*[Insert Letterhead]*

*[Insert Representative(s) Mailing]*

RE: Georgia's State Income Tax Credit Program for Rehabilitated Historic Property

Dear *[sir/madam]*,

Georgia's State Income Tax Credit Program for Rehabilitated Historic Property offers an incentive for the certified rehabilitation of historic commercial properties, which has been so successful that the current annual cap of $30 million per year has proven insufficient. The Georgia Department of Revenue has allotted credit through the sunset period of the program in 2029. Being fully subscribed will hinder projects that require allotments closer to their completion dates and impede efforts to revitalize historic buildings throughout the state.

In the City of *[name]*, we have seen firsthand how this program entices developers to our local landmark buildings that were previously overlooked due to the extra expense of preserving these community touchstones to our past. *[Provide one or two examples, such as:*
*Phase 1 of the ABC Manufacturing Company project has taken over $19.6M in private investment to turn 152,487 SF of an abandoned mill into 123 much-need housing units. This program enabled this transformation, and with the recent full subscription of tax credits hinders the next phase which would be an additional $20M and 180 housing units.*
***OR***
*Phase 1 of the ABC Mills project through use of $12.8M in investment turned 163,417 SF of an abandoned mill into 102 housing units. This program enabled this transformation, and with the recent full subscription of tax credits hinders the next phase which while modest in comparison, would be an additional 21 housing units online.*
***OR***
*The ABC School, located at 81 Adam Street in ABC, is a prime example of the transformative impact this tax credit program can have. This project would convert an abandoned school into 20 units of much-needed workforce housing and provide for a commercial space. With the program full subscribed, this project can not apply for an allotment of historic tax credits from the Department of Revenue. Without these tax credits this project cannot move forward and will have to wait until either the cap is increased or the reauthorization of the program in 2029 with a new sunset date. That is four more years that this project would not be able to be undertaken which would bring approximately $2.5M in investment to this community.*

From a review of the 2022 "Georgia's Historic Rehabilitation Tax Credit" by Georgia State University's Andrew young School we learn that even when a year meets its $30M cap, it is rare for more than $20M of that money to be claimed. In fact, in 2021 roughly 22% of what was earned was claimed (see Figure 4B of Georgia's Historic Rehabilitation Tax Credit).

This $30M cap is stalling construction schedules and discouraging future private investment in our state. Between 2019 and 2024, 295 construction projects utilizing this program in Georgia generated $802,641,676 in direct investment for our communities. In a Georgia Tech 2019 study, it was determined that "Historic rehabilitation tax credits result in net positive new revenues for the state and local governments. This study demonstrates that waived revenues, represented by tax credits, are repaid within 7 years of the award. Subsequently, the projects continue adding to state coffers and return nearly $1.50 for every $1 awarded just 5 years later."

The City of *[name]*, Georgia, respectfully requests that you support upcoming legislation by the Georgia Trust for Historic Preservation to increase the cap on this tax incentive program from $30 million to $60 million. If you would like to speak directly with the Georgia Trust for Historic Preservation about this program, contact Ben Sutton at bsutton@georgiatrust.org or 404-885-7817.

Sincerely,

*[Name, Title]*
*[address]*