NATIONAL SUMMARY OF RECENT CHANGES IN STATE HISTORIC TAX CREDIT PROGRAMS-- AS OF MARCH 7, 2007

(Prepared by Grow Smart Rhode Island
based on information from the National Trust For Historic Preservation)

As Rhode Island continues debating whether to cut its nationally renowned State Historic Investment Tax credit program, numerous other states are establishing or expanding their own state historic tax credit programs. Based on information from the National Trust for Historic Preservation, aggressive efforts on the state historic tax credit front are particularly widespread among Rhode Island's northeastern neighbors. Within just the last two years, for example, Massachusetts quintupled the allowed size of its state historic tax credit program, Vermont expanded its program, and Connecticut and New York each established new state historic tax credit programs. In addition, New Jersey this year is considering establishing a new state historic tax credit program.

Overall during this time period 9 states established or expanded state historic tax credit programs, and there is no evidence of any state making significant cutbacks in such programs. In fact, as state legislative sessions begin moving into higher gear this year, 6 additional states from New Jersey to Hawaii are considering establishing new state historic tax credit programs.

A national summary follows:

States Expanding Historic Tax Credit Programs between 2005 and 2007

Massachusetts: Raised its annual program cap from $ 10 to $ 50 million.

Vermont: Added "Designated Downtown and Village Center Tax Credits" to its State Historic Tax Credit program.

North Carolina: Created a new state tax credit in 2006 of up to 40% for the rehab expenses of both income producing and non-income producing industrial properties in depressed urban areas and smaller towns. This initiative is targeted to historic mills.

Oklahoma: Made its existing state historic tax credit program more flexible by allowing transferability of the credits provided by the program.

States Establishing Historic Tax Credit Programs between 2005 and 2007

Connecticut: New program now in effect provides a 25% credit for rehabilitating commercial or industrial buildings for residential use, and a 30% credit for owner occupied residential, including apartments up to 4 units. Qualifying buildings must be in an area targeted as distressed.

New York: New program effective as of January 1, 2007 allows owners of projects receiving federal rehabilitation tax credits to take a state tax credit equal to 30% of the federal credit value.

Ohio: New program to take effect on July 1, 2007. This program will include a 25% state historic tax credit with no aggregate annual financial cap.

Kentucky: New program established in 2005 provides a 30% rehabilitation tax credit for owner-occupied residential properties; 20% rehabilitation credit for all other properties.

Mississippi: New program now in effect provides a 25% credit for both commercial property and owner occupied residences with no cap.

States Currently Considering a New State Historic Tax Credit Program

New Jersey

Illinois

Minnesota

Arkansas

Oregon

Hawaii

States Reducing Historic Tax Credit Programs between 2005 and 2007

None

Total Number of States with a State Historic Tax Credit Program as of 2007

28, including 5 of the 6 New England States