

March 3, 2025

Dear Senator Grohoski, Representative Cloutier, and Honorable Members of the Committee on Taxation:

My name is Sarah Hansen, and **I am writing to offer my enthusiastic support of LD 435, An Act to Expand the Historic Property Rehabilitation Tax Credit.**

Maine's Historic Property Rehabilitation Tax Credit encourages private sector investment in the rehabilitation and re-use of historic buildings. As one of the most cost-effective community revitalization programs, these Historic Rehabilitation Tax Credits (HRTC) make historic rehabilitation financially feasible, creates high-wage local jobs, increases the amount of rehabilitation occurring in the state, and attracts private capital to areas that have not seen public investment in decades.

Here in Maine, HRTC projects have added over \$166 million to local property tax rolls in host communities, including \$17 million in new property tax revenue since 2010. The HRTC program has become a major local development tool in its own right with another \$19 million in new income and sales tax revenues estimated to have come into state coffers since 2008. In this period, the program has generated \$3 million more in state and local tax revenues than it has cost.

Specifically, LD 435 will:

- Eliminate the sunset provision, making the program permanent
- Improve the existing small credit by increasing the base credit from 25% to 30% and raising the qualified rehabilitation expenditure cap from \$250,000 to \$1,000,000.
- Create a 25% tax credit for historic owner-occupied residences and ancillary structures with a minimum homeowner expense of \$5,000 and maximum \$250,000 for homeowners with an Adjusted Gross Income at or below \$120,000. Energy efficiency and resiliency upgrades are included in the qualified expenditures. An additional 5% could be obtained for properties that:
  - include an affordable dwelling unit provided to a renter at or below 100% of Area Median Income; or
  - have been vacant for more than five years.

While these projects are supporting high-paying jobs, the costs to property owners continue to rise through increasing materials and labor costs. This tax credit provides a necessary incentive for maintenance and weatherization. This will be a huge asset to property owners across the state and will ensure Maine has the right tools in place to address both our housing crisis and meet our ambitious climate goals. All Mainers should have the opportunity to support the places significant to them and their communities.

**Please support LD 435, An Act to Expand the Historic Property Rehabilitation Tax Credit.** Thank you very much for your consideration.

Sincerely,



Sarah Hansen  
Westbrook, Maine