

February 4, 2022

The Honorable Vanessa E. Atterbeary
Chair, Ways and Means Committee
Room 131
House Office Building
Annapolis, Maryland 21401

Re: Letter of Support for HB 539 Historic Revitalization Tax Credit
Revisions to Qualified Rehabilitation Expenditures for Single-Family, Owner-Occupied Residences

Dear Chairwoman Atterbeary and esteemed members of the Ways and Means Committee:

We are writing to offer AIA Maryland's support for House Bill 539 to alter the maximum tax credit amount that individuals may claim under the Historic Revitalization Tax Credit (HRTC) program. Maryland's Historic Revitalization Tax Credit, our historic tax credit, is a key community investment tool, embracing the breadth of historic preservation – the developers, architects, engineers, contractors, craftsmen, and laborers. It employs thousands of Marylanders in good paying, permanent positions in all parts of the state.

HB 539 would revise the maximum tax credit amount allowed under the historic revitalization tax credit program to increase from 20% to 25% of an individual's qualified rehabilitation expenditures for the rehabilitation of certain single-family, owner-occupied residences. Qualified rehabilitation expenditures (QREs) are funds used in the rehabilitation of a historic structure in compliance with design documents previously approved by the Maryland Historical Trust Director. This bill would enable more homeowners in Maryland to participate in the historic preservation program encouraging investment in our state's older structures.

Why does this matter? Preservation protects the cultural and aesthetic qualities of our older neighborhoods, providing a sense of community cohesion. Historic neighborhoods often attract the most diversity, and they retain a greater percentage of their residents over time, creating social stability. Historic rehabilitation makes use of existing development and infrastructure, slowing sprawl and preserving farmland and open space. Rehabilitation also typically increases local property values, resulting in greater property tax revenue.

AIA Maryland represents approximately 2,000 Architects in the state of Maryland. Many of our members conduct research, advocate for, and successfully work on historic tax credit projects. We believe that Maryland must continue to fund community revitalization programs that are working across the state. Historic preservation not only preserves our state's rich history, but it is also business friendly and

economically beneficial. The Historic Tax Credit has profound economic impacts, including an 8:1 return on state investment in the program, and there are also numerous environmental and carbon benefits associated with preserving our existing building stock.

We encourage you to vote in favor of this legislation and encourage Maryland's continued commitment and investment in Historic Revitalization Tax Credits. Thank you for your consideration and your vote!

Sincerely

A handwritten signature in blue ink that reads "Barton Ross". The signature is fluid and cursive, with the first name "Barton" being larger and more prominent than the last name "Ross".

Barton Ross, AIA
Director, 2023 President-Elect

cc: Delegate Alfred C. Carr, Jr.