



Tavis Hasenfus

50 Nobis Point
Readfield, ME 04355
(207) 446-0016

Tavis.Hasenfus@legislature.maine.gov

HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION

AUGUSTA, MAINE 04333-0002

(207) 287-1400

TTY: MAINE RELAY 711

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Testimony of Rep. Tavis Hasenfus introducing
LD 435, An Act to Expand the Historic Property Rehabilitation Tax Credit
Before the Taxation Committee

Good afternoon, Senator Grohoski, Representative Cloutier and esteemed members of the Taxation Committee. My name is Tavis Hasenfus, and I represent House District 57 and the communities of Winthrop and Readfield. I am here today to present **LD 435, An Act to Expand the Historic Property Rehabilitation Tax Credit**.

There are two parts to this bill. The first, Part A, makes changes to modernize the existing small project provisions of the historic property rehabilitation tax credit. This includes increasing the eligible percentage of the project from 25% to 30% and increasing the expenditure cap from \$250,000 to \$1,000,000. This part also increases the percentage of credit available for affordable housing creation to 35% for significant projects and 45% for small projects.

Part A also establishes a certification process for the rehabilitation and weatherization of existing homes and creates an income tax credit for rehabilitation and weatherization of certified historic homes equal to 25% of the qualified exterior rehabilitation expenditures for a qualified taxpayer whose federally adjusted gross income does not exceed \$120,000. The percentage of credit that may be claimed increased to 30% if housing is created as part of these efforts. Finally, Part A adds the credit for rehabilitation and weatherization of historic homes to the report that the Maine Historic Preservation Commission provides to the Legislature and requires the report to be provided every five years instead of every two.

Part B of this bill changes the maximum tax credit allowed for certified historic structure rehabilitation projects for the first two years in which a credit may be claimed. It changes the maximum from \$5,000,000 in each of the first two years to \$10,000,000 total across the first two years combined. It makes no changes to the \$5,000,000 maximum tax credit allowed in subsequent years. This change would apply to tax years beginning on or after January 1, 2025. Part B also eliminates the requirement that eligible projects be certified on or before December 31, 2030.

I believe there are experts with us today who can speak to the details of this bill and the importance of passing this measure now. I ask that you hold technical questions for those who can best provide you with answers.

Thank you for your time and attention.