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NEW YORK
STATE
SENATE
ALBANY NEW YORK 12247



DAVID J. VALESKY
SENATOR 53RD DISTRICT

DEPUTY LEADER INDEPENDENT DEMOCRATIC CONFERENCE

VICE CHAIRMAN
HEALTH

COMMITTEES:
AGRICULTURE

ETHICS AND INTERNAL GOVERNANCE
FINANCE
RACING, GAMING AND WAGERING
RULES
TRANSPORTATION
RURAL RESOURCES COMMISSION
SELECT COMMITTEE LIBRARIES

March 5, 2018

Honorable John J. Flanagan
Temporary President and Majority Leader
Legislative Office Building, Room 909
Albany, New York 12247

Honorable Jeffery D. Klein
Coalition Leader and Independent Democratic Conference Leader
Legislative Office Building, Room 913
Albany, New York 12247

Dear Senators Flanagan and Klein:

We are writing to respectfully ask that the Senate include the extension and decoupling of the historic preservation tax credits in the Senate's 2018-19 one-house budget proposal (see S7648). Since their inception, the Historic Commercial Properties Tax Credit and the Historic Homeownership Rehabilitation Tax Credit have been key tools in attracting investment to upstate communities and driving economic development while preserving distinguishable architecture and historic buildings that are unique to upstate New York.

The State Historic Tax Credits are set to expire in 2019 and, as the Legislature has done in the past, it is imperative that we extend this program long before the expiration date arrives. Municipalities across New York recognize the economic impact of the State Historic Tax Credits and seek program eligibility through National Register Historic District nominations. These National Register nominations can take up to a year for completion and designation. Extension in the 2018-19 budget will ensure that projects currently in the pipeline for investment and rehabilitation continue to move forward, with investor and developer confidence that the program will remain in place. This confidence will allow continued reinvestment in the urban corridors, downtowns, and main streets of communities in every corner of New York State.

The Federal Tax Cuts and Jobs Act creates new obstacles to historic preservation in New York State. Congress changed the 20% Federal Historic Tax Credit so that instead of taking the credit in a single year, investors must spread out the credit over five years. By requiring this five-year credit period, the federal government diminished the value of both the federal and state credits. Our State Historic Tax Credit is linked to the Federal Historic Tax Credit; therefore, changes on the federal level weaken the state tax credit. Economists currently estimate that by spreading the credit over five years, the Federal Historic Tax Credit will have a reduced value to investors who contribute the necessary capital for historic preservation projects as part of a Historic Tax Credit


project. As part of the extension of the State Historic Tax Credits, there is an urgent need to decouple them from the Federal Historic Tax Credit and protect the value of the State Historic Tax Credits to maintain the important revitalization of communities all over the State.

Thank you for your consideration of this request. The State Historic Tax Credits are valuable tools in economic development and must be protected and continued. We look forward to working with you to ensure that this program is available to continue the economic development around the state.

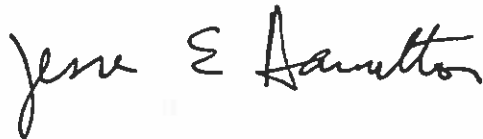
Sincerely,



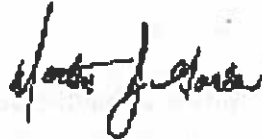
David J. Valesky
53rd Senate District
DJV/jw



Tony Avella
11th Senate District



Jesse E. Hamilton
20th Senate District



Martin J. Golden
22nd Senate District



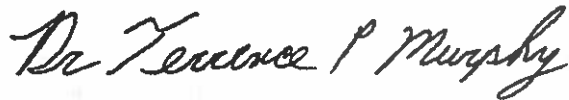
Diane Savino
23rd Senate District



Villmanette Montgomery
25th Senate District



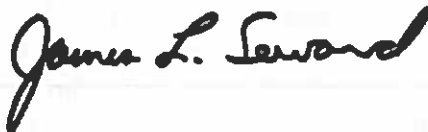
Marisol Alcantara
31st Senate District



Terrence Murphy
40th Senate District



Joseph A. Griffo
47th Senate District



James Seward
51st Senate District



Fred Akshar
52nd Senate District



Patrick Gallivan
59th Senate District



Robert G. Ortt
62nd Senate District

