

MAINE HISTORIC REHABILITATION TAX CREDIT FOR INCOME PRODUCING BUILDINGS

Study Committee Update
September 2006

BACKGROUND INFORMATION

Since its inception in 1976, the Federal Historic Rehabilitation Tax Credit has been a significant factor in the adaptive use of depreciable historic buildings. This program has proven that investment in historic buildings will occur if the right incentives are available to offset the additional costs associated with redeveloping such properties. In Maine over the past 17 years, more than 70 projects with an investment in excess of \$57 Million have been certified by this program.

Numerous states have recognized the economic value of historic rehabilitation by adopting state level historic rehabilitation tax credit programs. The state programs which have generated the greatest increase in historic rehabilitation projects are those whose credits are more accessible to investors than the federal credit.

STUDY COMMITTEE UPDATE

A Study Committee has been meeting to explore how Maine's existing Historic Rehabilitation Tax Credit should be improved to increase its usefulness as a tool for economic development. Currently Maine's credit is only available to building owners whose projects meet the Internal Revenue Service's eligibility requirements for the federal credit. One option the Committee is exploring is the feasibility of separating the state credit eligibility from the IRS eligibility requirements. The Committee is actively soliciting input on how rehabilitating historic buildings has a positive economic impact in their communities and how revisions to Maine's existing Historic Rehabilitation Tax Credit would provide the additional fiscal incentive necessary to make many more historic rehabilitation projects possible. Please share your experiences and ideas with the Committee by sending comments and questions to:

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