



The Rural Historic Tax Credit Improvement Act

Senator Shelley Moore Capito (R-W.Va.) *and* Senator Mark Warner (D-Va.)

The Problem:

Currently, many historic tax projects are not economically viable in small and rural areas, giving a disproportionate advantage of the credit to large urban developments. The costs associated with the current credit severely limits rural areas, and especially largely rural states, from being able to use the credit to rehabilitate and revitalize historic properties.

The Rural Historic Tax Credit Improvement Act:

- Makes historic tax credit projects in rural areas eligible for an increased credit from the current 20 percent to 30 percent
- Includes an additional increase in the credit to 40 percent for affordable housing creation
- Allows the credit be used in addition to the Low Income Housing Tax Credit (LIHTC)
- Allows small rural projects to claim the credit in the first year of use
- Allows transferability of the credit to a third-party
- Eliminates basis adjustment to simplify a credit transaction

The Solution:

The changes included in the *Rural Historic Tax Credit Improvement Act* streamlines processes, reduces cost-burdens to rural home owners and small developers, and provides affordable housing incentives. Through improvements to the credit, rural Historic Tax Credit projects will be more financially feasible and will result in a higher number of these projects being completed in rural areas and states.

Support:

The Historic Tax Credit Coalition
Main Street America
The Preservation Alliance of West Virginia
The National Trust for Historic Preservation