

HISTORIC TAX CREDIT GROWTH AND OPPORTUNITY ACT (HTC-GO)

Main Street America (MSA) leads a collaborative movement with partners and grassroots leaders that advances shared prosperity, creates resilient economies, and improves quality of life through place-based economic development and community preservation in historic downtowns and neighborhood commercial districts across the country. A core element of this work is redeveloping existing buildings to bring active use back to disinvested downtowns and neighborhoods, with over 325,000 buildings rehabilitated since 1980.

[Property redevelopment remains a challenge – and an opportunity – in Main Street districts.](#)

70% of Main Street leaders report that the lack of built-out space holds back economic development in their Main Street district. Despite the long-term success of Main Street programs in spurring the rehabilitation of downtown buildings, Main Street leaders face ongoing challenges:

- 95% report having vacant buildings in their districts
- 47% report having 6 or more vacant buildings
- 45% report challenges accessing capital to rehabilitate buildings

[The federal Historic Tax Credit \(HTC\) is an essential tool for the redevelopment of Main Street buildings.](#)

The HTC has spurred the rehabilitation of over 48,000 historic buildings, has created nearly 3 million jobs, and has produced over 192,000 low and moderate-income affordable housing units, according to the National Park Service HTC Annual Report (2022). Each year, almost half of all completed HTC projects are less than \$1 million in project size. Of the 18,739 HTC projects completed from FY01 to FY21, almost 10% were located within the boundaries of Main Street America districts.

[The Historic Tax Credit Growth and Opportunity Act \[H.R.1785/S.639 \(HTC-GO\)\] will increase redevelopment opportunities in Main Street districts.](#)

Minor changes to the HTC can help bring properties back to productive use on Main Street. HTC-GO will:

- Increase the credit from 20% to 30% for projects with less than \$2.5 million in qualified rehabilitation expenses, making it easier to complete small rehabilitation projects.
- Makes the HTC easier to use by nonprofits for community health centers, local arts centers, affordable housing, homeless services, and others by eliminating IRS restrictions that make it challenging to partner with developers.
- Lowers the substantial rehabilitation threshold, making more buildings eligible to use the HTC.
- Eliminates the requirement that the value of the HTC must be deducted from a building's basis, increasing the value of the HTC, and making it easier to pair with the federal Low-Income Housing Tax Credit.
- Additional provisions in H.R. 1785 will temporarily increase the HTC through 2026 (with phasedown through 2029) in response ongoing redevelopment challenges.

CONTACT US

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