

EXTEND THE BENEFITS OF MINNESOTA'S HISTORIC REHABILITATION TAX CREDIT

The **Minnesota Historic Structure Rehabilitation Tax Credit** (MN Statute 290.0681), passed into law in 2010, has been a successful economic development tool for revitalizing distressed, vacant, and underutilized historic properties throughout the state. The credit provides a refundable income tax credit equal to 20% of qualified rehabilitation expenses made to buildings listed in the National Register of Historic Places and used for income-producing purposes (including office, industrial, retail, hospitality, and rental residential).

Changes made to the MN Historic Rehabilitation Tax Credit in 2019 conform the state credit to the Federal Historic Tax credit; the two tax credits are tied in statute. Project developers must now claim both tax credits in equal installments over five years, beginning the year the project is placed in service. The MN Historic Tax Credit program is administered by the State Historic Preservation Office of the Department of Administration in partnership with the Department of Revenue. The MN Historic Tax Credit is due to sunset June 30, 2021.

In FY 2019, the Minnesota Historic Rehabilitation Tax Credit generated \$9.78 in economic activity for every \$1 allowed in the credit.

From 2011-2019, the credit resulted in an estimated \$3.3 billion of economic activity including \$1.1 billion in labor income and 17,936 jobs.

OUR ASK

Include the provisions of **HF1642 & SF1639** (as amended by the 2019 changes) in the 2020 Omnibus Tax Bill

ELIMINATE THE HISTORIC REHABILITATION TAX CREDIT SUNSET DATE

Affirming support for the Minnesota Historic Rehabilitation Tax Credit past 2021 will provide the certainty that project developers need to proceed with complex and time-consuming projects.

ALLOW MULTIPLE TRANSFERS OF THE CREDIT CERTIFICATE

Allowing the credit certificate to be transferred more than once will attract additional investors, improving the likelihood of success and maximizing a project's ability to secure needed funding.