



March XX, 2014

The Honorable Dave Camp
341 Cannon House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Sander M. Levin
1236 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

Dear Chairman Camp and Ranking Member Levin:

On behalf of historic preservationists and business people across the country who strive to preserve our nation's history, we are gravely disappointed the proposal to reform our nation's tax code repeals the successful and longstanding policy to incentivize the rehabilitation of our historic properties.

Incorporated into the tax code more than 30 years ago, the Historic Tax Credit is a widely used redevelopment tool for inner cities, towns, and rural communities across the country. The credit is the most significant investment the federal government makes to preserve our nation's historic properties. Since 1981, the credit has leveraged \$109 billion in private investment, created more than 2.4 million jobs, and adapted more than 39,600 historic buildings for new and productive uses.

President Ronald Reagan praised the program in 1984, stating, *"Our historic tax credits have made the preservation of our older buildings not only a matter of respect for beauty and history, but of course for economic good sense."* The credit makes economic good sense because it more than pays for itself. Over the life of the program, the IRS has issued \$21 billion in tax credits while generating more than \$26.6 billion in direct federal tax revenue.

When the Historic Tax Credit was examined by Congress in the lead up to the Tax Reform Act of 1986, tax writers concluded an incentive to rehabilitate historic structures remained justified. The House Ways and Means Committee report reasoned that without the Historic Tax Credit, market forces would drive investment away from more costly rehabilitation and urban cores and toward more predictable new construction in the suburbs.

This justification is as valid today as it was then. Developers, both large and small, report that historic rehabilitation projects would not occur but for the Historic Tax Credit. Without the Historic Tax Credit, which fills a critical financing gap, there will be a halt to the rehabilitation of historic commercial properties in the United States.

A successful reform of our nation's tax code must retain the Historic Tax Credit. We ask that as this tax proposal is developed in Committee, you identify ways to improve rather than eliminate this much needed program.

Sincerely,