



Priority Issues

AIA North Carolina 2015 Legislative Day

Reinstate Historic Tax Credits

Objective: To reinstate the State historic tax credits that were eliminated from law through 2013 tax reform bill. Support HB 152/SB 287.

Analysis: Since their creation in 1998, the North Carolina Rehabilitation Tax Credits have stimulated \$1.5 billion of private investment in North Carolina's heritage, creating an estimated 23,000 jobs, boosting local economies and communities and attracting out-of-state investment.

On the national stage, North Carolina is consistently a leader in the use of the federal rehabilitation tax credits, ranking third nationally in 2011. The reason North Carolina has ranked so high is the boost provided by the state Rehabilitation Tax Credits.

In 1997, the North Carolina General Assembly enacted the state tax credits to provide an additional incentive for investment in National Register properties in North Carolina. The State income tax credit "piggybacks" off the Federal tax credits, increasing their use in North Carolina.

By 2013, NC Rehabilitation Tax Credit projects have been completed in 90 of the 100 counties. These range from rural to urban, income-producing properties to owner-occupied homes. The credits contribute an annual average of \$124.5 million to the state gross domestic product and approximately 2,190 jobs. These rehabilitation projects generate federal, state, and local tax revenue during construction, and they continue to do so after construction ends - with sales taxes from new businesses, increased property taxes, and income taxes from newly created jobs.

Without the reinstatement of these tax credits, most of the benefit and job creation the state has enjoyed as a result of these rehabilitation credits will dry up and local communities, both urban and rural, will lose a valuable economic development tool. Governor McCrory has gone on record as supporting the reinstatement of these credits in the 2015 legislative session.

(This analysis was developed and reprinted from Preservation North Carolina. The full analysis from PNC can be obtained at the PNC website here: https://www.presnc.org/files/2013/10/NCPreservation_tax_credits_2014.pdf)