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May 8, 2025

Taxation Committee
132nd Maine Legislature
100 State House Station
Augusta, ME 04333

Dear Senator Grohoski, Representative Cloutier, 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.

Our 2020 Economic Impact report found that from 2009 to 2019, 106 projects were certified and placed in service in Maine using the Historic Rehabilitation Tax Credit. 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.

Furthermore, 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. In this period, the program has generated \$3 million more in state and local tax revenues than it has cost.

More recently, the Office of Program Evaluation and Government Accountability analyzed Maine's Historic Rehabilitation Tax Credit and found that the 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.

LD 1755 expands this already successful program by creating a 10% increase on the credit for projects located in rural areas. Maine Preservation supports passage of LD 1755, so that all Mainers have the opportunity to invest in the places significant to them and their

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

Sincerely,

A handwritten signature in black ink, reading "Tara Kelly". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Tara Kelly
Executive Director