



April 2, 2015

Mr. Reed Hall  
Secretary  
Wisconsin Economic Development Corporation  
201 W. Washington Avenue  
P.O. Box 1687  
Madison, Wisconsin 53701

Mr. Richard G. Chandler  
Secretary  
Wisconsin Department of Revenue  
2135 Rimrock Road  
P.O. Box 8933, Main Stop 624-A  
Madison, Wisconsin 53701

Dear Secretary Hall and Secretary Chandler,

On behalf of the National Trust for Historic Preservation and its for-profit subsidiary the National Trust Community Investment Corporation, we thank you again for the opportunity to meet and discuss our research on the national and regional averages of state historic tax credit caps.

As the Wisconsin Legislature reviews Governor Walker’s budget recommendations, we want to reemphasize the most salient points of our research. We recognize the significant challenge of developing a responsible budget, and again would point out that our research shows a clear relationship between those states that have resisted implementing aggregate caps and those states that have generated the greatest economic return from the redevelopment of historic buildings.

Based on figures from November 2014, there were thirty-five states nationally that offered tax credits for the rehabilitation of historic buildings. Of those thirty-five states, nineteen chose not to place any aggregate cap on their programs. For the remaining minority of states that chose to limit their historic tax credit programs, the average aggregate cap nationally was \$28 million. Moreover, our research shows that when you group historic tax credit programs regionally, where competition for development between neighboring states is most relevant, the average aggregate cap in the Midwest is about \$52 million.

Inserted below are two tables that document our findings. The first chart averages just those neighboring states competing with Wisconsin for redevelopment dollars. The second chart averages the remaining states with an annual aggregate cap.

**Mid-West States with Annual Aggregate Caps**

\$140,000,000.00	MO
\$ 60,000,000.00	OH
\$ 45,000,000.00	IA
\$ 450,000.00	IN
\$ 15,000,000.00	NE
<b>\$52,090,000.00</b>	Annual Aggregate Cap (Midwest)

### States with Annual Aggregate Caps

\$ 140,000,000	MO
\$ 60,000,000	MS
\$ 60,000,000	OH
\$ 50,000,000	MA
\$ 31,600,000	CT
\$ 45,000,000	IA
\$ 20,000,000	AL
\$ 15,000,000	NE
\$ 10,000,000	MD
\$ 5,000,000	DE
\$ 5,000,000	KY
\$ 5,000,000	CO
\$ 4,000,000	AR
\$ 3,000,000	PA
\$ 1,500,000	VT
\$ 450,000	IN
<b>\$ 28,471,875</b>	Annual Aggregate Cap*

\*Excludes 19 states that do not cap their historic tax credit programs.

As you continue to work with the Legislature to implement the Governor's budget recommendations, we would welcome the opportunity to provide any additional information you may find useful. We greatly appreciate the opportunity to offer our perspectives on the key elements of an economically successful and efficient historic tax credit program.

Sincerely,



**John Leith-Tetrault**  
President, National Trust Community Investment Corporation



**H. Renee Kuhlman**  
Tax Credit Specialist, Government Relations & Policy, National Trust for Historic Preservation

cc: Shaw Sprague, Director, Government Relations & Policy, National Trust for Historic Preservation  
Michael Phillips, Public Policy Manager, National Trust Community Investment Corporation