

Wisconsin Historic Tax Credits – An Economic Development Tool that Works

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This investment program generates jobs, tax revenue, and preserves state heritage

- Since January 2014, **\$35.1 million in tax credits have leveraged \$211 million in private investment expenditures** from 31 historic tax credit projects. Preliminary estimates indicate these projects will generate **\$20.3 million in annual state tax revenue** and **create 4,062 jobs** (\$5,000 in state taxes generated per job). Additionally, it is projected that \$209 million in salaries will be paid by employers (\$46,281 avg. salary per job).¹

Payback on state's investment begins immediately

- Independent studies have concluded that **one-third of the state's investment is paid back during the construction phase**. For example, the Maryland Governor's Task Force on their historic tax credit program found that for every \$1 offered in tax credits, \$0.34 was returned to the state **prior to any of the credit being paid out**.²

Historic tax credits increase property values of project sites by a factor of 5 to 10 times

- The renovation of a former Pabst brewery building in Milwaukee into the Brewhouse Inn and Suites led to a 907% increase in tax assessment – the building's assessed value rose from \$1.4 million to \$14.3 million. Also, the Eager Economy Building in Evansville, Wis., renovated in 2008, experienced a tax assessment increase from \$189,100 to \$1.3 million.³

HTCs catalyze investment in surrounding neighborhoods

- Since the completion of two recent rehabilitation projects in Salt Lake City's Depot District, the market value for properties in the district have increased 22.5 percent at a time when the citywide property values declined more than 17 percent. In Macon, Ga., in the two years prior to Warehouse Lofts opening its doors, there were a total of two new business licenses issue in the surrounding neighborhood. In the three years since it opened, 57 businesses have received their licenses.⁴

Wisconsin HTC's are spurring significant development across the state and putting properties back on the tax rolls

- In 2014, the Wisconsin legislature overwhelmingly approved an increase in the state's historic tax credit from 5 to 20 percent. The increased tax credit brought new rehabilitation activity to communities across the state including: ***Ashland, Baraboo, Dodgeville, Eau Claire, Janesville, Kaukauna, Kenosha, Green Bay, La Crosse, Madison, Manitowoc, Mauston, Mayville, Milwaukee, Monroe, Oshkosh, Portage, Rice Lake, Sauk City, Schofield, Shawano, Sheboygan, Sun Prairie, and Waukesha***. According to the State Historic Preservation Office, 60% of these buildings had been vacant as many as 10, 20, and even 30 years prior to their rehabilitation spurred by the historic tax credits.

For more information, go to www.WisconsinHistoricTaxCreditAlliance.org.

¹ Economic and Job Creation Report, 2014 Wisconsin Historic Tax Credits, University of Wisconsin-Milwaukee, March 2013. Note: A report from the accounting firm, Baker Tilley Virchow Krause, LLP using the IMPLAN economic model is underway.

² Final Report of the Governor's Taskforce on Maryland's Heritage Structures Rehabilitation Tax Credit Program, 2004.

³ Federal Historic Tax Credits in Wisconsin, National Trust for Historic Preservation, expected May 2015.

⁴ The Federal Historic Tax Credit: Transforming Communities report, National Trust for Historic Preservation

Supporters of the Historic Rehabilitation Tax Credit

Wisconsin Apartment Association
Wisconsin Builders Association
Wisconsin Downtown Action Council
Wisconsin Economic Development Association
Wisconsin Hotel and Lodging Association
Wisconsin Laborers District Council
Wisconsin Realtors Association
Wisconsin Trust for Historic Preservation
ABC Development
Alexander Companies
American Institute of Architects Wisconsin
Association of General Contractors (AGC)
Berlin Area Historical Society
Bruce Block, Reinhart Boerner Van Deuren S.C.;
Building Owners & Managers Association of WI (BOMA)
Cardinal Capital
City of Green Bay
Common Bond Communities
Endeavor Corporation
Engberg Anderson Architects, Mark Ernst Partner
Gorman Company
Greater Milwaukee Association of Realtors
Heartland Alliance
Historic Water Tower Neighborhood
Horizon Design, Build, Manage Construction
KBS Construction
Klein Development Inc.
League of Wisconsin Municipalities
Legacy Architecture, Inc. Sheboygan
Madison Trust for Historic Preservation
Mandel Group
Metropolitan Milwaukee Association of Commerce (MMAC)
Metropolitan Real Estate Consultants, Milwaukee
Milwaukee 7 (M7)
Milwaukee Development Corporation (MDC)
Milwaukee Downtown BID 21
Milwaukee Preservation Alliance
National Association of Industrial and Office Properties (NAIOP-Wisconsin)
Patti Keating-Kahn
Plumbers Local #75
Riverworks Development Corp.
Sunset Advisors
Tomahawk Area Historical Society
Uihlein/Wilson Architects
Urban Economic Development Association (UEDA)
Walkers Point Association
Wangard Partners, Inc. TMB Development
Waukesha Preservation Alliance
Welford Sanders, Martin Luther King Economic Dev. Corp.