

## MICHIGAN HISTORIC PRESERVATION NETWORK



# Reinstatement of Historic Preservation Tax Credit Introduced in Michigan Senate

A bill to reinstate the Michigan Historic Preservation Tax Credit has been introduced in the state Senate. Senate Bill 469, sponsored by Sen. Wayne Schmidt (R-37, Traverse City), would reinstate the popular program that offers a credit of up to 25 percent of rehabilitation expenses against state income tax.

The tax credit, which was an integral part of restoration projects from Detroit to Menominee, was phased out in 2011 as part of the Snyder administration's plan to eliminate most tax carve-out programs. In its 11-year life, the credit leveraged \$71 million in credits to generate more than \$1.46 billion in investment in Michigan rehabilitation projects. It leveraged an additional \$251 million in federal tax credits and led to the creation of 36,000 jobs.

Sen. Schmidt's bill will bring back one of the most valuable tools to level the financial playing field for historic preservation projects – and the only tool available for those restoring owner-occupied homes. Historic preservation projects have been a key part of nearly every successful "revitalization" story in Michigan, and have helped make Michigan places more attractive, more economically viable and more emotionally engaging with both residents and visitors. This tax credit is a powerful tool to save historic resources and the communities they are in.



The economic impacts of our Historic Preservation economic development tools are well documented:

- Each \$1.00 of credit issued leverages \$10.56 in direct economic impact.
- The HTC has leveraged \$251 million in Federal historic tax credits. This is federal dollars coming back into Michigan's economy!
- Michigan Historic tax credits make projects feasible when others have given up. They put underutilized and core urban real estate back on local and state tax rolls.

These programs are used to fill gaps in the financing of rehabilitation real estate projects and are issued only after rehabilitation expenses are incurred. Therefore projects generate significant economic impact and state and local tax revenue before the credits are issued.

Michigan's HTC program is one of the state's most useful tools for revitalizing older communities. They make rehabilitation projects possible, and those projects drive economic growth in Michigan

## **Resources**

[Senate Bill 469](#)

[Michigan State Senate lookup](#)

[Senate Finance Committee membership](#)

[State Representatives Summer Coffee Meetings](#)

[Michigan Historic Preservation Network Tax Credit Press Release](#)

[Michigan Historic Preservation Tax Credit Success Stories](#)

## **For Additional Information**

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