

The Significant Positive Impact of the Federal Historic Tax Credit in Kentucky

The Federal Historic Preservation Rehabilitation Tax Credit (Federal HTC) is a **critical economic development tool** with a proven track record that generates economic growth, jobs and revitalization. **It is the single most important incentive** to encourage the redevelopment and reuse of our nation's historic and culturally significant properties. For more than 40 years, the U.S. tax code has included this provision for the rehabilitation of properties listed in the National Register of Historic Places, resulting in tens of thousands of historic properties being saved, repurposed and brought back to life in cities, towns and rural areas across our country.

The *Tax Cuts and Jobs Acts* tax reform package currently being considered in Congress eliminates all tax incentives for historic properties. If enacted, the loss of this incentive will jeopardize much of the private investment now being committed to the reuse and redevelopment of historic buildings, and a major source of financial benefit for communities and states will be eliminated. **The effect on Kentucky's economy would be devastating.**

Key Facts about the Federal HTC

- ✓ More than 42,000 historic buildings have been rehabilitated and preserved throughout the U.S.
- ✓ \$131.8 billion of private investment has been leveraged through \$25.2 billion in federal tax credits.
- ✓ More than 2.4 million jobs have been created nationwide.
- ✓ In Kentucky, from 2002-2016, the Federal HTC, administered by the Kentucky Heritage Council, facilitated 345 historic rehabilitation projects with \$558 million in development costs realized by \$92.7 million in federal tax credits that generated 9,583 construction jobs and 5,048 permanent jobs.
- ✓ Kentucky's 4th place ranking among states of sites listed in the National Register of Historic Places consistently helps the Commonwealth average top-10 usage of projects utilizing the Federal HTC.
- ✓ As a major tool for downtown revitalization and reusing and repurposing historic buildings, the historic tax credit also generates increased tax revenue for communities by putting vacant buildings back on local and state tax roles.
- ✓ Technical assistance provided by the Kentucky Main Street program, also administered by the Kentucky Heritage Council, has successfully assisted property owners and developers in qualifying for the Federal HTC resulting in the development of thriving businesses in historic buildings located in central business districts in communities across the state.
- ✓ The Federal HTC has been put to work for cities of all sizes - not only large urban centers like Louisville, Lexington and Northern Kentucky, but also Frankfort, Paducah and Ashland, and rural towns such as Jenkins, Bloomfield and Buffalo - all across the Commonwealth.
- ✓ Few programs have had the enormous financial, historic and cultural return on investment than the HTC. It returns more to the Treasury than it costs: \$25.2 billion in allocated credits have returned an estimated \$29.8 billion to the federal treasury. In Kentucky, from 2002-2016, the HTC generated \$27,703,700 in state and local taxes.
- ✓ For more than four decades now, projects using the Federal HTC have left an indelible mark not only in communities but also for Kentucky's bottom line, with far-reaching impacts on the growth of Kentucky's tourism, bourbon, agricultural, real estate, building trades and retail industries.

The public dollars invested in the Federal Historic Tax Credit are not only returned back to the federal government, but this program also generates NEW revenue for the Treasury and for state and local governments!



Preservation Kentucky encourages you to **call your legislators TODAY** to voice your support in Congress for maintaining the Federal HTC in the new budget. For more on what you can do, visit www.preservationkentucky.org.