



STATE OF RHODE ISLAND  
HISTORICAL PRESERVATION & HERITAGE COMMISSION

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**Testimony by  
J. Paul Loether, SHPO, Executive Director, R.I. Historical Preservation & Heritage  
Commission,  
to the House Finance Committee  
in support of H5458  
An Act Relating to Taxation – Historic Preservation Tax Credits 2013**

**March 2, 2021**

Chairman Abney and members of the Committee, thank you for the opportunity to provide testimony today. The Rhode Island Historical Preservation and Commission strongly supports the passage of H5458, which will repeal the Historic Preservation Tax Credits 2013 sunset provision and allow this hugely successful and economically vital program to continue beyond June 30, 2021.

The positive economic impact of this program has had on Rhode Island cannot be overstated. To date, the RIHPHC's database indicates that since 2013, state Historic Preservation Tax Credits have helped leverage the complete rehabilitation and reuse of 318 historic buildings for a total--and overwhelmingly private--investment in Rhode Island of more than \$2 billion. These projects have not only leveraged private capital as well as substantial federal historic rehabilitation tax credits; they have also created construction and longer-term jobs; transformed underutilized and vacant historic commercial buildings into vibrant mixed-use spaces and/or much-needed affordable and market-rate housing; and improved the local property tax bases of the state's cities and towns.

Should any of the unfinished projects currently scheduled for completion between 2021 and 2025 come in under budget, any unused credits from the nearly \$47 million currently reserved

for them would automatically be returned to the Historic Preservation Tax Credit fund. These unused credits would then become available to projects currently on the program's project waiting list. But if the state's Historic Tax Credit program sunsets on June 30, 2021, such reallocations will not be possible, and new projects from this list will simply be unable to proceed.

The continuing COVID pandemic has created financial and operational challenges for all Rhode Islanders. The RIHPHC believes that state's full economic recovery will depend on the availability of opportunities like the Historic Preservation Tax Credit and its ability to leverage direct and significant private and federal investment in the state's cities and towns. Repealing the sunset provision as provided for in H5458 is one step toward ensuring that the Historic Preservation Tax Credit--a true economic engine--will remain a tool available to the State of Rhode Island for the long road ahead.

Very Respectfully,



J. Paul Loether  
State Historic Preservation Officer  
Executive Director, RIHPHC