

March 4, 2025

Committee on Taxation
132nd Maine Legislature, First Regular Session 2025
100 State House Station
Augusta, ME 04333

RE: HP 289/LD 435 An Act to Expand the Historic Property Rehabilitation Tax Credit

Dear Representative Hasenfus, Representative Malon, and Honorable Members of the Joint Standing Committee on Taxation,

On behalf of Greater Portland Landmarks, I thank you for your efforts to improve the lives of Maine residents through Legislative action, such as this Historic Rehabilitation Tax Credit (HRTC) bill. We strongly urge support of this bill as an economic driver, a critical tool to facilitate the reuse of existing structures, and a means to preserve Maine's rich history.

Founded in 1964, Greater Portland Landmarks is the region's leading nonprofit advocating to ensure Greater Portland preserves its sense of place for all and builds vibrant, sustainable neighborhoods and communities. We collaborate with a wide range of advocates supporting the creation of new housing, especially affordable housing, climate action, circular economy best practices, smart growth, and heritage and culture. There is support across the board for this bill because it promotes the reuse of viable, existing buildings for housing and other uses – materials that would otherwise end up in a landfill – and preserves the quality of our built environment to the benefit of our communities.

A 2021 analysis by the Office of Program Evaluation and Government Accountability found that the HRTC program's structure and administration are sound and efficient, and that the positive outcomes exceed the stated historic preservation goals while promoting affordable housing, job creation, and economic growth. The recommendations in this legislation would make the program stronger and more accessible, especially with rising construction costs that make budgets for rehabilitation projects very tight; the proposed changes allow for more stability and certainty so that these complex projects can move forward and more resources can be put towards other public benefits, such as additional units of affordable housing.

The recommended improvements are:

- Making the HRTC program permanent by eliminating the sunset provision
- Expediting the timing of the substantial credit, allowing \$10M to be taken in the first year to provide better financing tools for projects
- Improving the existing small credit by increasing the base credit from 25% to 30% and raising the qualified rehabilitation expenditure cap from \$250,000 to \$1M
- Opening the program to residential projects by creating a 25% tax credit for certain owner-occupied residential projects

Because of the array of advantages this bill would bring to Maine, and our communities in Greater Portland, we support this bill and look forward to its passage so that all Mainers have the opportunity to embrace the places that are meaningful to their neighborhoods and communities.

Sincerely,

A handwritten signature in black ink that reads "Kate Lemos McHale". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Kate Lemos McHale
Executive Director