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May 9, 2023

Taxation Committee
131st Maine Legislature
100 State House Station
Augusta, ME 04333

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

Maine Preservation is a statewide nonprofit organization dedicated to promoting and preserving historic places, buildings, downtowns, and neighborhoods, strengthening the cultural and economic vitality of Maine communities.

Together with Greater Portland Landmarks, we express strong support for LD 1810, which will expand the Historic Rehabilitation Tax Credit by updating the reporting requirements, improving the small credit to make it more user-friendly and accessible for income-producing property owners, and creating a new program to ensure homeowners have the same opportunity.

From 2009 to 2019, 106 projects were certified and placed in service in Maine using the Historic Rehabilitation Tax Credit for income-producing properties. Combined, these approved projects:

- Generated \$525 million in construction investment;
- Rehabilitated 3.6 million square feet of commercial and residential space;
- Created or preserved 1,911 housing units, of which nearly 1,300 were affordable;
- Generated 200-700 full-time-equivalent (FTE) jobs through construction spending annually; and
- Created nearly 700 new full-time, year-round jobs in local businesses.

Our 2020 Economic Impact report found that 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 an another \$19 million in new income and sales tax revenues estimated to have come into state coffers since 2008. To date, the program has generated \$3 million more in state and local tax revenues than it has cost.

In its analysis of the Maine Historic Rehabilitation Tax Credit, the Office of Program Evaluation and Government Accountability noted “that allowing historic homes, barns and other non-income producing buildings to access tax credits for historic rehabilitation could support Maine’s expressed goals around developing “quality of place” and community revitalization.



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Making a credit available for Maine's stock of historic houses could also support the State's goal to increase affordable housing and decrease pressure on Maine's housing market...." (p. 34).

Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Indiana, Iowa, Kansas, Kentucky, Michigan, Mississippi, Missouri, New Jersey, New Mexico, North Carolina, North Dakota, Rhode Island, South Carolina, Utah, Wisconsin, Virginia, and West Virginia all have homeowner tax credit programs. In New York State, more than 3,000 projects have been completed since 2008 from the tip of Long Island to the shoreline of Lake Erie, with more than \$65M of investment in private homes—equally split between urban and rural areas.

However, Maine's program will be unique in that it is designed to pair with existing financial incentives such as Efficiency ME's programs for weatherization and respond to policies like LD 2003 by making use of existing structures to increase housing density.

We receive inquiries from historic homeowners across the state seeking technical assistance and financial support for their rehabilitation projects on a near daily basis. Having a tax credit that benefits homeowners will provide much-needed support for ongoing stewardship, weatherization, and housing opportunities all over Maine.

For these reasons, Maine Preservation and Greater Portland Landmarks support passage of LD 1810, so that all Mainers have the opportunity to support the places significant to them and their communities.

We are available to answer questions and participate in the working session. Please let us know if there is any additional information that we can provide.

Sincerely,

Tara Kelly, Executive Director
Maine Preservation