic properties. Urban, suburban, and rural communities across Illinois will benefit from the jobs and economic development generated through the Tax Credit, which is similar to provisions in 30 other states. The bill allows credit up to \$3 million per project on state income taxes equal to 20% of the qualified cost of a historic rehabilitation.

#### **Background**

Useful for income-producing properties including commercial, residential, and industrial developments. A total of 6,871 jobs and \$60 million in tax revenue was created in the first four years of Missouri's tax credit. In Minnesota, historic rehab projects create 5.7 more jobs per \$1 million in output than manufacturing and 2 more jobs per \$ 1 million than new construction.

#### **Solution**

The program begins to return income and sales tax dollars to the State several years before the credit is redeemed. A study by the University of Illinois-Springfield found that the state tax credit is expected to return up to \$7 for every \$1 invested. In Maryland, the state captured \$.34 for each \$1 before the credit was awarded, and \$1.02 within the first year.

The bill encourages private investment in vacant or underutilized buildings putting neglected properties back on the tax rolls at a higher value and catalyzing investment in surrounding areas. By pairing with the Federal Historic Tax Credit process already administered by IHPA, the state program will run efficiently.

*Status: This has been assigned to Revenue committee.*

#### **AIA Illinois**

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• *Thank you!*