

Pennsylvania Historic Tax Credit Advocacy Resources

S.B. 1259

- The annual aggregate cap would be raised to \$50 million
- The legislation would increase funding to DCED and PHMC to better administer the program through a percentage-based fee structure rather than a flat fee
- The legislation would also resolve a technical issue, ensuring that syndicated partnerships are eligible for the program. Since 2019, the Department of Revenue flagged these applications as a “disregarded entity of a nonprofit group” and rejected them.
 - Many affordable, senior housing, commercial, and social service projects have been funded this way throughout the Commonwealth.
 - No other state has made this determination, and the language in this bill mirrors that of several states that allow nonprofits to be part of a development group for a historic preservation project.

H.B. 2358

- The legislation would raise the annual aggregate cap to \$20 million
 - While this legislation has a lower cap and lacks the other crucial provisions from the Senate version, we hope this can be reconciled during the budget negotiation process

General Talking Points:

- The Pennsylvania Historic Preservation Tax Credit is a 25% credit applied to qualified rehabilitation costs up to \$500,000 for income-producing historic buildings.
 - In the first five years of the program, the program awarded \$15 million in credits, which supported projects totaling \$700 million in investment.
 - A \$1 million investment in a historic rehabilitation project generates 6.4 direct jobs and 5.6 indirect jobs in Pennsylvania, more than any other industry, including gas.
- The program was initially funded at \$3 million annually in 2012 and increased to \$5 million in 2019. Compared to our neighboring states, this is a highly inadequate and uncompetitive sum. The annual cap must be raised to attract more investment.
 - Thirty-seven states have enacted historic tax credit programs, with sixteen having no annual cap.
 - Pennsylvania’s current \$5 million cap is the fourth-lowest nationwide
 - Every state that borders Pennsylvania has a more robust state credit.
 - New York and West Virginia have no annual cap, Ohio has \$120 million through 2024 and then \$60 million onwards, New Jersey has \$50 million, Maryland has \$20 million, and Delaware has \$8 million.
- This program works as a companion to the federal Historic Tax Credit, which Pennsylvania has always been a strong user of.
 - Since 1977, the federal program has incentivized the rehabilitation of over 3,000 buildings in PA with investments in excess of \$7 billion. Between 2002 and 2022, the economic impact of 1,040 approved projects in PA generated \$4.1 billion in



development costs, created 106,703 jobs, generated \$4.2 billion in income, and \$1.6 billion in local, state, and federal taxes.

- Reference [PA Federal HTC Project Map](#) and Annual Report
- Describe how an HTC project has benefitted your community.

Ask: Please support S.B. 1259 and H.B. 2358, and if the opportunity arises, include these provisions in the budget negotiation process

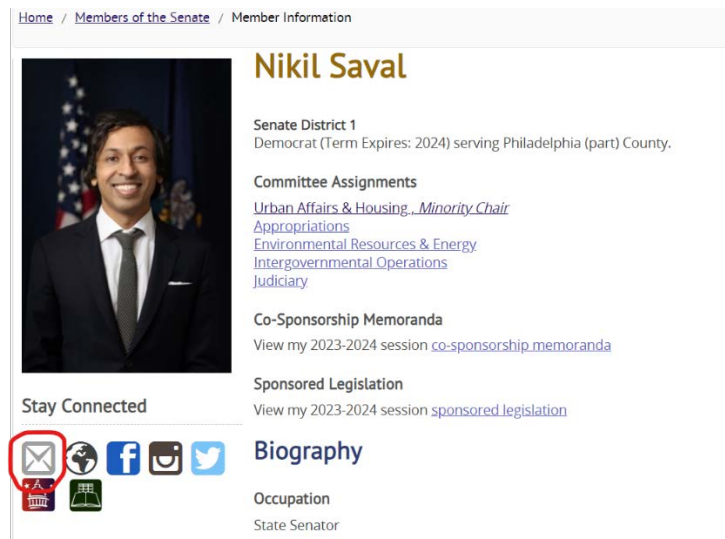
- Direct staffers with questions to Mindy Crawford, (mcrawford@preservationpa.org), or Hanna Stark, (hstark@preservationalliance.com)

Meeting with your State Legislator:

Scheduling

Find your state legislators: <https://www.legis.state.pa.us/cfdocs/legis/home/findyourlegislator/>

On their profile, there is an email icon, highlighted below:



Below is boilerplate language to ask your legislator to meet to discuss the tax credit program. We will circulate specific asks as the bill moves through the legislative process. We suggest attaching the [issue brief](#) so staff can familiarize themselves with the program.

Subject: Strengthen the PA Historic Preservation Tax Credit Program

“Dear [NAME]

I’m writing to you on behalf of my organization [XYZ] as well as other historic preservationists from [AREA].

I would like to discuss an important preservation tool, the PA Historic Preservation Tax Credit, with your office. S.B. 1259 and H.B. 2358 have recently been introduced, which



PRESERVATION ALLIANCE
for greater philadelphia



would strengthen the program. Established in 2012, the program has encouraged private sector investment in the rehabilitation and re-use of many irreplaceable historic buildings across the Commonwealth.

Could you please let me know your availability to meet? Thank you so much for considering this request. If there is someone on staff with whom I should speak about this policy area, please let me know.

Sincerely, [YOUR INFO]"

During the Meeting

We recommend getting to the point of the meeting quickly, being succinct, and keeping the meeting brief. When discussing the legislation, use its number and title (S.B. 1259 and H.B. 2358). Be specific about what you want the member to do for you. We encourage using specific examples from your member's district to support your point. Always look for opportunities to be of service to the member. For example, offer to send follow-up information regarding issues that came up during the meeting, or, if there is interest, offer to help organize an in-person visit when the member is in the district.

Follow-Up

After your meeting, please take a moment to send "thank you" e-mails. Staff will appreciate having your contact information and a reminder about the specific request you made of them during the meeting.

Additional Resources:

[Issue Brief](#), April 2024

[PA Historic Preservation Tax Credit: An Evaluation of Program Performance](#), Independence Fiscal Office, 2019

[Missing Key: A Study of the Impact and Potential of the Pennsylvania State Historic Tax Credit](#), Preservation Pennsylvania, 2019

[State Historic Tax Credit Resource Guide](#), National Trust for Historic Preservation, January 2023

[Pennsylvania Federal Historic Tax Credit Investment FY01 - FY22](#), National Trust for Historic Preservation, 2023



PRESERVATION ALLIANCE
for greater philadelphia

preservation
PENNSYLVANIA

PA Historic Tax Credit Coalition Members (as of 6/17/24)



AIA
Pennsylvania



Odin
PROPERTIES



HULLETT
PROPERTIES



Historic Preservation Trust
of Lancaster County



HISTORIC HARRISBURG ASSOCIATION



UCHS
UNIVERSITY CITY HISTORICAL SOCIETY



BUILDING INDUSTRY ASSOCIATION
of Philadelphia