

Matthew Pouliot
Augusta
LD 435

Testimony of Honorable Matthew G. Pouliot
CEO - Pouliot Real Estate
Before the Joint Standing Committee on Taxation
In Support of LD 435
02.28.2025

Senator Grohoski, Representative Cloutier, and distinguished members of the Joint Standing Committee on Taxation, my name is Matt Pouliot, and I am here today to express my strong support for LD 435, An Act to Expand the Historic Property Rehabilitation Tax Credit, which seeks to modernize and enhance Maine's historic property rehabilitation tax credit.

As a former legislator, real estate broker and developer, I have seen firsthand the positive impact that historic rehabilitation tax credits have on preserving our communities, fostering economic growth, and increasing the availability of affordable housing. This bill introduces much-needed improvements to Maine's existing tax credit program, ensuring that more projects can move forward while incentivizing the creation of housing opportunities.

Why This Legislation Matters:

1. Strengthening Small-Scale Rehabilitation Projects:

Part A of this bill increases the eligible credit percentage from 25% to 30% and raises the expenditure cap from \$250,000 to \$1,000,000. These changes will allow more small-scale developers, homeowners, and communities to take advantage of the program. By expanding eligibility and increasing support for smaller projects, this bill ensures that historic preservation and revitalization efforts extend beyond large-scale developments to benefit local neighborhoods.

2. Expanding Affordable Housing Incentives:

With the dire need for housing in Maine, this legislation takes a critical step in incentivizing the creation of affordable units within historic structures. The increased tax credit percentages—35% for significant projects and 45% for small projects—will make it more financially feasible for developers and property owners to restore historic buildings while addressing our housing crisis.

3. Encouraging Historic Home Rehabilitation & Weatherization:

The bill introduces a new income tax credit for the rehabilitation and weatherization of historic homes, offering a 25% credit to eligible taxpayers and increasing that to 30% when housing is created. This is a forward-thinking policy that not only promotes historic preservation but also aligns with Maine's energy efficiency goals by encouraging weatherization efforts.

4. Supporting Larger-Scale Historic Redevelopment:

By modifying the tax credit structure for certified historic structure rehabilitation projects—allowing up to \$10 million to be claimed in the first two years rather than limiting it to \$5 million per year—this bill improves project feasibility and makes Maine a more attractive place for investment in historic redevelopment. These changes will accelerate much-needed rehabilitation projects across the state.

Maine's historic rehabilitation tax credit has already demonstrated its value by stimulating investment, creating jobs, and revitalizing downtowns. The enhancements in this bill will build upon that success by:

- Encouraging private investment in historic properties that might otherwise deteriorate.
- Strengthening local economies by creating construction jobs and increasing property values.
- Promoting sustainable development by repurposing existing structures rather than relying solely on new construction.

-Preserving Maine's unique character while making historic buildings more livable and energy efficient.

In sum, this legislation represents an important step in supporting historic preservation, economic development, and affordable housing in Maine. By modernizing and expanding the existing tax credit program, we can unlock new opportunities for revitalization while ensuring our historic properties remain valuable assets for generations to come.

I urge the committee to support this bill and move it forward through to be included in final enactment of the budget. Thank you for your time, and I would be happy to answer any questions.

Respectfully submitted,

Matt Pouliot
Augusta Resident
207.441.9418