



## WEDC places moratorium on historic tax credit

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The Wisconsin Economic Development Corp. is placing a moratorium on issuing historic preservation tax credits after early demand came in nearly 10 times higher than expected.

Gov. Scott Walker signed Act 62, which created a 20 percent tax credit for rehabilitation of certain historic properties, last December. The original fiscal estimate projected a nearly \$4 million loss in tax revenue in the bill's first year, but it did not include a cap on the credit.

However, in a letter sent to JFC co-chairs Monday, WEDC CEO Reed Hall said 29 eligible projects totaling \$35 million in credits had already been approved.

"If fully realized, this amount of credits could potentially result in nearly \$180,000,000 in additional economic development in communities across the state," Hall wrote. "While this is certainly a testament to the program's success and need in Wisconsin, it also underscores the necessity to review the fiscal impact to the state budget."

The letter says WEDC will review the program's revenue impact and deliver updated numbers for the 2015-17 budget. When asked why WEDC had not put a hold on the program earlier given the budgetary overruns, WEDC Marketing Vice President Kelly Leitz said the corporation has been in close contact with the governor's office and state budget office on the credits and budget concerns.

"Throughout the process of approving these applications, we have sought to balance the economic benefit of the restoration work planned and the budget implications of the program," Leitz said.

Joint Finance Co-chairs Alberta Darling, R-River Hills, and John Nygren, R-Marinette, said in a joint statement they were pleased with the popularity of the credit.

"With the success of this credit, many jobs were created and historical buildings revamped," they said. "We look forward to discussions on how to keep this credit viable in the future."