

Pennsylvania Historic Preservation Tax Credit: 2019 Fact Sheet

What is the Pennsylvania State Historic Preservation Tax Credit (HPTC)?

The HPTC may be used alone or with the Federal Historic Preservation Tax Credit to help fund rehabilitation or restoration of significant historic properties, defined as listed on, or eligible for, the National Register of Historic Places. It incentivizes the preservation and reuse of old buildings that help define the character of our cities and towns.

What's happening?

The HPTC was established in 2012 and will sunset in 2020. Advocates are working hard to preserve and expand the credit. The state's **Independent Fiscal Office** (IFO) provides revenue projections for use in the state budget process along with impartial and timely analysis of fiscal, economic and budgetary issues to assist Commonwealth residents and the General Assembly in their evaluation of policy decisions. It has reviewed the credit and its report supports both the impact of the credit and the need for this program to be more powerfully funded.

What difference does the HPTC make?

ECONOMIC DEVELOPMENT

- In 2017-2018, 21 Pennsylvania projects sparked an estimated \$257+ Million in rehabilitation expenditures.
- Rehabilitation projects are labor intensive and are proven to produce more new jobs than new construction.
- The state's up-front investment in tax credits for rehabilitation projects is likely to be recouped from four sources: construction period taxes, real property taxes, plus post-construction sales and income taxes
- Private money is invested in these resources and therefore into the communities surrounding the project.

HISTORIC RESOURCES

- Preserves unique historic buildings that contribute to community identity
- Saves distinctive architectural features that would be cost prohibitive in new construction
- The "HPTC is unique compared to other tax credits because incentivized projects can have very long lives, and have economic, community and social benefits far into the future" [IFO Report, 24].

HALO EFFECT

- The HPTC can function to bring developers to an area that otherwise might have been overlooked. The IFO reported, "Rehabilitated properties also increase property values of structures in the immediate vicinity, as well as sales of local businesses" [IFO Report, 25].