



# PRESERVATION MARYLAND

Dear Members of Congress,

As elected officials from across the state of Maryland, we write to urge you to oppose any attempts to eliminate the Federal Rehabilitation Tax Credit Program.

The Federal Rehabilitation Tax Credit program encourages private sector investment in the rehabilitation and re-use of historic buildings. It creates jobs and is one of the nation's most successful and cost-effective community revitalization programs. This credit has rehabilitated nearly 40,000 historic structures, leveraged almost \$110 billion in private investment, created 2.4 million jobs, and generated \$36.5 billion in state, local, and federal tax receipts. Additionally, since 1976, the federal government has allocated just over \$24 billion in tax credits but has collected \$28.6 billion in federal tax revenue from rehabilitation projects – resulting in a net positive to the federal treasury.

In our state of Maryland, at a cost of \$380 million to the federal treasury, the program has made possible more than \$1.8 billion worth of critical rehabilitation projects since 2001 alone. Those nearly 500 projects have resulted in the creation of 25,000 jobs and generated over \$370 million in local, state and federal taxes.

Weakening or eliminating the credit would endanger the economic feasibility of nearly all historic rehabilitation projects in Maryland and beyond. Historic rehabilitation has a financing gap because it tends to be more expensive than new construction, so without the credits, these properties often sit idle for decades, exerting a blighting influence and a depressing impact on local property tax revenue. In fact, 84 percent of all tax-credit supported projects are located in low-income census tracts.

The impact of losing this program would be felt across our entire state. Catalytic projects that could have breathed new life into distressed neighborhoods and main streets would stall; with rural and low-income urban communities feeling the pain worst of all.

Fortunately, it is in your power to keep this from happening. As elected officials, we recognize the difficult work of balancing many needs against limited resources, but we believe this program is an excellent investment for our nation to make in its historic communities.

Therefore, we urge you to work to maintain the rehabilitation tax credit program as a vibrant component of our nation's tax policy.

Sincerely,

Nicholas A. Redding  
EXECUTIVE DIRECTOR