



NEW YORK STATE SENATOR

Malcolm Smith

Historic Rehabilitation Tax Credit Passes Finance Committee

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Program will bring unprecedented redevelopment to distressed areas; Legislation Expected to Pass Senate Next Week

(Albany, NY) The New York State Senate Finance Committee today passed the **Historic Rehabilitation Tax Credit** (HRTC) (S2960-A/Valesky), sending this important economic stimulus and community revitalization legislation to the full Senate.

The Senate is expected to pass the measure next week.

HRTC strengthens the State program first launched in 2006 and will make New York State more competitive against the nearly 30 other state's with similar programs, who have had more success. The changes will allow the state to target reinvestment to distressed communities, as determined by the U.S. Census, and incorporate cost savings to the administration of the program.

Because of these changes, New York State will be among the most effective and cost-effective redevelopment programs in the country.

Senator David J. Valesky (D-Oneida), Vice President Pro Tempore of the Senate and lead sponsor said, "The Historic Rehabilitation Tax Credit will provide real incentives to stimulate Main Street and downtown development that will create jobs, increase property values and provide a better quality of life for all Upstate New Yorkers. This program has great potential to revitalize the Upstate economy and reduce the strain on urban, suburban and rural communities alike."

“This program will aid communities, in particular urban centers across the state, by reinvesting and rehabilitating structures and strengthening our population base,” said **Senate Majority Leader Malcolm A. Smith**. “Not only will this beautify neighborhoods and reinvigorate residents’ sense of pride, but it will help us attract new businesses and families back to communities that have suffered from urban flight.”

Features of the Senate’s legislation include:

- Increase the cap on commercial credit value from \$100,000 to \$5 million; the residential credit value will increase from \$25,000 to \$50,000. These are over the course of the program, which is 5 years.
- Limit the availability of the residential and commercial credit of the program to “distressed” areas, which is defined as being located within a Census tract identified at or below one hundred percent of the median family income.
- Increase the percent of qualified rehabilitation costs that can be claimed for the credit from 6-percent to 20-percent, allowing for a higher percentage of qualified rehabilitation costs.
- Make the credit assignable, transferable, and conveyable within business partnerships, to allow for greater flexibility on the part of the investor, and attract out-of-state financing to in-state rehabilitation projects.
- Offer the rehabilitation tax credit as a rebate to make the program a stronger financial incentive for homeowners without significant income tax liability.

“As a cosponsor of this important legislation, I support the effort to create economic stimulus and community redevelopment especially in western New York,” said **Senator William T. Stachowski** (D-Lake View), Chairman of the New York State Senate Committee on Commerce, Economic Development and Small Business. “Many historic buildings throughout upstate are currently vacant, underutilized, and deteriorating. By providing a tax credit for the rehabilitation of these properties, we can encourage their restoration to their former beauty and build up many distressed neighborhoods.”

"In these difficult economic times it is more important than ever to pass legislation that will stimulate the economy," said **Senator Liz Krueger** (D-Manhattan), Vice-Chair of the Senate

Finance Committee. "This bill will significantly promote growth in distressed communities by creating an incentive to rehabilitate deteriorating historic buildings."

"Historic preservation tax credits are a cost effective incentive for increasing homeownership and property values," said **Senator Darrel J. Aubertine** (D-Cape Vincent), Chairman of the Senate Upstate Caucus. "Preserving our past is an important part of preserving our sense of community. Tax credits and other incentives for historic preservation have been proven to attract new business and investment, which improves our economy and builds pride in our communities."

"A Historic Rehabilitation Tax Credit will provide an incentive to maintain and renovate infrastructure throughout our state and help protect valuable historic structures," said **Senator Brian X. Foley** (D – Blue Point). "This measure is part of larger efforts by the Senate to boost economic development and stimulate New York State's economy."

"This legislation will spawn investment, increase property values and create jobs," stated **Senator Antoine M. Thompson** (D-parts of Erie and Niagara Counties).