



**National Trust for  
Historic Preservation**

*Save the past. Enrich the future.*

May 20, 2020

The Honorable Steven Mnuchin  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Dear Secretary Mnuchin,

The National Trust for Historic Preservation, a non-profit organization chartered by Congress in 1949, appreciates the actions of your agency to address the ongoing health crisis that is gripping our nation. In furtherance of our economic recovery, we urge you to take several short-term steps to ensure the financial viability of historic building rehabilitation projects utilizing the federal historic tax credit.

As the largest, non-profit organization representing the interests of our nation's older and historic communities,<sup>1</sup> we are working to promote the resources, policies, and programs advanced by Congress and the Trump Administration to combat the effects of Covid-19 and their vital intersections with historic preservation as a community redevelopment tool. As we collaborate with communities around the country, it is clear several immediate adjustments to the federal historic tax credit will help to alleviate unemployment and foster economic recovery.

An immediate step that can be done administratively and without public expenditure is to extend certain deadlines associated with historic tax credit eligibility requirements. As noted in a letter to you from the Historic Tax Credit Coalition on April 15<sup>th</sup>, and pursuant to your authority to modify certain provisions of the Internal Revenue Code dealing with completing certain acts within certain timeframes after federal disaster declarations,<sup>2</sup> **we urge you to extend by one year the twenty-four month and sixty-month time periods to substantially complete rehabilitation projects.**<sup>3</sup> This extension would give owners and

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<sup>1</sup> The National Trust for Historic Preservation in the United States is a private nonprofit organization chartered by Congress in 1949 to "facilitate public participation" in the preservation of our nation's heritage, and to further the historic preservation policy of the United States. *See* 54 U.S.C. § 312102(a). With more than one million members and supporters around the country, the National Trust works to protect significant historic sites and to advocate historic preservation as a fundamental value in programs and policies at all levels of government. In addition, the National Trust has been designated by Congress as a member of the federal Advisory Council on Historic Preservation, which is responsible for working with federal agencies to implement compliance with Section 106 of the National Historic Preservation Act. *Id.* §§ 304101(8), 304108(a).

<sup>2</sup> IRC § 7508A

<sup>3</sup> IRC § 47(c)(1)(B)(i – ii)

**Paul W. Edmondson** | PRESIDENT & CEO

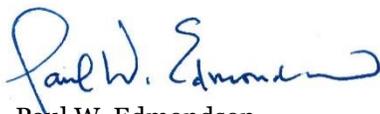
developers of historic properties, who through no fault of their own have invariably suffered considerable project set-backs and delays, the time needed to work through the necessary operating constraints resulting from the Covid-19 pandemic.

**We would also urge you to extend by one year the fast-approaching deadline for those rehabilitation projects operating under transition rules established by the Tax Cut and Jobs Act.**<sup>4</sup> This particular subset of historic tax credit projects, those owned or leased on or before December 31, 2017, are eligible to receive 20 percent of their qualified rehabilitation expenses as soon as the property is placed in service if completed by June 2020. If these deadlines are not met, however, many rehabilitation projects will fail to meet historic tax credit eligibility requirements and a crucial piece of project financing will be lost, leading to job losses and missed economic opportunities.

Finally, we would call to your attention the Department of the Interior's recent [Annual Report on the Economic Impact of the Federal Historic Tax Credit](#) that quantifies the economic impact of historic rehabilitation. The Department's most recent report notes that in many parts of the country a \$1 million investment in historic rehabilitation yields markedly better effects on employment than an equal investment in other sectors, including new construction, services, and manufacturing.<sup>5</sup> This research also shows that seventy-five percent of rehabilitation tax credit projects occur in economically distressed communities.<sup>6</sup> Maximizing the effectiveness of the historic tax credit will help leverage private investment in areas hardest hit by the pandemic.

Given work stoppages, limited access to building materials, and social distancing requirements caused by our national emergency, we believe these immediate steps will provide important flexibility for rehabilitation projects using historic tax credits to meet program requirements and catalyze local job creation. We would welcome any questions about the impact such changes will have on our older and historic communities in their economic recovery efforts.

Sincerely,



Paul W. Edmondson  
President & CEO

Cc: The Honorable David Bernhardt, U.S. Department of the Interior  
The Honorable Russell Vought, White House Office of Management and Budget  
The Honorable Aimee Jorjani, Advisory Council on Historic Preservation

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<sup>4</sup> PL 115-97 § 13402(c)

<sup>5</sup> U.S. Department of the Interior, National Park Service, Technical Preservation Services, "Annual Report on the Economic Impact of the Federal Historic Tax Credit for FY 2018"

<sup>6</sup> Id.