



## Annual Report on the Economic Impact of the Federal Historic Tax Credit for FY 2012



National Park Service  
U.S. Department of the Interior  
Technical Preservation Services

# RUTGERS

Edward J. Bloustein School  
of Planning and Public Policy

This report is based on the findings of a National Park Service funded study undertaken through a cooperative agreement with Rutgers University. The University is responsible for the content of the report

**Center for Urban Policy Research**

David Listokin, Michael L. Lahr, Charles Heydt  
Edward J. Bloustein School of Planning and Public Policy Rutgers,  
The State University of New Jersey New Brunswick, NJ 08901

**Technical Preservation Services**

National Park Service  
U.S. Department of the Interior  
Washington, DC 20240

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Edited by Bruce Snider

Cover image - ASM International Headquarters; courtesy Jeff Goldberg

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## A Message from the National Park Service

Beyond the National Parks, the National Park Service through its Cultural Resources, Partnerships and Science Programs is part of a national preservation partnership working to promote the preservation of historic resources in communities small and large throughout the country. For the past 35 years, the National Park Service, in partnership with the State Historic Preservation Offices, has administered the Federal Historic Preservation Tax Incentives Program.

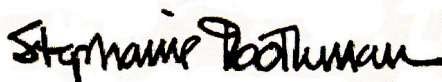
Commonly referred to as the Federal Historic Tax Credit (HTC), the HTC is designed to not only preserve and rehabilitate historic buildings, but to also promote the economic revitalization of older communities in the nation's cities and towns, along Main Streets, and in rural areas. Targeted to income-producing buildings, the HTC program is the largest and most effective Federal program specifically supporting historic preservation. Since the program's inception in 1976, the National Park Service has certified the rehabilitation of more than 38,700 historic buildings throughout the United States.

In Fiscal Year (FY) 2012, 744 completed historic rehabilitation projects were certified by the National Park Service, representing \$3.15 billion in estimated rehabilitation costs that qualify for a 20% Federal tax credit. (Another 1,020 proposed projects were also approved in FY 2012.) Many of these buildings were abandoned or underutilized, and all were in need of substantial rehabilitation to return them to, or for their continued, economic viability.

The National Park Service issues annual reports on the HTC program quantifying the number of historic rehabilitations certified each year, their reported costs, and other statistical information on the program. The annual and statistical reports are available on the National Park Service's Technical Preservation Services (TPS) website at <http://www.nps.gov/tps/tax-incentives.htm>, along with information on the HTC program in general.

For FY 2012, the National Park Service also turned to the Rutgers University Center for Urban Policy Research, through a cooperative agreement, to undertake and report on the economic impacts of the HTC for the fiscal year ending September 30, 2012. In the following pages, Rutgers University reports on their findings for the fiscal year 2012 as well as reporting on the cumulative economic impact of the Federal HTC program. An economic model previously developed by the Center under a series of grants from the National Park Service was utilized in the preparation of this report. The economic model was utilized by the Center for their three prior reports on the Federal HTC, as well as for a number of other economic reports for state governments and others.

As the Center's report identifies, the level and breadth of economic impacts resulting from the Federal HTCs in FY 2012 are quite impressive. In addition, the report includes information on the cumulative economic impacts of the Federal Historic Preservation Tax Incentives Program for the past 35 years, starting in 1977-78 with the first completed rehabilitation project to be certified by the National Park Service under the program. The program remains one of the Federal government's most successful and cost-effective community revitalization programs.



**Stephanie S. Toothman**

Associate Director, Cultural Resources, Partnerships, and Science  
National Park Service

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# Annual Report on the Economic Impact of the Federal Historic Tax Credit for FY 2012

## OVERVIEW OF THE RUTGERS ECONOMIC ANALYSIS

### Snapshot of Research Assumptions and Methodology

The federal historic tax credit (HTC) is a federal income tax credit that promotes the rehabilitation of income-producing historic properties. This study examines the economic impacts of the HTC (currently a 20 percent credit) by analyzing the economic consequences of the projects it supports. This analysis focuses on the economic effects of these projects during construction, quantifying the total economic impacts (i.e., direct as well as multiplier, or secondary, economic consequences) for the fiscal year (FY) ending September 30, 2012, and for the period since the program's inception. The study utilizes the Preservation Economic Impact Model (PEIM), a comprehensive economic model developed by Rutgers University for the National Park Service (NPS).

The current analysis applies the PEIM to both cumulative (FY 1978 through FY 2012) HTC-related historic rehabilitation investment (about \$106.1 billion in inflation-adjusted 2012 dollars) and single-year (FY 2012) HTC-related rehabilitation investment (about \$3.5 billion). It considers the effects of the cumulative \$106.1 billion rehabilitation investment as if it applied to one year (2012), rather than backdating the PEIM for each of the 35 years in the study period. It also considers the full rehabilitation investment associated with the HTC (e.g., \$3.5 billion in FY 2012) and not the somewhat lower amount reported by the NPS based on estimated qualified rehabilitation costs indicated by property owners requesting certification of rehabilitation for purposes of the tax credit (e.g., \$3.15 billion in FY 2012).<sup>1</sup>

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<sup>1</sup> The HTC has a multistep application process, encompassing Part 1 (evaluation of the historic significance of the property), Part 2 (description of the rehabilitation work), and Part 3 (request for certification of completed work). Both Part 2 and Part 3 rehabilitation statistics include only items termed "eligible" or "qualified" for the tax credit (Qualified Rehabilitation Expenditures, or QREs), as opposed to "ineligible" or "nonqualified" costs. While the ineligible/nonqualified expenses do not count for tax credit purposes, they are a component of the total rehabilitation investment, or cost, borne by the HTC-oriented developer. In practical terms, the total rehabilitation investment, including ineligible/nonqualified costs, helps pump-prime the economy. For example, in FY 2012, the Part 3-certified investment amounted to about \$3.15 billion, while the total rehabilitation outlay associated with the HTC was about \$3.5 billion.



The results of the PEIM include many fields of data. The fields most relevant to this study are the following:

**JOBS:** Employment, both part- and full-time, by place of work, estimated using the typical job characteristics of each industry.

**INCOME:** Earned, or labor, income; specifically, wages, salaries, and proprietor income.

**WEALTH:** Value added, the sub-national equivalent of gross domestic product (GDP). At the state level, this is called gross state product (GSP).

**OUTPUT:** The value of shipments, as reported in the Economic Census.

**TAXES:** Tax revenues generated by the activity, which include taxes to the federal government and to state and local governments.

The following table summarizes the impacts of the HTC for each of these economic measures for the cumulative period FY 1978-2012 and FY 2012. Further detail on impact and methodology is contained in Summary Exhibit 1. Selected critical findings are plotted in Summary Exhibits 2 through 6.

### National economic impacts Federal HTC-assisted Rehabilitation

A cumulative (FY 1978-2012) \$106.1 billion\* in historic rehabilitation expenditures results in:

An annual (FY 2012) \$3.5 billion in historic rehabilitation expenditures results in:

#### National Total (Direct and Multiplier Impacts)

Jobs (person-years, in thousands)	2,351.3	57.8
Income (\$ billion)	89.1	2.5
Output (\$ billion)	245.2	6.6
GDP (\$ billion)	121.2	3.4
Taxes (\$ billion)	35.5	0.9
Federal (\$ billion)	25.9	0.6
State (\$ billion)	4.9	0.1
Local (\$ billion)	4.8	0.2

\*In inflation-adjusted 2012 dollars

The benefits of investment in HTC-related historic rehabilitation projects are extensive, increasing payrolls and production in nearly all sectors of the nation's economy. The cumulative effects for the period of FY 1978 through FY 2012 are illustrative. During that period, \$106.1 billion in HTC-related rehabilitation investment created 2.35 mil-

lion jobs and \$121.2 billion in GDP, nearly 30 percent of which (692,000 jobs and \$34.3 billion in GDP) was in the construction sector. This is as one would expect, given the share of such projects that require the employment of building contractors. Other major beneficiaries were the service sector (418,000 jobs, \$16.0 billion in GDP), the manufacturing sector (480,000 jobs, \$31.1 billion in GDP), and the retail trade sector (345,000 jobs, \$9.1 billion in GDP). As a result of both direct and multiplier effects, and due to the interconnectedness of the national economy, sectors not immediately associated with historic rehabilitation, such as agriculture, mining, transportation, and public utilities, benefit as well. (Summary Exhibit 2.)

The recent economic benefits of the federal HTC are also most impressive. In FY 2012, HTC-related investments generated approximately 58,000 jobs, including 20,000 in construction and 13,000 in manufacturing, and were responsible for \$3.4 billion in GDP, including \$1.1 billion in construction and \$0.9 billion in manufacturing. HTC-related activity in FY 2012 generated \$2.5 billion in income, with construction (\$0.9 billion) and manufacturing (\$579 million) reaping major shares. (See Summary Exhibit 3 for more details.) These benefits were especially welcome in 2012, as the nation continued its recovery from a severe economic recession. Summary Exhibits 4 and 5 show on a state-by-state basis how HTC investment in FY 2012 contributed to national income and employment generation.

## HTC IMPACTS AT THE STATE LEVEL

HTC-related historic rehabilitation benefits state economies as well as the national economy. For example, in Missouri in FY 2012, federal HTC-related rehabilitation activity totaled about \$449 million. The national impacts of that investment included 7,683 jobs, an additional \$853 million in output, \$320 million in income, \$424 million in GDP, \$74 million in federal taxes, and \$101 million in total taxes. In Missouri alone, the same \$449 million in HTC-related spending resulted in 4,290 jobs, \$449 million in output, \$199 million in income, \$239 million in GSP, and \$52 million in all taxes.

## HTC Impacts Compared with Those of Non-preservation Investments and Housing and Downtown Revitalization Contributions

How does HTC-related historic rehabilitation perform as an economic pump-primer compared with other, non-preservation investments? In short, quite well.

Numerous studies conducted by Rutgers University have shown that in many parts of the country, a \$1 million investment in historic rehabilitation yields markedly better effects on employment, income, GSP, and state and local taxes than an equal investment in new construction or many other economic activities (e.g., manufacturing or services). These findings demonstrate that historic rehabilitation, combined holistically with the many activities of the broader economy, delivers a commendably strong “bang for the buck.”

About half of all HTC transactions include housing. Often used in combination with programs such as the Low Income Housing Tax Credit (LIHTC), the HTC has produced

powerful and very beneficial results in this area. From FY 1978 through FY 2012, the HTC has been involved in the creation of 466,047 housing units. Of that total, 243,607, or 52 percent, were existing housing units that were rehabilitated; 222,440, or 48 percent, were newly created housing units (e.g., housing resulting from the adaptive reuse of commercial space). In addition, 127,920, or 27 percent of the total, were affordable to low- and/or moderate-income (LMI) families. In FY 2012 6,366 LMI units were produced under the federal HTC. The federal HTC's influence on housing, largely invisible to the general public, deserves much greater attention, given its production of housing in general and LMI housing units in particular. (See Summary Exhibit 6.)

Spatial analysis by Rutgers University of the locations within states that use federal HTCs shows widespread utilization. Yet there is an understandable clustering of HTC activity in urban and rural population centers. Bolstering these centers through HTC investment is especially important for combating the adverse effects of sprawl and furthering smart growth. NPS statistics show that more than 75 percent of all approved HTC-related projects from FY 2002-2012 have been located in New Markets Tax Credit (NMTC) eligible Low-Income Census Tracts, and case study analysis of federal HTC implementation points to many additional quantitative and qualitative benefits, including providing affordable housing, fostering downtown economic development, and encouraging adaptive reuse.



**Martinsville Lofts, Martinsville, VA: Built in 1929, this former manufacturing complex was transformed into an affordable residential community of 60 units. The adaptive reuse project features many original elements, such as a Quonset hut and rail spur.**

## The Cost of the HTC, Benefits to the Economy, and Taxes Generated

The HTC is a tax expenditure and has a public cost. In the simplest terms, the federal cost of the HTC is equal to the credit percent (20 percent since 1986) applied to the Part 3 (“qualified for tax credit”) investment.<sup>2</sup> Applying that calculation, we find that the federal HTC cost the U.S. Treasury approximately \$20.5 billion (in inflation-adjusted 2012 dollars) over the period of FY 1978 through FY 2012, while the cost for projects

<sup>2</sup> See footnote 1



certified by the NPS in FY 2012 was about \$630 million.<sup>3</sup> Weighing against these costs are the significant economic impacts (i.e., jobs, income, GDP, and output) and tax revenue (federal, state, and local) generated by HTC-aided rehabilitation and documented in this study. An important finding is that the HTC yields a net benefit to the U.S. Treasury, generating \$25.9 billion in federal tax receipts over the life of the program, compared with \$20.5 billion in credits allocated.

## Summary of HTC Impacts

In short, the federal HTC is a good investment for local communities, individual states, and the nation. The cumulative impacts of the program to date (FY 1978 through FY 2012) support this conclusion.

- **The HTC leverages private investment.** An inflation-adjusted (2012 dollars) \$20.5 billion in HTC cost encouraged a five times greater amount of historic rehabilitation (\$106.1 billion).
- **The HTC generates millions of new jobs and billions of dollars in economic gains.** This rehabilitation investment generated about 2.4 million new jobs and billions of dollars of total (direct and secondary) economic gains.
- **The HTC has a positive cumulative impact on national economic output, GDP, income, taxes, and federal tax receipts.** The cumulative positive impacts on the national economy included \$245.2 billion in output, \$121.2 billion in GDP, \$89.1 billion in income, and \$35.5 billion in taxes, including \$25.9 billion in federal tax receipts.
- **The leverage and multiplier effects noted above show that the HTC program works.** The leverage and multiplier effects noted above support the argument that the federal HTC is a strategic investment that works.

## HISTORY OF HTC PROGRAM ACTIVITY

First authorized in 1976, the federal tax incentive for historic rehabilitation was significantly increased as a result of the passage of the Economic Recovery Tax Act (ERTA) of 1981. ERTA included a 25 percent credit for income-producing certified historic rehabilitation and quickly became a powerful driver of historic rehabilitation activity. Total certified NPS Part 2 approvals<sup>4</sup> reached a peak of 3,214 projects in 1984. HTC activity (measured in number of projects and dollar investment) from the 1970s to date is shown in Exhibits 1 and 2.

The 1986 Tax Reform Act (TRA) reduced the 25 percent certified historic rehabilitation credit to 20 percent and effected other changes (e.g., adopting “passive loss” rules) which dampened investment compared with the earlier ERTA-period. The decline continued through 1993, when only 538 projects received NPS Part 2 approval. (Exhibit 1 and 2.)

<sup>3</sup> These estimates are based on full utilization of the credits in cases of certified rehabilitations. For various reasons, not all completed projects certified by the NPS ultimately utilize the credit. Their economic impact, nevertheless, remains.

<sup>4</sup> See footnote 1.



Landmark Theater, Richmond, VA: **Originally constructed in 1927, the theater features Moorish Revival design elements and is part of the Monroe Park Historic District. The multi-phase rehabilitation includes repairs to the roof and exterior masonry, building systems upgrades and marquee restoration.**

The HTC market began to recover during the second half of the 1990s, and the uptick has continued for most of the past decade, notwithstanding a dip in activity during the real estate recession of the late 2000s. From 2000 to 2012, the number of HTC-related projects, as measured by Part 2 approvals, increased compared with the previous decade (though project approval volume was below that achieved in the 1980s). The period also saw a dramatic increase in HTC investment, as measured in dollars of Part 2 investment, compared with the 1990s. However, this increase was less potent (especially relative to the 1980s) when adjusted for inflation (Exhibit 2).

Similar trends influenced the total rehabilitation project costs borne by HTC developers, and not just the dollar amount certified for tax credit purposes. The peaks and valleys in these figures are readily apparent in Exhibit 3. Total HTC-related project costs rose dramatically after the 1981 ERTA (to a high of \$5.1 billion in 1985), fell precipitously after the 1986 Tax Reform Act (to a low of \$1.2 billion in 1994), and regained vigor over the past decade (rising to about \$3.5 to \$5 billion annually and peaking at \$5.4 billion in 2009), with some recent unevenness as the nation's real estate market has faced difficult times. (All figures just cited are in inflation-adjusted 2012 dollars.)

## ECONOMIC IMPACTS OF THE FEDERAL HISTORIC TAX CREDIT

### Total Economic Impacts From an Investment and How These are Determined

Rutgers University estimates total HTC-related rehabilitation investment throughout the United States at about \$106.1 billion (in inflation-adjusted 2012 dollars) for the cumulative period of FY 1978 through FY 2012 and approximately \$3.5 billion for FY 2012. These two outlays can be translated into ensuing total economic benefits. Before quantifying these effects, however, we must define total economic impacts from an investment and explain how these are determined.

This study examines the total economic impacts of HTC-related historic rehabilitation, encompassing both direct and multiplier effects. The direct-impact component consists of labor and material purchases made specifically for the rehabilitation activity. Multiplier effects incorporate indirect and induced economic consequences. The indirect component consists of spending on goods and services by industries that produce the items purchased for historic rehabilitation activity. The induced component consists of expenditures made by the households of workers involved either directly or indirectly with rehabilitation activity. To illustrate, the purchase of lumber at a lumberyard for historic rehabilitation is a direct impact; the purchases of the mill that produced the lumber are an indirect impact; and the household expenditures of the mill and lumberyard workers are induced impacts.

### Definitions of Relevant Fields From PEIM Results

Economists estimate direct, indirect, and induced economic effects using input-output (I-O) models. This study specifies the total economic effects of HTC-related historic rehabilitation with a state-of-the-art I-O model developed by the Rutgers University Center for Urban Policy Research for the NPS's National Center for Preservation Technology and Training. The model is termed the Preservation Economic Impact Model (PEIM).

This study applies the PEIM to both cumulative (FY 1978 through FY 2012) HTC-related historic rehabilitation investment (about \$106.1 billion in inflation-adjusted 2012 dollars) and the one-year FY 2012 HTC-related rehabilitation investment (about \$3.5 billion in 2012 dollars). In applying the cumulative analysis, we consider the effects of the \$106.1 billion rehabilitation investment as if it were effected in one year (2012), rather than backdating and applying the economic model to each of the 35 years in the study period. The results of the PEIM include many fields of data. The fields most relevant to this study are the HTC's total impacts on the following:

**JOBS:** *Employment, both part- and full-time, by place of work, estimated using the typical job characteristics of each industry.* Manufacturing jobs, for example, tend to be full-time; in retail trade and real estate, part-time jobs predominate. All jobs generated at businesses in the region are included, even though the associated

labor income of in-commuters may be spent outside the region. In this study, all results are for activities occurring within the time frame of one year. Thus, the job figures should be read as job-years. Several individuals may fill one job-year on any given project.

**INCOME:** *Earned, or labor, income; specifically, wages, salaries, and proprietor income.* Income does not include non-wage compensation (such as benefits, pensions, or insurance), transfer payments, dividends, interest, or rents.

**WEALTH:** *Value added, the sub-national equivalent of GDP.* At the state level, this is called GSP or, in some public data, GDP by state. Value added is widely accepted by economists as the best measure of economic well-being. It is estimated from state-level data by industry. For a firm, value added is the difference between the value of goods and services produced and the value of goods and non-labor services purchased. For an industry, therefore, it is composed of labor income (net of taxes); taxes; non-wage labor compensation; profit (other than proprietor income); capital consumption allowances; and net interest, dividends, and rents received.

**TAXES:** *Tax revenues generated by the activity.* The tax revenues are specified for federal, state, and local levels of government. Totals are calculated by industry.

- *Federal tax revenues* include corporate and personal income, Social Security, and excise taxes, estimated from calculations of value added and income generated.
- *State tax revenues* include income, excise, sales, and other state taxes, estimated from calculations of value added and income generated (e.g., in visitor purchases).
- *Local tax revenues* include payments to sub-state governments, mainly through property taxes on businesses and new worker households. Local tax revenues may also include sales tax and other taxes.

Exhibit 4 shows the cumulative economic impacts of HTC-related historic rehabilitation from FY 1978 through FY 2012, a span of 35 years. Exhibit 5 quantifies the one-year economic impacts of HTC-related historic rehabilitation in FY 2012 alone.

The major data reported in these two exhibits are organized in the following exhibit sections:

- I. Total Effects
- II. Distribution of Effect/Multiplier
- III. Composition of Gross State Product
- IV. Tax Accounts

Each of these sections is described in detail in Exhibit 6. Having presented this background material, we turn now to our findings.

## ECONOMIC IMPACTS OF CUMULATIVE FEDERAL HTC-RELATED REHABILITATION INVESTMENT IN THE UNITED STATES, FY 1978 THROUGH FY 2012

In the period of FY 1978 through 2012, the federal HTC aided an estimated cumulative total of \$106.1 billion of historic rehabilitation. The total national economic impacts of that spending included about 2.4 million jobs, which generated an additional \$245.2 billion in output, \$89.1 billion in income, \$121.2 billion in GDP, and \$35.5 billion in taxes (\$25.9 billion in federal taxes, \$4.9 billion in state taxes, and \$4.8 billion in local taxes). (See Exhibit 4.)

HTC-related historic rehabilitation projects increased production and payrolls in nearly all sectors of the nation's economy. (See Exhibit 4.) The cumulative \$106.1 billion in HTC-related rehabilitation investment created approximately 2.35 million jobs nationwide and \$121.2 billion in GDP. Slightly less than 30 percent of those totals—692,000 jobs and \$34.3 billion in GDP—was in the nation's construction sector. This is as one would expect, given the extensive involvement of building contractors in such projects. Other major economic-sector beneficiaries were services (418,000 jobs, \$16 billion in GDP), manufacturing (480,000 jobs, \$31.1 billion in GDP), and retail trade (345,000 jobs, \$9.1 billion in GDP). The finance, insurance, and real estate (FIRE) sector garnered 177,000 jobs and \$15.8 billion in GDP. As a result of multiplier effects and the interconnectedness of the national economy, sectors not immediately associated with historic rehabilitation were affected as well, including agriculture, mining, and transportation and public utilities (TPU). For example, the TPU sector realized a gain of 92,000 jobs and about \$7 billion of GDP.

Exhibit 7 summarizes the key economic effects (employment, income, GDP, output, and taxes), by year, of HTC-related rehabilitation investment during the 35 years of the study period.<sup>5</sup> In inflation-adjusted 2012 dollars, 1985 was the near-peak year<sup>6</sup> of investment, with \$5.2 billion of total HTC-related rehabilitation investment. This timing was significant, as the 1985 data reflect investor response to the expansion of tax credits brought about by the ERTA of 1981. As the near-peak year of investment, 1985 also saw significant economic benefits from HTC-related activity, including about 115,000 jobs and \$4.35 billion (in 2012 dollars) of income. In 2009, the peak year of HTC-related rehabilitation investment (\$5.4 billion in inflation-adjusted 2012 dollars), the HTC's economic benefits also set high-water marks: 121,000 jobs and \$4.6 billion (in 2012 dollars) of income.

## ECONOMIC IMPACTS OF HTC-RELATED REHABILITATION INVESTMENT, FY 2012

As noted earlier, HTC-related rehabilitation investment in FY 2012 was about \$3.5 billion. The total national economic impact of this investment included about 58,000

<sup>5</sup> In applying the cumulative analysis to the period of FY 1978 through FY 2012, we consider the \$106.1 billion investment as if it were effected in one year, namely 2012. Thus, when Exhibit 7 shows the economic impacts for each year in the period of FY 1978 through FY 2012, we have not backdated the model to each of these years, but rather indicated what each year's investment would have realized in 2012 values.

<sup>6</sup> The absolute peak was in 2009, when total HTC-investment reached about 5.4 billion in inflation-adjusted 2012 dollars.



jobs, which generated \$6.6 billion in output, \$3.4 billion in GDP, \$2.5 billion in income, and about \$876 million in total taxes (\$584 million in federal taxes, \$141 million in state taxes, and \$151 million in local taxes). (See Exhibit 5.)

Like the cumulative HTC-related investment during the study period, the one-year FY 2012 historic rehabilitation investment produced benefits across the national economy (Exhibit 5). Of the \$3.4 billion in HTC-related GDP, \$1.1 billion was in the construction sector, \$0.9 billion was in manufacturing, and \$445 million was in services. The retail trade sector gained about \$203 million in GDP, the FIRE sector about \$276 million, and the wholesale trade sector about \$116 million.

Exhibit 8 summarizes the national impacts of the one-year FY 2012 HTC-related rehabilitation investment in each state, as of that year. The 11 states shown below had considerably varying levels of tax credit investment in FY 2012 and, consequently, very

State	FY 2012 HTC-Aided Rehabilitation Investment (in 2012 \$ millions)	Selected National Economic Impacts	
		JOBS	INCOME (IN 2012 \$ MILLIONS)
Alabama	\$4.9	90	\$3.1
Florida	\$91.3	1,591	\$64.5
Illinois	\$38.9	574	\$28.3
Indiana	\$23.8	418	\$17.0
Michigan	\$87.7	1,393	\$62.1
New York	\$267.8	4,430	\$190.8
Ohio	\$208.4	3,743	\$148.4
Oregon	\$84.5	1,496	\$61.4
Pennsylvania	\$196.4	3,193	\$142.6
Virginia	\$291.3	4,903	\$208.5
Washington	\$73.9	1,184	\$53.0

different national-level job and income effects. While the national-level benefits were substantial, as we shall see below, the HTC has also had a high retention rate, compared with many other economic activities, for the benefits it generates in local and state economies.

Our investigation of HTC-related investment in Illinois, Missouri, and Pennsylvania found considerable state-level capture of national-level economic benefits. In FY 2012, HTC-related rehabilitation investment totaled \$38.9 million in Illinois, \$448.5 million in Missouri, and \$196.4 million in Pennsylvania. Exhibit 9 summarizes the national- and state-level impacts for these three states.

The national-level economic impacts of the \$448.5 million in HTC-related investment in Missouri in FY 2012 included 7,683 jobs, an additional \$852.7 million in output, \$319.9 million in income, \$423.7 million in GDP, and \$100.8 million in taxes. (See Exhibit 9, upper portion.) The Missouri-retained portion of HTC-related investment (Exhibit 9, lower portion) created 4,290 jobs, and generated \$448.5 million in output, \$199.2 million in income, \$239.4 million in GSP, and \$51.9 million in taxes. The in-state wealth (GSP minus federal taxes) resulting from rehabilitation expenditures amounted to \$203.3 million,<sup>7</sup> indicating a high 85 percent retention rate.<sup>8</sup>

HTC-related investment yielded similarly high state-level retention rates in Illinois and Pennsylvania (compare state- and national-level economic impacts in Exhibit 9). It stands to reason that the lion's share of the economic benefits of HTC-related construction activity stays within a given state's boundaries, rather than "leaking" elsewhere.<sup>9</sup> The data from the three states investigated bears that out, and a similar pattern is likely to characterize most other states as well.

## IMPORTANCE OF STATE HISTORIC TAX CREDITS

In addition to leveraging other federal subsidies for housing and business development in low-income communities, the HTC has provided a model for the enactment of state historic tax credits (SHTCs) in 33 states, with state HTCs proposed in an additional five states. (See Exhibit 10.) This number of tandem SHTCs compares favorably with the 14 states with state LIHTCs and the 13 states with New Markets Tax Credit programs. NPS statistical reports document that states with the strongest SHTC statutes regularly lead the nation in the use of the federal HTC.

The Kansas state historic tax credit (KHTC) provides an example of the effectiveness of state HTCs. Implemented in FY 2002, the KHTC provides a 25 percent state income tax credit for qualified expenses on historic structures used for either income-producing or non-income producing purposes. The KHTC, which builds upon the 20 percent federal HTC in place since 1986, has markedly enhanced HTC investment in Kansas. During the 21-year period before KHTC implementation, there were a total of 50 federal HTC projects in the state, an average of 2.4 projects per year. A 2010 Rutgers University study of the eight-year period after KHTC implementation found an approximate tenfold increase in HTC activity (both KHTC-only and HTC/KHTC-combined), to 542 projects. Average annual project volume increased by a factor of nearly 30, to 68 HTC projects. Rehabilitation project cost also mushroomed. In the 21-year pre-KHTC period, a total of \$114 million (in inflation-adjusted 2009 dollars) was expended on federal HTC-assisted projects, an average of about \$5.4 million per year. In the eight-year post-implementation period (FY 2002-2009), the value of tax credit-assisted historic projects in Kansas (again, both KHTC-only and HTC/KHTC-combined) more than doubled, to \$271 million, and the average annual project volume increased by a factor of six, to \$33.9 million (all

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7 Equals \$239.4 million in Missouri GSP from the HTC, less \$36.1 million in federal taxes paid by Missouri households and businesses as a result of HTC activity, leaving \$203.3 million of Missouri in-state wealth.

8 Equals \$203.3 million of Missouri in-state wealth from the HTC, divided by \$239.4 million in GSP from HTC-related activity in Missouri.

9 The amount of "leakage" will vary by state, depending, for instance, on whether or not a state can supply the steel and lumber used in renovation.

in inflation-adjusted dollars). Others, including the Kansas State Historical Society, have remarked on the surge of tax credit-aided historic rehabilitation investment that took place in Kansas after the state tax credit took effect.

States assist historic preservation also via other programs, many of which can be combined with the federal HTC. South Dakota, which has no state HTC, observes the State Historic Property Tax Moratorium, an eight-year moratorium on property tax assessments for

certified improvements to historic properties. The Deadwood Fund, which is supported by a portion of the gambling revenue generated in Deadwood, S.D., provides matching grants for preservation, restoration, and rehabilitation of historic properties throughout the state. From 1998 through 2011, these two programs were associated with about \$100 million of historic rehabilitation. Like other state programs, they are often used in conjunction with the federal HTC. The \$1.4 million Windsor Block project in Rapid City, S.D., (that city's largest historic downtown rehabilitation in two decades, which provided much-needed housing and retail space) made use of a Deadwood Fund grant, the State Historic Property Tax Moratorium, and the federal HTC.



Neighborhood Service Organization (NSO) Bell Building, Detroit, Michigan: **The former Michigan Bell and Western Electric Warehouse Building was built in 1930 and rehabilitated in 2011 by local non-profit NSO for use as administrative headquarters and supportive human service operations, including portion of 155 residential units for formerly homeless adults in transition.**

## **QUALITATIVE IMPACTS OF THE FEDERAL HTC: SELECTED NATIONAL CASE STUDIES**

Thus far, this analysis has quantified the economic impacts of the federal HTC as estimated by the Rutgers PEIM. We gain an additional perspective on the federal HTC's impacts through qualitative case study analysis. The case studies that follow describe what transpired on a project-by-project basis, specifying not only the local economic impacts, but also what HTC-related historic rehabilitation has meant, more broadly, to local communities.

The current investigation conducted case studies of the following historic rehabilitation projects:

**ASM Headquarters, Materials Park, OH.**

**Oxford Mills, Philadelphia, PA.**

**Martinsville Lofts, Martinsville, VA.**

**Saenger Theatre, New Orleans, LA.**

We encourage the reader to browse all four case studies, which present important “facts on the ground” regarding the benefits produced by the federal HTC. As a preview of the four cases, however, we offer the following synopsis.

The case studies illustrate how the federal HTC and allied programs have fostered the stabilization and revitalization of important older neighborhoods and encouraged the continued use and adaptive reuse of historic structures, sometimes with the added bonus of providing affordable housing.

The two adaptive-reuse projects are former factory buildings – Martinsville Lofts, in Virginia, transformed a furniture factory into 60 units of affordable housing; and the rehabilitation of Oxford Mills in Philadelphia, a former textile factory, will also have an affordable housing component in addition to retail and office space for education-related nonprofit tenants upon completion in 2014.

The two continued-use projects enable local anchors of culture and economics to remain in their communities. Despite sustaining considerable damage during Hurricane Katrina, the Saenger Theatre in New Orleans is being restored as a state-of-the-art multipurpose performing arts facility, fulfilling its original purpose of entertaining crowds. The renovation of ASM International Headquarters, a Mid-Century modern office building in Materials Park, OH., allowed a company to avoid an out-of-state relocation and kept jobs in the local economy. This project also served as somewhat of a milestone for the HTC, as proper preservation of more modern historic buildings becomes a growing issue.

The four projects had a combined total cost of approximately \$105 million. Individual project costs ranged from about \$6.4 million to about \$50 million, with an average cost of \$26 million.

Of the total project costs, rehabilitation and construction claimed the largest share (\$70.5 million, 67.4 percent of the total), followed by soft and other costs (\$31.2 million, 21.3 percent), and acquisition costs (\$2.9 million, nearly three percent). Project funds originated from a variety of sources, including \$64.8 million in equity from various tax credits, including the federal HTC, SHTCs, federal NMTCS and LIHTCs, \$22.1 million from debt (both bank and other debt), and \$17.6 million from other sources.

All of the four case studies utilized the federal HTC in combination with SHTCs, the LIHTC, or the NMTC. Tax credit assistance of various types is absolutely crucial for the financing of historic rehabilitation projects. In summary, successful rehabilitation projects are enabled by a layering of funding sources and subsidies, anchored by the federal HTC and complementary program.

### Summary of Costs and Funding Sources of Four Historic Rehabilitation Case Studies

<b>SOURCES</b>	<b>ASM Headquarters</b>	<b>Oxford Mills</b>	<b>Martinsville Lofts</b>	<b>Saenger Theatre</b>	<b>Total</b>
Bank Debt/Loans	\$4,000,000	\$18,105,988	\$ -	\$ -	\$22,105,988
Equity-Credits	\$2,404,745	\$16,573,012	\$8,423,986	\$37,414,488	\$64,816,231
Other	\$ -	\$3,786,332	\$1,086,132	\$12,743,617	\$17,616,081
<b>Total Sources:</b>	<b>\$6,404,745</b>	<b>\$38,465,332</b>	<b>\$9,510,118</b>	<b>\$50,158,105</b>	<b>\$104,538,300</b>
<b>USES</b>					
Acquisition & Site Work	\$ -	\$2,500,000	\$400,000	\$ -	\$2,900,000
Rehabilitation	\$4,810,507	\$22,150,000	\$6,600,553	\$36,900,319	\$70,461,379
Soft Costs	\$1,594,238	\$5,831,012	\$1,345,967	\$11,887,276	\$20,658,493
Other	\$ -	\$7,984,320	\$1,163,598	\$1,370,510	\$10,518,428
<b>Total Uses:</b>	<b>\$6,404,745</b>	<b>\$38,465,332</b>	<b>\$9,510,118</b>	<b>\$50,158,105</b>	<b>\$104,538,300</b>



## Case Studies

- 18**    **Oxford Mills**
- 20**    **Martinsville Lofts**
- 22**    **Saenger Theatre**
- 24**    **ASM International Headquarters**

## Oxford Mills

100 West Oxford Street, Philadelphia



Before (courtesy of Powers & Company, Inc.)



Rendering of completed project

### PROJECT PROFILE

Historic name:	Quaker City Dye Works
Original construction date:	1873
Date of rehab:	2012-2014
Original use:	Factory producing cotton and woolen yarns, dye, and silk for the garment industry
New use:	Office space for education-related nonprofits, affordable apartments for public school teachers, and retail
Project cost:	\$38.5 million
Federal HTC equity:	\$6.3 million
Other financial incentives:	Federal NMTCs
Investment Partner:	TD Bank

### Property and Project Details

Built in 1873 by the Quaker City Dye Works, this complex in Philadelphia's South Kensington neighborhood manufactured dye, cotton and woolen yarns, and silk for the garment industry. At one time the largest dye works in Philadelphia, the operation employed some 200 people. The historic facility, which later housed the Oxford Mills carpet company, now stands amid a mix of residential, commercial, and industrial properties and scattered vacant lots. South Kensington is located in a severely distressed census tract, which has an unemployment rate more than three times the national average.

The Oxford Mills project will redevelop the underutilized buildings into 38,000 square feet of office space for education-related nonprofits, a 1,300 square-foot café, and 114 apartments marketed primarily to teachers employed by the School District of Philadelphia. Twenty-three of the apartments will be rent-restricted to people earning less than 80 percent of the area median income. Teach for America will occupy 14,000 square feet of the new office space.

This rehabilitation project will create a vibrant, collaborative environment for educators and allied professionals—with easy access to commuter bus and rail lines--while catalyzing redevelopment in the surrounding neighborhood. Work is expected to be completed in time for the 2014 school year.

### Project Budget

Sources of Funds	Amount
NMTC Equity	\$10,210,200
Federal HTC Equity	\$6,362,812
Loans	\$18,105,988
Other	\$3,786,332
<b>Total</b>	<b>\$38,465,332</b>
Uses of Funds	Amount
Acquisition	\$2,500,000
Hard/Construction Costs	\$22,150,000
Soft Costs	\$5,831,012
Other Financing Costs	\$7,984,320
<b>Total</b>	<b>\$38,465,332</b>

### Community Benefits

- > 250 Construction Jobs
- > 337 Permanent Jobs
- > \$947,600 in state and local taxes

## Martinsville Lofts

900 Rives Road, Martinsville, Va.



Before



After

### PROJECT PROFILE

Historic name:	<b>Martinsville Novelty Corporation Factory</b>
Original construction date:	<b>1929</b>
Date of rehab:	<b>2010-2011</b>
Original use:	<b>Furniture factory</b>
New use:	<b>Affordable housing</b>
Project cost:	<b>\$9.5 million</b>
Federal HTC equity:	<b>\$1.3 million</b>
Other financial incentives:	<b>State HTCs, state and federal LIHTCs</b>

### Property and Project Details

Built in 1929 to house manufacturing operations for occasional and novelty tables and cabinets, the Martinsville Novelty Corporation complex comprises a three-story factory building, drying kilns, a wood-storage area, a one-story concrete-and-frame storage building, a former factory restaurant, and a Quonset hut that was added in the 1940s or 1950s. The property runs parallel to the former Norfolk and Western Railway; a rail spur and trestle lead into the wood-storage area.

Transforming a manufacturing plant into an inviting, affordable residential community presented a significant design challenge, but the Martinsville Lofts project ties the property’s patchwork quilt of certified historic structures into a cohesive whole while

retaining much of the complex’s original character. The result, which combines industrial charm with functionality, represents a first-class housing option for working families.

Martinsville Lofts’ 60 units are reserved for families earning 60 percent or less of the area median income. Qualified residents attending an accredited college, university, community college, or vocational-technical school are eligible for scholarships of up to \$2,000 per year. The project won the National Housing & Rehabilitation Association’s 2012 J. Timothy Anderson Award for Most Innovative Adaptive Reuse.

### Project Budget

<b>Sources of Funds</b>	<b>Amount</b>
Federal LIHTC Equity	\$2,049,278
Federal HTC Equity	\$1,338,838
State HTC Equity	\$1,634,333
American Recovery and Reinvestment Act (ARRA) 1602 Exchange Funds (State LIHTC)	\$3,401,537
Permanent Financing	\$1,086,132
<b>Total</b>	<b>\$9,510,118</b>
<b>Uses of Funds</b>	<b>Amount</b>
Acquisition	\$400,000
Hard/Construction Costs	\$6,600,553
Soft Costs	\$1,345,967
Other Financing Costs	\$1,163,598
<b>Total</b>	<b>\$9,510,118</b>

### Community Benefits

- > 65 Construction Jobs
- > 83 Permanent Jobs
- > \$475,500 in state and local taxes



## Saenger Theatre

1101-1111 Canal Street, New Orleans



During post-Katrina flooding



Rendering of completed project

### PROJECT PROFILE

Historic name:	<b>Saenger Theatre</b>
Original construction date:	<b>1927</b>
Date of rehab:	<b>2012-2013</b>
Original use:	<b>Theater and movie house</b>
New use:	<b>Multipurpose performing arts facility</b>
Project cost:	<b>\$50 million</b>
Federal HTC equity:	<b>\$10 million</b>
Other financial incentives:	<b>State HTCs, Federal NMTCs</b>
Investment Partner:	<b>JPMorgan Chase &amp; Co.</b>

### Property and Project Details

Built during the silent film era, the Saenger Theatre was the flagship of Julian and Abe Saenger's theater empire. With a 2,000-pipe Robert Morton organ and seating for 4,000, it presented movies, live theater, and musical performances by the Saenger Grand Orchestra. Converted to show only "talking pictures" in 1933 and subjected to various renovations and changes in ownership over the following decades, the Saenger remained in operation until 2005, when Hurricane Katrina struck New Orleans. The storm's floodwaters filled the building's basement and orchestra seating area, ultimately rising to a foot above stage level. The resulting damage rendered the building unusable for years afterward.

In 2009, New Orleans officials announced a public-private partnership to redevelop the property as a multipurpose performing arts facility. Slated for completion in 2013, the project will restore the façade’s decorative masonry, terracotta elements, sidewalk canopies, and wrought iron work. The building’s interior public arcades, foyers, lobbies, and auditorium will also be rehabilitated. When it reopens, the Saenger Theatre will host Broadway shows, music and dance performances, plays, films, corporate assemblies, lectures, and community events. Calling the Saenger Theatre “a crown jewel of our city,” New Orleans Mayor Mitch Landrieu said its return to active use “will create tens of millions in annual economic impact for our economy and will anchor the continued revitalization of Canal Street.”

## Project Budget

Sources of Funds	Amount
Federal HTC Equity	\$10,092,948
State HTC Equity	\$15,432,014
Federal NMTC Equity	\$11,889,526
Loans & Other	\$12,743,617
<b>Total</b>	<b>\$50,158,105</b>

Uses of Funds	Amount
Acquisition	\$0
Hard/Construction Costs	\$36,900,319
Soft Costs	\$11,887,276
Other Financing Costs	\$1,370,510
<b>Total</b>	<b>\$50,158,105</b>

### Community Benefits

- > **388 Construction Jobs**
- > **676 Permanent Jobs**
- > **\$2,566,900 in state and local taxes**

## ASM International Headquarters

9639 Kinsman Road, Materials Park, Ohio



Photos: Jeff Goldberg, courtesy of The Chesler Group, Inc.

### PROJECT PROFILE

Historic name:	American Society for Metals Headquarters
Original construction date:	1959
Date of rehab:	2010-2011
Original and current use:	Office and program space for the American Society for Metals, now ASM International
Project cost:	\$6.4 million
Federal HTC equity:	\$1 million
Other financial incentives:	\$1.4 million State HTCs

### Property and Project Details

Designed for the American Society for Metals by Cleveland architect John Terrance Kelly and constructed in 1959, this facility has served as headquarters for the organization—now known as ASM International—for over 50 years. The 60,000-square foot semicircular building stands beneath an eleven-story-high geodesic dome, whose 250-foot diameter makes it the largest open-framework structure of its type in the world. Located in Materials Park, a 45-acre campus outside of Cleveland, this gem of mid-century modern architecture was one of the first of its kind to receive federal HTCs. Outdated systems and high operating costs had led ASM to consider out-of-state relocation, but local developer Michael Chesler recommended instead using the federal historic tax credit to assist in preserving the building.

Restoration of and sustainable improvements to the building shell cut heating and cooling costs by 50 percent while preserving the historical integrity and layout of the building. Exterior work also included a restoration of the original “green” roof and stainless steel solar shades. Interior renovations retained the building’s signature metal elements, including its floating stainless steel staircases. Utility improvements included a new electrical system and automated heating with computer-controlled pumps. In 2012, the project earned Chesler’s firm (the Chesler Group, now also headquartered in the building) a Wallpaper\* Magazine Design Award for Best Renovation and an Honor Award from the National Trust for Historic Preservation.

**Project Budget**

<b>Sources of Funds</b>	<b>Amount</b>
Federal HTC equity	\$1,016,249
State HTC equity	\$1,388,496
Loans	\$4,000,000
<b>Total</b>	<b>\$6,404,745</b>

<b>Uses of Funds</b>	<b>Amount</b>
Hard/Construction Costs	\$4,810,507
Soft Costs	\$1,594,238
<b>Total</b>	<b>\$6,404,745</b>

**Community Benefits**

➤ Retained more than 80 jobs in Ohio

## SUMMARY EXHIBIT 1

### Summary of Federal HTC Statistics

I. Investment/Tax Credit Component <sup>a</sup>	FY 1978-2012				FY 2012
	Nominal\$ <sup>d</sup>		Real\$ <sup>e</sup>		Real\$ <sup>f</sup>
	TOTAL	ANNUAL AVERAGE	TOTAL	ANNUAL AVERAGE	TOTAL
Approved proposed (for tax credit) rehabilitation ("Part 2")	\$74.8	\$2.2	\$125.9	\$3.7	\$5.3
Certified (for tax credit) rehabilitation <sup>a</sup> ("Part 3")	\$55.5	\$1.6	\$95.5	\$2.7	\$3.2
Total rehabilitation cost <sup>b</sup>	\$61.7	\$1.8	\$106.1	\$3.0	\$3.5
Federal tax credit <sup>c</sup>	\$11.6	\$0.3	\$20.5	\$0.6	\$0.6

Dollar amounts above are expressed in billions

II. Economics Impacts (details in Exhibits 2 through 4)	FY 1978-2012 <sup>e</sup>		FY 2012
	TOTAL	ANNUAL AVERAGE	TOTAL
Jobs (in thousands)	2,351	67	58
Income	\$89.1	\$2.5	\$2.5
Gross Domestic Product	\$121.2	\$3.5	\$3.4
Output	\$245.2	\$7.0	\$6.6
Taxes-All Government	\$35.5	\$1.0	\$0.9
Taxes-Federal Government	\$25.9	\$0.7	\$0.6
Taxes-State Government	\$4.9	\$0.1	\$0.1
Taxes-Local Government	\$4.8	\$0.1	\$0.2

Dollar amounts above are expressed in billions

**Technical Background:** The HTC has a multi-step application process encompassing Part 1 (evaluation of the historic significance of the property), Part 2 (description of the proposed rehabilitation work), and Part 3 (request for certification of completed work). With respect to the HTC's dollar magnitude, the most complete data is for the approved proposed (for tax credit) rehabilitation investment (Part 2). We do not have as complete data on the year-by-year certified (for tax credit) rehabilitation (Part 3) volume over the full FY 1978-2012 period. Further, we do not have specific data on the total rehabilitation investment associated with the HTC. By way of background, both Part 2 and Part 3 rehabilitation statistics include only what are termed "eligible" or "qualified" items (or Qualified Rehabilitation Expenditures—QREs), as opposed to "ineligible" or "non-qualified" costs. Examples of eligible/qualified items include outlays for renovation (walls, floors, and ceilings, etc.), construction-period interest and taxes, and architect fees. Examples of ineligible/non-qualified costs include landscaping, financing and leasing fees, and various other outlays (such as fencing, paving, sidewalks, and parking lots). While the ineligible/non-qualified expenses do not count for tax credit purposes, they are a component of the total rehabilitation investment borne by the HTC-oriented developer. In practical terms, the total rehabilitation investment (including ineligible/non-qualified costs) helps pump-prime the economy. Rutgers University estimates the missing information noted above based on the best published data and through additional case studies conducted specifically for the purposes of the current investigation.

<sup>a</sup> Data estimated from best available information.

<sup>b</sup> Equals all rehabilitation outlays, both eligible/qualified expenses and ineligible/non-qualified costs. The total rehabilitation cost is estimated by dividing the Part 3 investment by 0.9. Case study investigation suggests that the Part 3 amount is closer to 85 percent of the total rehabilitation cost, however we elected to apply the 0.9 factor to be conservative, that is, to derive a lower rather than higher estimate of the total rehabilitation expense.

<sup>c</sup> Assumes a 25 percent HTC in FY 1978-1986 and a 20 percent HTC in FY 1987-2012. These percents are applied to the certified rehabilitation (Part 3).

<sup>d</sup> In indicated year-dollars not adjusted for inflation.

<sup>e</sup> In inflation-adjusted 2012 dollars.

<sup>f</sup> Nominal and real dollars are the same for 2012.

SOURCES: Department of the Interior, National Park Service, Technical Preservation Services; National Council of State Historic Preservation Offices. Calculations by Rutgers University

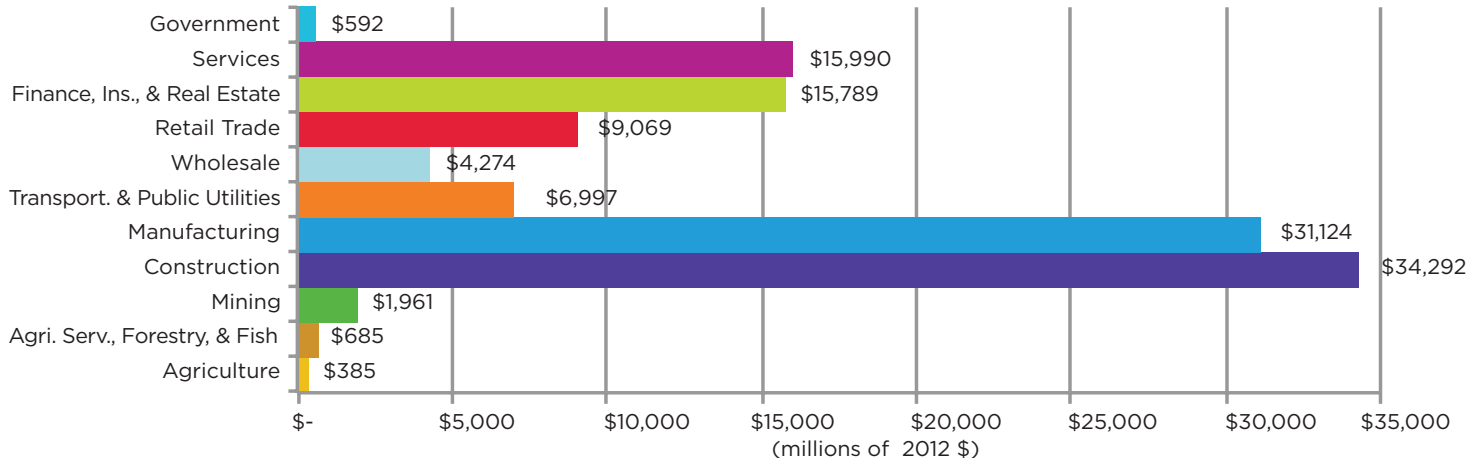


## SUMMARY EXHIBIT 2

### National Economic and Tax Impacts of Federal HTC-related Activity FY 1978 – FY 2012 (HTC Investment: \$106.1 billion)

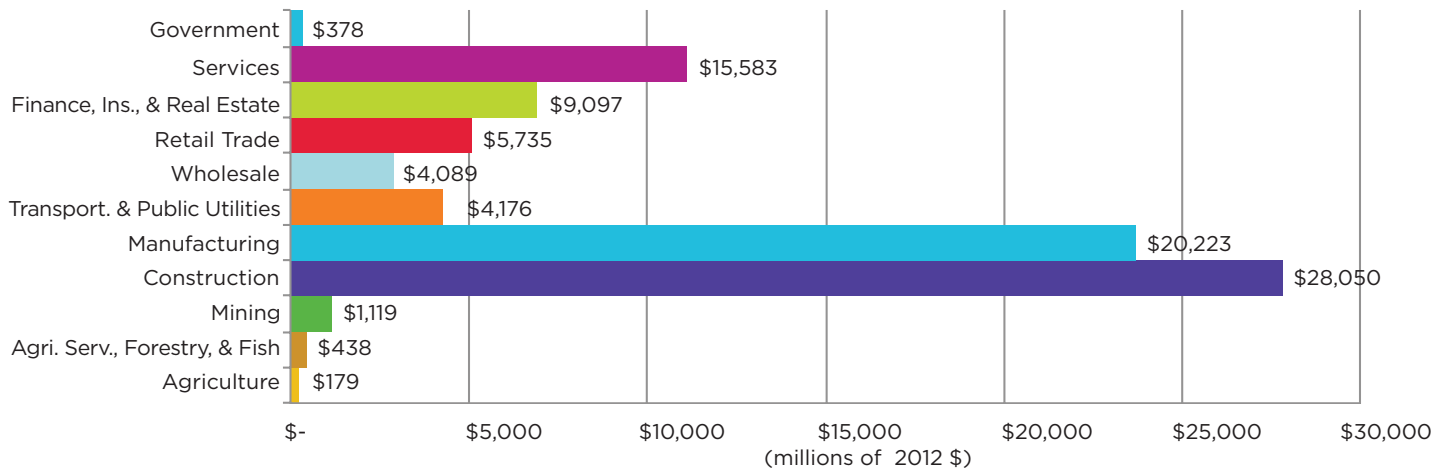
#### Gross Domestic Product, by Sector, From Federal Historic Preservation Investment

(\$121,157 million cumulative, FY 1978-2012)



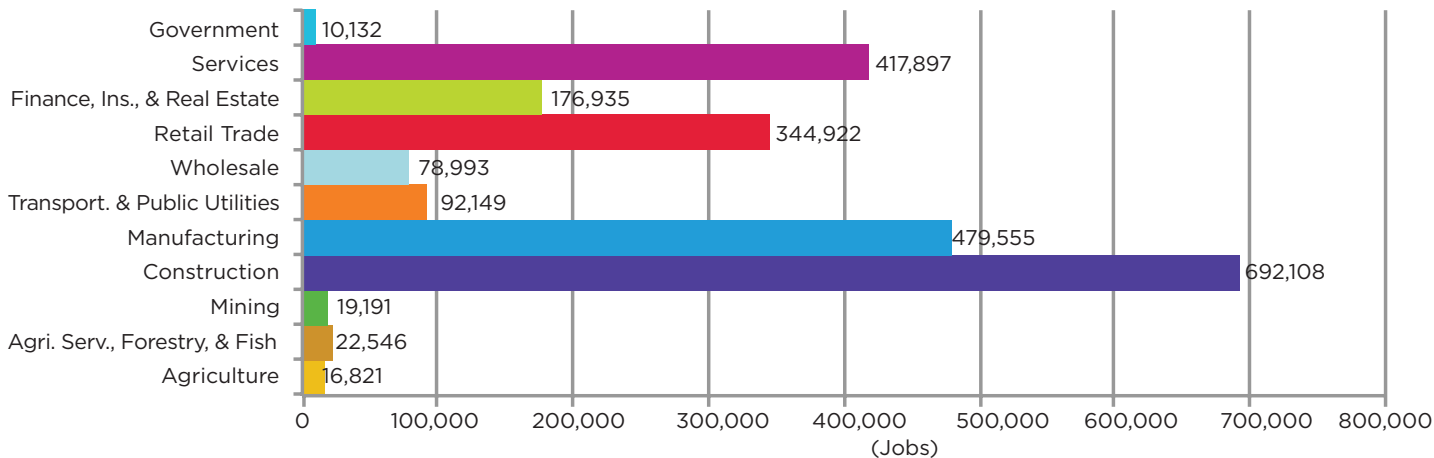
#### Income Created, by Sector, From Federal Historic Preservation Investment

(\$89,068 million cumulative, FY 1978-2012)



#### Jobs Created, by Sector, From Federal Historic Preservation Investment

(2,351,248 jobs cumulative, FY 1978-2012)

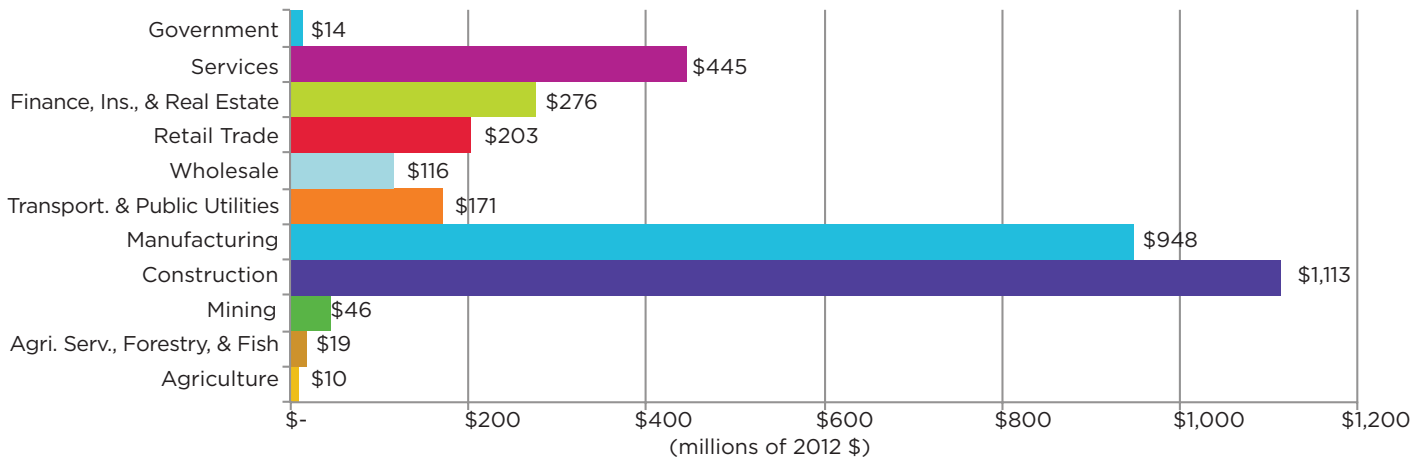


### SUMMARY EXHIBIT 3

## National Economic and Tax Impacts of Federal HTC-related Activity FY 2012 (HTC Investment: \$3.5 billion)

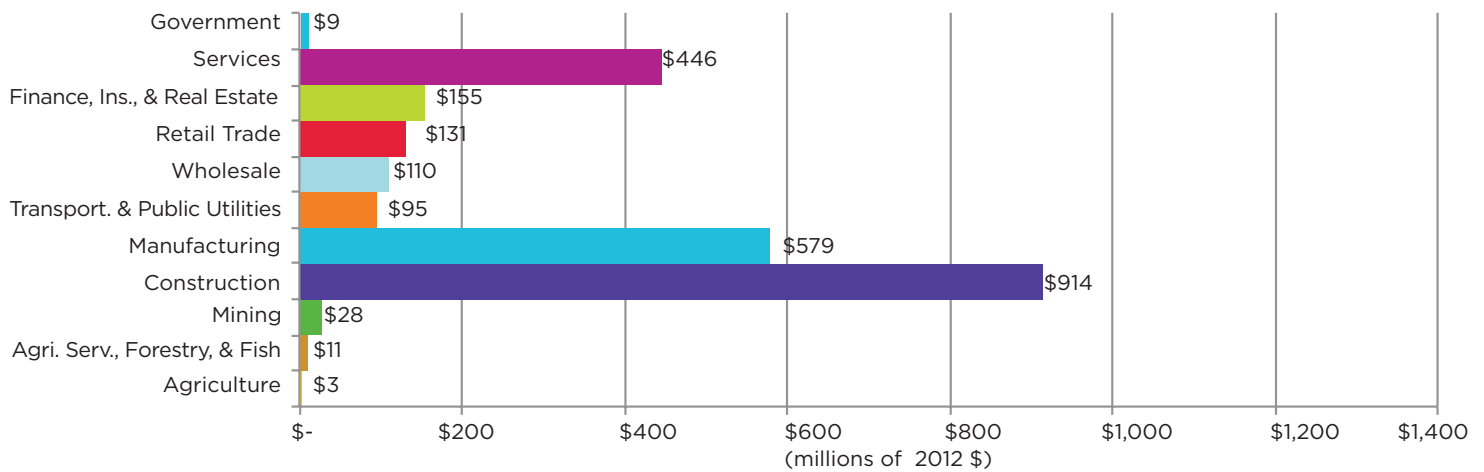
### Gross Domestic Product, by Sector, From Federal Historic Preservation Investment

(\$3,361 million, FY 2012)



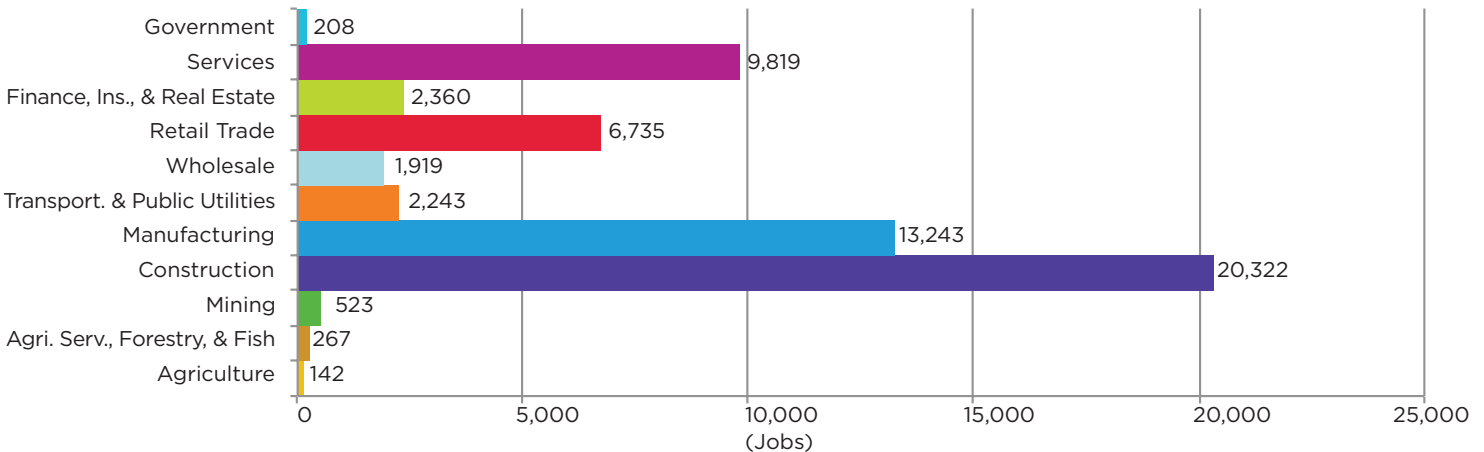
### Income Created, by Sector, From Federal Historic Preservation Investment

(\$2,480 million, FY 2012)



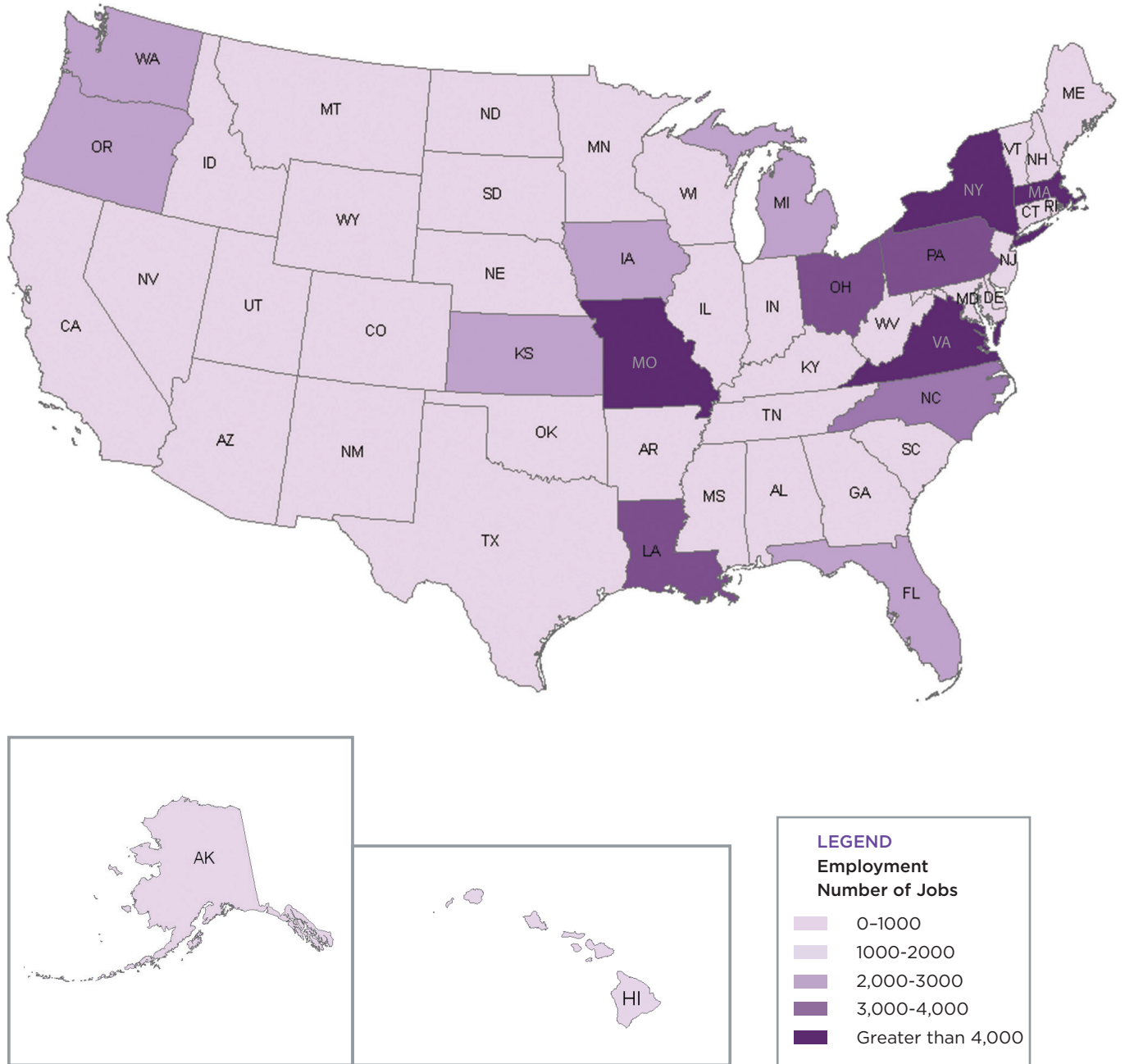
### Jobs Created, by Sector, From Federal Historic Preservation Investment

(57,783 jobs, FY 2012)



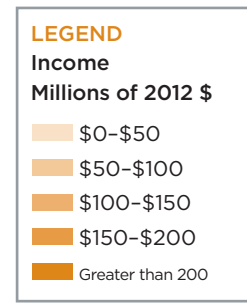
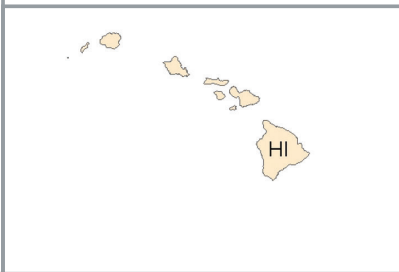
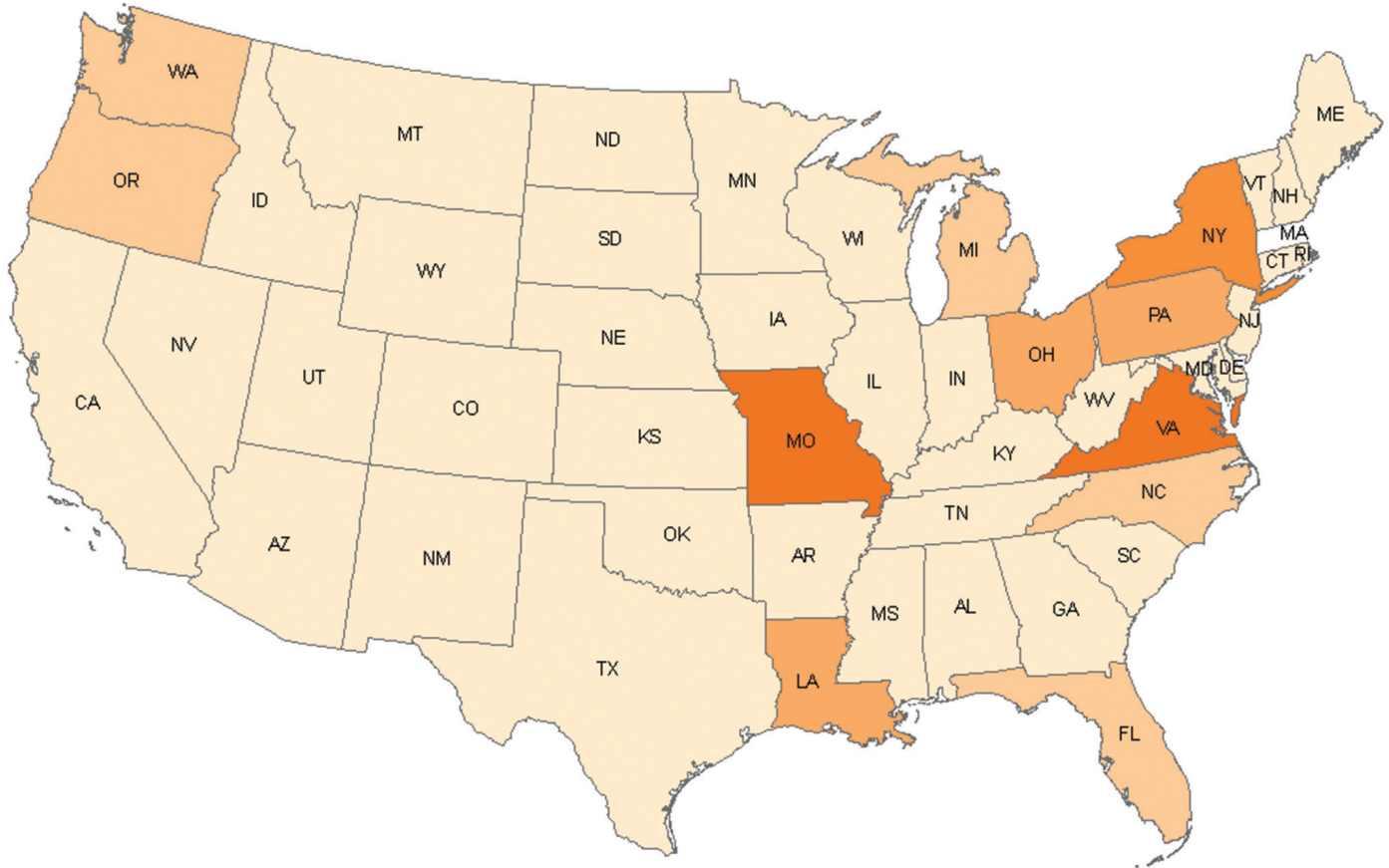
**SUMMARY EXHIBIT 4**

**National Employment Impacts of HTC-related Investment in FY 2012**



## SUMMARY EXHIBIT 5

### National Income Impacts of Federal HTC-related Investment in FY 2012



## SUMMARY EXHIBIT 6

## Federal Historic Tax Credit Involving Housing, FY 1978–2012

FISCAL YEAR	TOTAL NUMBER OF HOUSING UNITS COMPLETED	NUMBER OF UNITS REHABILITATED	NUMBER OF UNITS CREATED	TOTAL NUMBER OF LOW-/MODERATE-INCOME UNITS	PERCENT OF UNITS COMPLETED THAT ARE LOW-/MODERATE-INCOME
1978	6,962	3,876	3,086	1,197	17%
1979	8,635	4,807	3,828	1,485	17%
1980	8,349	4,648	3,701	1,435	17%
1981	10,425	6,332	4,093	3,073	29%
1982	11,416	6,285	5,131	2,635	23%
1983	19,350	12,689	6,661	3,792	20%
1984	20,935	16,002	4,933	142	1%
1985	22,013	16,618	5,395	868	4%
1986	19,524	12,260	7,264	640	3%
1987	15,522	11,306	4,216	1,241	8%
1988	10,021	7,206	2,815	592	6%
1989	11,316	7,577	3,739	2,034	18%
1990	8,415	6,098	2,317	1,993	24%
1991	5,811	4,081	1,730	1,288	22%
1992	7,536	5,523	2,013	1,762	23%
1993	8,286	5,027	3,259	1,546	19%
1994	10,124	6,820	3,304	2,159	21%
1995	8,652	5,747	2,905	2,416	28%
1996	11,545	5,537	6,008	3,513	30%
1997	15,025	5,447	9,578	6,239	42%
1998	13,644	6,144	7,500	6,616	48%
1999	13,833	4,394	9,439	4,815	35%
2000	17,270	5,740	11,530	6,668	38%
2001	11,546	4,950	6,596	4,938	43%
2002	13,886	5,615	8,271	5,673	41%
2003	15,374	5,715	9,659	5,485	36%
2004	15,784	5,738	10,046	5,357	34%
2005	14,438	5,469	8,969	4,863	34%
2006	14,695	6,411	8,284	5,622	38%
2007	18,006	6,272	11,734	6,553	36%
2008	17,051	6,659	10,392	5,220	31%
2009	13,743	5,764	7,979	6,710	49%
2010	13,273	6,643	6,630	5,514	42%
2011	15,651	7,435	8,216	7,470	48%
2012	17,991	6,772	11,219	6,366	35%
<b>Total</b>	<b>466,047</b>	<b>243,607</b>	<b>222,440</b>	<b>127,920</b>	<b>27%</b>

SOURCES: Department of the Interior, National Park Service, Technical Preservation Services. Calculations by Rutgers University.

## EXHIBIT 1

### Federal Historic Tax Credits, FY 1978-2012

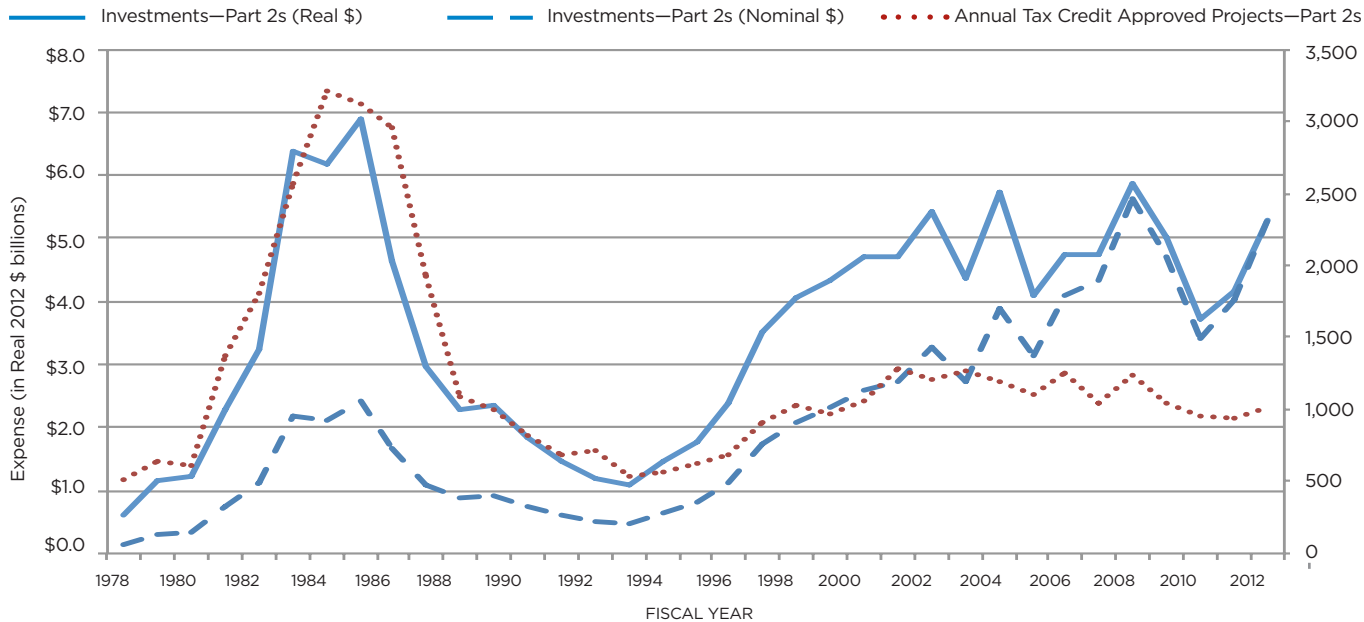
FISCAL YEAR	INVESTMENT (PART 2) (IN \$ MILLIONS*)	CUMULATIVE INVESTMENT (PART 2) (IN \$ MILLIONS*)	ANNUAL TAX CREDIT APPROVED PROJECTS (PART 2)	CUMULATIVE ANNUAL TAX CREDIT APPROVED PROJECTS (PART 2)
1978	\$140	\$140	512	512
1979	\$300	\$440	635	1,147
1980	\$346	\$786	614	1,761
1981	\$738	\$1,524	1,375	3,136
1982	\$1,128	\$2,652	1,802	4,938
1983	\$2,165	\$4,817	2,572	7,510
1984	\$2,123	\$6,940	3,214	10,724
1985	\$2,416	\$9,356	3,117	13,841
1986	\$1,661	\$11,017	2,964	16,805
1987	\$1,083	\$12,100	1,931	18,736
1988	\$865	\$12,965	1,092	19,828
1989	\$927	\$13,892	994	20,822
1990	\$750	\$14,642	814	21,636
1991	\$608	\$15,250	678	22,314
1992	\$491	\$15,741	719	23,033
1993	\$468	\$16,209	538	23,571
1994	\$641	\$16,850	560	24,131
1995	\$812	\$17,662	621	24,752
1996	\$1,130	\$18,792	687	25,439
1997	\$1,720	\$20,512	902	26,341
1998	\$2,085	\$22,597	1,036	27,377
1999	\$2,303	\$24,900	973	28,350
2000	\$2,602	\$27,502	1,065	29,415
2001	\$2,737	\$30,239	1,276	30,691
2002	\$3,272	\$33,511	1,202	31,893
2003	\$2,733	\$36,244	1,270	33,163
2004	\$3,877	\$40,121	1,200	34,363
2005	\$3,127	\$43,248	1,101	35,464
2006	\$4,082	\$47,330	1,253	36,717
2007	\$4,346	\$51,676	1,045	37,762
2008	\$5,641	\$57,317	1,231	38,993
2009	\$4,697	\$62,014	1,044	40,037
2010	\$3,421	\$65,435	951	40,988
2011	\$4,023	\$69,458	937	41,925
2012	\$5,331	\$74,789	1,020	42,945

These figures are in nominal indicated-year terms that are not adjusted for inflation.

Sources: Department of the Interior, National Park Service, Technical Preservation Services; National Council of State Historic Preservation Offices. Calculations by Rutgers University.

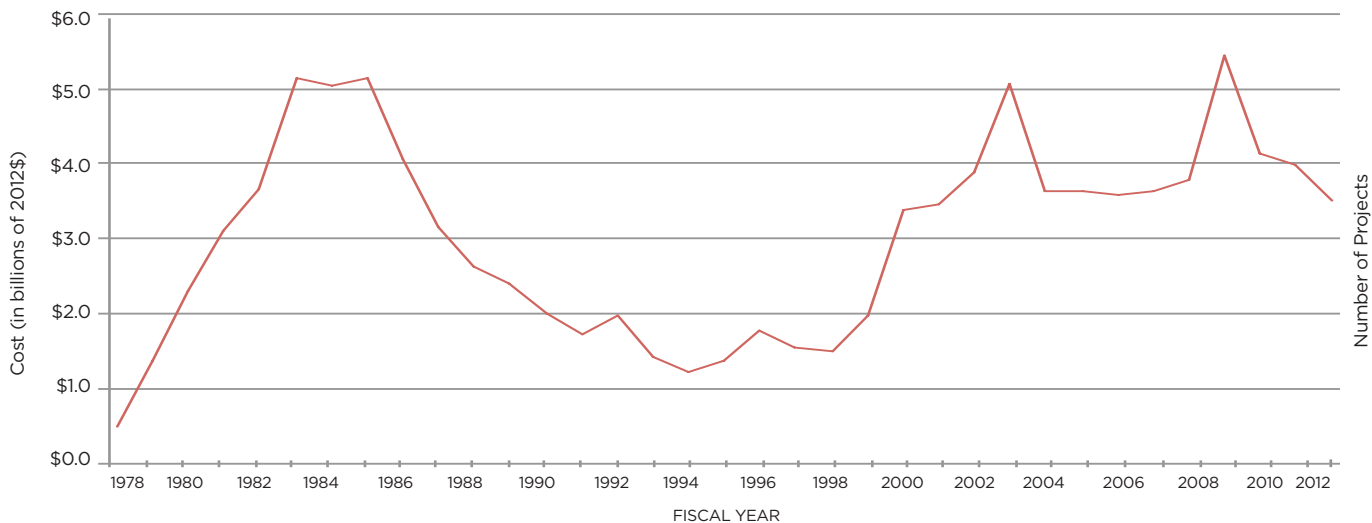


## EXHIBIT 2 Federal Tax Incentives for Rehabilitating Historic Buildings, FY 1978-2012



Notes: Figures are based on Part 2 applications and represent nominal indicated-year terms that are not adjusted for inflation.

## EXHIBIT 3 Estimated Total Rehabilitation Costs\* Associated with the Federal HTC, FY 1978-2012



Notes: Figures are estimated and are in inflation-adjusted 2012 dollars.

\* Includes all rehabilitation outlays, both eligible/qualified and ineligible/non-qualified expenses.

Sources: Department of the Interior, National Park Service, Technical Preservation Services; National Council of State Historic Preservation Offices. Calculations by Rutgers University.

## EXHIBIT 4

Economic and Tax Impacts of Federal HTC Investment on the Nation,  
FY 1978-2012 (\$106.1 Billion)

Economic Component				
	OUTPUT (\$THOUSANDS)	EMPLOYMENT (JOBS)	INCOME (\$THOUSANDS)	GROSS DOMESTIC PRODUCT (\$THOUSANDS)
<b>I. TOTAL EFFECTS (Direct and Indirect/Induced)*</b>				
1. Agriculture	2,575,568.6	16,821	179,065.1	385,275.4
2. Agri. Serv., Forestry, & Fishing	1,259,123.9	22,546	438,038.5	684,775.1
3. Mining	4,580,846.0	19,191	1,119,138.3	1,961,319.7
4. Construction	48,146,912.0	692,108	28,049,678.5	34,292,089.8
5. Manufacturing	87,018,832.6	479,555	20,223,259.8	31,123,526.6
6. Transport. & Public Utilities	16,710,610.6	92,149	4,176,481.4	6,997,459.8
7. Wholesale	10,056,421.2	78,993	4,089,467.5	4,273,671.8
8. Retail Trade	15,585,301.4	344,922	5,734,672.9	9,068,821.9
9. Finance, Ins., & Real Estate	23,267,362.8	176,935	9,097,194.5	15,788,952.0
10. Services	34,726,969.9	417,897	15,582,517.5	15,989,799.6
11. Government	1,247,276.3	10,132	378,039.2	591,598.5
<b>Total Effects (Private and Public)</b>	<b>245,175,225.3</b>	<b>2,351,248</b>	<b>89,067,553.2</b>	<b>121,157,290.2</b>
<b>II. DISTRIBUTION OF EFFECTS/MULTIPLIER</b>				
1. Direct Effects	106,129,710.0	1,113,678	47,131,021.3	57,508,585.0
2. Indirect and Induced Effects	139,045,515.2	1,237,569	41,936,531.9	63,648,704.9
3. Total Effects	245,175,225.3	2,351,247.6	89,067,553.2	121,157,289.9
4. Multipliers (3/1)	2.310	2.111	1.890	2.107
<b>III. COMPOSITION OF GROSS STATE PRODUCT</b>				
1. Wages—Net of Taxes				75,595,759.3
2. Taxes				17,655,466.8
a. Local				2,742,933.4
b. State				2,678,448.2
c. Federal				12,234,085.2
General				2,741,389.3
Social Security				9,492,695.9
3. Profits, dividends, rents, and other				27,906,063.8
4. Total Gross State Product (1+2+3)				121,157,289.9
		<b>BUSINESS (\$THOUSANDS)</b>	<b>HOUSEHOLD (\$THOUSANDS)</b>	<b>TOTAL (\$THOUSANDS)</b>
<b>IV. TAX ACCOUNTS</b>				
1. Income—Net of Taxes		75,595,759.3	88,538,324.2	-----
2. Taxes		17,655,466.8	17,844,685.4	35,500,152.2
a. Local		2,742,933.4	2,021,399.3	4,764,332.6
b. State		2,678,448.2	2,176,953.9	4,855,402.0
c. Federal		12,234,085.2	13,646,332.3	25,880,417.5
General		2,741,389.3	13,646,332.3	16,387,721.6
Social Security		9,492,695.9	-	9,492,695.9
<b>INITIAL EXPENDITURE IN DOLLARS</b>				<b>106,130,398,274.3</b>
Note: Totals may differ from the sum of subtotals because of rounding.				
*Terms: Direct Effects: the proportion of direct spending on goods and services produced in the specified region.				
Indirect Effects: the value of goods and services needed to support the provision of those direct economic effects.				
Induced Effects: the value of goods and services needed by households that provide the direct and indirect labor.				

## EXHIBIT 5

Economic and Tax Impacts of Federal HTC Investment on the Nation in  
FY 2012 (\$3.5 Billion)

Economic Component				
	OUTPUT (\$THOUSANDS)	EMPLOYMENT (JOBS)	INCOME (\$THOUSANDS)	GROSS DOMESTIC PRODUCT (\$THOUSANDS)
<b>I. TOTAL EFFECTS (Direct and Indirect/Induced)*</b>				
1. Agriculture	44,607.9	142	3,266.4	9,717.9
2. Agri. Serv., Forestry, & Fishing	31,034.5	267	10,657.0	19,396.4
3. Mining	102,953.7	523	27,688.3	45,682.7
4. Construction	1,550,387.6	20,322	914,138.8	1,112,530.4
5. Manufacturing	2,437,423.2	13,243	578,634.7	947,823.7
6. Transport. & Public Utilities	361,137.0	2,243	94,720.5	171,189.7
7. Wholesale	271,038.3	1,919	110,218.4	116,057.5
8. Retail Trade	357,018.1	6,735	131,425.0	203,107.5
9. Finance, Ins., & Real Estate	434,875.0	2,360	154,772.0	275,888.1
10. Services	982,660.7	9,819	445,587.7	445,378.6
11. Government	29,334.0	208	8,883.8	13,876.8
<b>Total Effects (Private and Public)</b>	<b>6,602,469.9</b>	<b>57,783</b>	<b>2,479,992.6</b>	<b>3,360,649.2</b>
<b>II. DISTRIBUTION OF EFFECTS/MULTIPLIER</b>				
1. Direct Effects	3,504,871.8	32,951	1,556,604.0	1,941,267.3
2. Indirect and Induced Effects	3,097,598.1	24,832	923,388.6	1,419,381.9
3. Total Effects	6,602,469.9	57,783	2,479,992.6	3,360,649.2
4. Multipliers (3/1)	1.884	1.754	1.593	1.731
<b>III. COMPOSITION OF GROSS STATE PRODUCT</b>				
1. Wages—Net of Taxes				2,086,788.9
2. Taxes				476,663.5
a. Local				106,484.2
b. State				86,683.6
c. Federal				283,495.7
General				74,343.2
Social Security				209,152.4
3. Profits, dividends, rents, and other				797,196.8
4. Total Gross State Product (1+2+3)				3,360,649.2
		<b>BUSINESS (\$THOUSANDS)</b>	<b>HOUSEHOLD (\$THOUSANDS)</b>	<b>TOTAL (\$THOUSANDS)</b>
<b>IV. TAX ACCOUNTS</b>				
1. Income—Net of Taxes		2,086,788.9	1,950,763.6	---
2. Taxes		476,663.5	399,635.8	876,299.3
a. Local		106,484.2	44,762.5	151,246.7
b. State		86,683.6	54,203.9	140,887.5
c. Federal		283,495.7	300,669.4	584,165.1
General		74,343.2	300,669.4	375,012.7
Social Security		209,152.4	-	209,152.4
<b>INITIAL EXPENDITURE IN DOLLARS</b>				<b>3,505,560,047.0</b>

NOTE: Totals may differ from the sum of subtotals because of rounding.

TERMS: Direct Effects—the proportion of direct spending on goods and services produced in the specified region. Indirect Effects—the value of goods and services needed to support the provision of those direct economic effects. Induced Effects—the value of goods and services needed by households that provide the direct and indirect labor.

## EXHIBIT 6

### Explanation of Division-Level Economic Impacts Specified in the Current Study

The economic division-level results specified in the current study (Exhibits 4 and 5) include the sections explained below.

#### SECTION I—TOTAL EFFECTS

Total effects by division, including both direct and multiplier (indirect and induced) effects.

#### SECTION II: DISTRIBUTION OF EFFECTS MULTIPLIER

- II.1 Sum of all division direct effects.
- II.2 Sum of all division multiplier (indirect and induced) effects.
- II.3 Total effects (the sum of II.1 and II.2).
- II.4 Multiplier ratio of total effects (II.3) divided by direct effects (II.1).

#### SECTION III: COMPOSITION OF GSP

- III.1 Wages, net of taxes paid at the employer's location.<sup>1</sup>
- III.2 Taxes, local state and federal.
- III.3 Profits, dividends, rents, and other (depending on the year of the GDP data used in the analysis and the geography and sector involved, these may be either positive or negative.)
- III.4 Total GSP (the sum of III.1, III.2, and III.3).

#### SECTION IV: TAX ACCOUNTS

The sum of taxes remitted by businesses (see Section III) and households (where the latter are not included in the section III GSP). Section IV encompasses, for both businesses and households:

- IV.1 Wages, net of taxes at place of employment (for businesses) or place of residence (for non-commuting households).
- IV.2 Taxes by level of government (local, state, or federal) and type (e.g., for the federal level, general taxes or Social Security). Note: the taxes in Section III are for business only, while the taxes in Section IV include both the business taxes from Section III and household-generated-taxes.

1. Wages net of taxes are not the same as income (shown in Section I). Income includes wages, salaries, proprietor's income, and employer-paid taxes.

## EXHIBIT 7

## National Economic and Tax Impacts of HTC-related Investment by Year, FY 1978-2012

Year	Total Rehab. Costs (2012 \$ millions)	National Economic Impacts				Tax Impacts (2012 \$ thousands)			
		EMPLOYMENT (JOBS)	INCOME	2012 \$ MILLIONS GDP	OUTPUT	LOCAL	STATE	FEDERAL	TOTAL
1978	\$495	11,058	\$417	\$568	\$1,150	\$22,242	\$22,731	\$121,966	\$166,939
1979	\$1,386	30,967	\$1,169	\$1,591	\$3,221	\$62,287	\$63,656	\$341,554	\$467,496
1980	\$2,301	51,413	\$1,941	\$2,641	\$5,348	\$103,413	\$105,686	\$567,071	\$776,170
1981	\$3,099	69,259	\$2,615	\$3,557	\$7,204	\$139,307	\$142,370	\$763,902	\$1,045,579
1982	\$3,648	81,536	\$3,078	\$4,188	\$8,482	\$164,001	\$167,607	\$899,316	\$1,230,925
1983	\$5,130	114,645	\$4,328	\$5,888	\$11,926	\$230,599	\$235,669	\$1,264,506	\$1,730,774
1984	\$5,034	112,498	\$4,247	\$5,778	\$11,702	\$226,279	\$231,254	\$1,240,820	\$1,698,353
1985	\$5,150	115,085	\$4,345	\$5,911	\$11,971	\$231,483	\$236,572	\$1,269,355	\$1,737,410
1986	\$4,050	90,517	\$3,417	\$4,649	\$9,416	\$182,066	\$186,069	\$998,375	\$1,366,510
1987	\$3,167	70,783	\$2,672	\$3,636	\$7,363	\$142,374	\$145,505	\$780,721	\$1,068,599
1988	\$2,619	58,526	\$2,210	\$3,006	\$6,088	\$117,720	\$120,308	\$645,528	\$883,557
1989	\$2,401	53,654	\$2,026	\$2,756	\$5,581	\$107,920	\$110,293	\$591,788	\$810,001
1990	\$2,008	44,875	\$1,694	\$2,305	\$4,668	\$90,261	\$92,246	\$494,954	\$677,460
1991	\$1,732	38,701	\$1,461	\$1,988	\$4,026	\$77,843	\$79,555	\$426,860	\$584,257
1992	\$1,973	44,085	\$1,664	\$2,264	\$4,586	\$88,673	\$90,623	\$486,246	\$665,542
1993	\$1,421	31,753	\$1,199	\$1,631	\$3,303	\$63,869	\$65,273	\$350,231	\$479,373
1994	\$1,212	27,080	\$1,022	\$1,391	\$2,817	\$54,468	\$55,666	\$298,680	\$408,813
1995	\$1,368	30,579	\$1,154	\$1,571	\$3,181	\$61,507	\$62,860	\$337,281	\$461,649
1996	\$1,775	39,674	\$1,498	\$2,038	\$4,127	\$79,801	\$81,555	\$437,593	\$598,949
1997	\$1,554	34,719	\$1,311	\$1,783	\$3,612	\$69,834	\$71,369	\$382,940	\$524,143
1998	\$1,500	33,526	\$1,266	\$1,722	\$3,487	\$67,434	\$68,917	\$369,779	\$506,130
1999	\$1,980	44,258	\$1,671	\$2,273	\$4,604	\$89,020	\$90,977	\$488,149	\$668,147
2000	\$3,378	75,485	\$2,850	\$3,877	\$7,852	\$151,832	\$155,170	\$832,583	\$1,139,585
2001	\$3,467	77,470	\$2,925	\$3,979	\$8,059	\$155,823	\$159,249	\$854,470	\$1,169,542
2002	\$3,875	86,602	\$3,270	\$4,448	\$9,009	\$174,191	\$178,021	\$955,191	\$1,307,402
2003	\$5,071	113,320	\$4,278	\$5,820	\$11,788	\$227,933	\$232,944	\$1,249,889	\$1,710,766
2004	\$3,631	81,156	\$3,064	\$4,168	\$8,442	\$163,237	\$166,826	\$895,122	\$1,225,184
2005	\$3,631	81,149	\$3,064	\$4,168	\$8,441	\$163,223	\$166,812	\$895,047	\$1,225,081
2006	\$3,582	80,048	\$3,022	\$4,111	\$8,327	\$161,009	\$164,550	\$882,908	\$1,208,467
2007	\$3,636	81,249	\$3,067	\$4,173	\$8,452	\$163,426	\$167,019	\$896,158	\$1,226,603
2008	\$3,794	84,788	\$3,201	\$4,355	\$8,820	\$170,544	\$174,294	\$935,191	\$1,280,029
2009	\$5,433	121,428	\$4,584	\$6,237	\$12,631	\$244,240	\$249,611	\$1,339,313	\$1,833,164
2010	\$4,135	92,417	\$3,489	\$4,747	\$9,613	\$185,887	\$189,975	\$1,019,329	\$1,395,191
2011	\$3,990	89,163	\$3,366	\$4,580	\$9,275	\$179,342	\$183,285	\$983,438	\$1,346,066
2012	\$3,506	57,783	\$2,480	\$3,361	\$6,602	\$151,247	\$140,888	\$584,165	\$876,299
<b>Totals</b>	<b>\$106,130</b>	<b>2,351,249</b>	<b>\$89,068</b>	<b>\$121,157</b>	<b>\$245,175</b>	<b>\$4,764,333</b>	<b>\$4,855,402</b>	<b>\$25,880,418</b>	<b>\$35,500,152</b>

SOURCES: Department of the Interior, National Park Service, Technical Preservation Services; National Council of State Historic Preservation Offices. Calculations by Rutgers University.

## EXHIBIT 8

## National Economic and Tax Impacts of Federal HTC-related Investment by State, FY 2012

State	Total Rehab. Costs (2012 \$ millions)	National Economic Impacts				Tax Impacts (2012 \$ thousands)			
		EMPLOYMENT (JOBS)	INCOME	2012 \$ MILLIONS		LOCAL	STATE	FEDERAL	TOTAL
				GDP	OUTPUT				
AL	\$4.9	90	\$3.1	\$5.8	\$8.0	\$87	\$129	\$745	\$960
AK	\$0.0	0	\$0.0	\$0.0	\$0.0	\$0	\$0	\$0	\$0
AZ	\$0.0	0	\$0.0	\$0.0	\$0.0	\$0	\$0	\$0	\$0
AR	\$11.2	231	\$7.8	\$11.6	\$20.6	\$221	\$404	\$1,869	\$2,494
CA	\$51.8	773	\$37.6	\$49.1	\$101.4	\$1,308	\$2,092	\$9,522	\$12,921
CO	\$11.7	750	\$8.2	\$11.4	\$22.0	\$298	\$379	\$1,949	\$2,626
CT	\$63.9	914	\$44.5	\$61.8	\$116.8	\$3,364	\$2,852	\$10,237	\$16,453
DE	\$8.1	128	\$5.7	\$7.8	\$15.1	\$375	\$394	\$1,279	\$2,048
DC	\$35.1	510	\$23.7	\$32.0	\$61.8	\$2,361	\$947	\$4,799	\$8,108
FL	\$91.3	1,591	\$64.5	\$87.3	\$170.8	\$4,719	\$2,852	\$15,396	\$22,967
GA	\$18.7	368	\$12.9	\$19.0	\$34.1	\$880	\$854	\$3,155	\$4,889
HI	\$4.2	60	\$2.8	\$4.0	\$7.4	\$143	\$168	\$617	\$928
ID	\$0.0	0	\$0.0	\$0.0	\$0.0	\$0	\$0	\$0	\$0
IL	\$38.9	574	\$28.3	\$36.6	\$76.1	\$1,234	\$1,120	\$6,820	\$9,174
IN	\$23.8	418	\$17.0	\$22.9	\$45.5	\$7,856	\$5,235	\$4,053	\$17,144
IA	\$71.1	1,285	\$48.2	\$71.9	\$125.1	\$2,382	\$2,119	\$11,156	\$15,656
KS	\$68.3	1,241	\$47.8	\$66.2	\$126.6	\$16,117	\$11,212	\$10,989	\$38,318
KY	\$26.3	504	\$18.2	\$25.7	\$48.2	\$2,632	\$2,096	\$4,194	\$8,922
LA	\$192.8	3,406	\$137.4	\$180.0	\$365.2	\$6,725	\$7,006	\$31,626	\$45,357
ME	\$29.1	441	\$17.1	\$25.7	\$55.7	\$1,320	\$1,227	\$4,607	\$7,153
MD	\$37.5	579	\$26.3	\$35.4	\$69.5	\$1,216	\$1,101	\$6,001	\$8,318
MA	\$586.3	7,619	\$411.4	\$552.0	\$1,091.8	\$15,643	\$18,873	\$94,630	\$129,145
MI	\$87.7	1,393	\$62.1	\$83.2	\$165.4	\$2,599	\$3,160	\$14,481	\$20,240
MN	\$34.2	538	\$24.0	\$32.3	\$63.8	\$1,199	\$1,357	\$5,508	\$8,064
MS	\$30.4	632	\$21.1	\$30.0	\$55.9	\$2,297	\$1,830	\$4,911	\$9,038
MO	\$448.5	7,683	\$319.9	\$423.7	\$852.7	\$12,388	\$14,170	\$74,278	\$100,836
MT	\$3.8	73	\$2.6	\$3.7	\$6.9	\$140	\$129	\$587	\$856
NE	\$31.5	604	\$21.5	\$31.1	\$56.3	\$6,504	\$4,444	\$4,874	\$15,822
NV	\$46.7	702	\$32.2	\$44.7	\$85.1	\$1,297	\$721	\$7,295	\$9,313
NH	\$0.0	0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

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## EXHIBIT 8 (continued)

## National Economic and Tax Impacts of Federal HTC-related Investment by State, FY 2012

State	Total Rehab. Costs (2012 \$ millions)	National Economic Impacts				Tax Impacts (2012 \$ thousands)			
		EMPLOYMENT (JOBS)	INCOME	2012 \$ MILLIONS GDP	OUTPUT	LOCAL	STATE	FEDERAL	TOTAL
NJ	\$3.9	57	\$2.8	\$3.7	\$7.5	\$77.3	\$116.4	\$644.5	\$838.2
NM	\$2.4	45	\$1.7	\$2.3	\$4.4	\$101.3	\$100.0	\$386.8	\$588.1
NY	\$267.8	4,430	\$190.8	\$254.9	\$503.9	\$17,354.9	\$14,704.2	\$46,035.1	\$78,094.2
NC	\$118.6	2,222	\$83.5	\$118.8	\$222.2	\$2,867.0	\$4,146.7	\$20,286.9	\$27,300.7
ND	\$0.0	0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
OH	\$208.4	3,743	\$148.4	\$205.3	\$395.7	\$9,047.8	\$7,623.2	\$36,142.8	\$52,813.7
OK	\$19.0	374	\$13.5	\$18.9	\$36.2	\$456.5	\$659.2	\$3,252.9	\$4,368.5
OR	\$84.5	1,496	\$61.4	\$80.5	\$164.6	\$2,198.8	\$2,963.1	\$14,739.6	\$19,901.5
PA	\$196.4	3,193	\$142.6	\$189.0	\$383.1	\$6,547.9	\$5,552.8	\$34,588.5	\$46,689.2
RI	\$64.1	977	\$43.7	\$65.6	\$115.2	\$2,317.1	\$2,026.2	\$10,008.7	\$14,351.9
SC	\$1.0	19	\$0.7	\$1.0	\$1.9	\$29.5	\$33.1	\$171.4	\$234.0
SD	\$4.4	88	\$3.1	\$4.0	\$8.2	\$142.1	\$82.9	\$660.7	\$885.7
TN	\$13.1	232	\$9.2	\$12.7	\$24.5	\$371.0	\$281.6	\$2,143.3	\$2,796.0
TX	\$42.1	680	\$30.5	\$39.9	\$82.4	\$1,452.8	\$834.7	\$7,507.7	\$9,795.2
UT	\$5.2	96	\$3.6	\$5.1	\$9.6	\$136.2	\$172.2	\$850.1	\$1,158.4
VT	\$26.9	477	\$19.5	\$25.6	\$51.6	\$1,052.5	\$1,326.6	\$4,379.1	\$6,758.2
VA	\$291.3	4,903	\$208.5	\$281.8	\$555.1	\$7,549.4	\$9,785.7	\$49,895.5	\$67,230.5
WA	\$73.9	1,184	\$53.0	\$71.8	\$142.0	\$3,412.9	\$2,672.4	\$12,759.6	\$18,845.0
WV	\$12.8	245	\$8.9	\$12.9	\$23.4	\$388.8	\$448.6	\$2,060.5	\$2,898.0
WI	\$11.7	203	\$8.3	\$11.4	\$21.9	\$412.0	\$470.3	\$1,969.5	\$2,851.8
WY	\$0.10	10	\$0.4	\$0.5	\$1.0	\$28.8	\$18.4	\$105.7	\$152.8
<b>Totals</b>	<b>\$3,505.4</b>	<b>57,781</b>	<b>\$2,480.0</b>	<b>\$3,360.6</b>	<b>\$6,602.5</b>	<b>\$151,246.6</b>	<b>\$140,887.7</b>	<b>\$584,165.2</b>	<b>\$876,299.3</b>

Sources: Department of the Interior, National Park Service, Technical Preservation Services; National Council of State Historic Preservation Offices. Calculations by Rutgers University.

## EXHIBIT 9

## Summary of Economic Impacts of Federal HTC-related Investment in Illinois, Missouri, and Pennsylvania in FY 2012

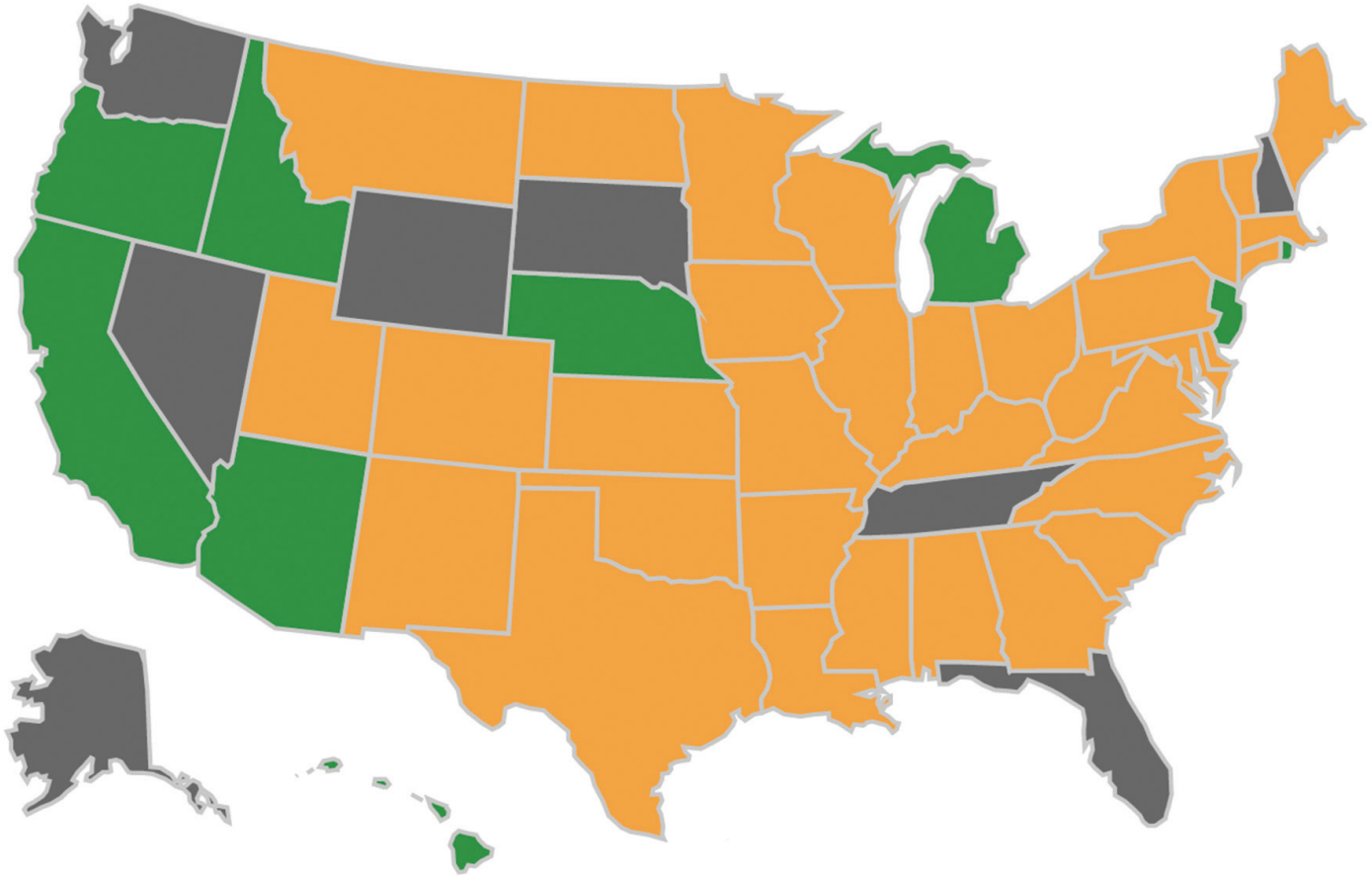
Direct Effects		I: Illinois Rehabilitation Using Federal HTC—\$38.9 million in FY 2012 total rehabilitation costs results in:	II: Missouri Rehabilitation Using Federal HTC—\$448.5 million in FY 2012 total rehabilitation costs results in:	III: Pennsylvania Rehabilitation Using Federal HTC—\$196.4 million in FY 2012 total rehabilitation costs results in:
<b>NATIONAL TOTAL (DIRECT AND MULTIPLIER) IMPACTS</b>				
<b>National Total Impacts (Direct and Multiplier)</b>	Jobs (person-years)	574	7,683	3,193
	Income (2012 \$millions)	28.3	319.9	142.6
	Output (2012 \$millions)	76.1	852.7	383.1
	GDP* (2012 \$millions)	36.6	423.7	189
	Taxes (2012 \$millions)	9.1	100.8	46.7
	Federal (2012 \$millions)	6.8	74.3	34.6
	State (2012 \$millions)	1.1	14.2	5.6
	Local (2012 \$millions)	1.2	12.4	6.5
	<b>IN-STATE TOTAL (DIRECT AND MULTIPLIER) IMPACTS</b>			
<b>State Portion of National Total Impacts</b>	Jobs (person-years)	307	4,290	1,762
	Income (2012 \$millions)	17.3	199.2	87.2
	Output (2012 \$millions)	38.9	448.5	196.4
	GSP* (2012 \$millions)	20.4	239.4	105.5
	Taxes (2012 \$millions)	4.6	51.9	23.4
	Federal (2012 \$millions)	3.3	36.1	16.7
	State (2012 \$millions)	0.7	7.7	3.3
	Local (2012 \$millions)	0.6	8.1	3.5

\*GDP = GROSS DOMESTIC PRODUCT; GSP = GROSS STATE PRODUCT; IN-STATE WEALTH = GSP LESS FEDERAL TAXES.

NOTE: Totals may differ from the sum of subtotals because of rounding.

SOURCE: Rutgers University, Center for Urban Policy Research, 2012.

**EXHIBIT 10**  
**Historic Tax Credits: State Programs**



**LEGEND**

- States with HTCs
- States without HTCs
- States that do not tax income

Source: National Trust Community Investment Corporation and the National Trust for Historic Preservation



**RUTGERS**

Edward J. Bloustein School of Planning and Public Policy  
Rutgers, The State University of New Jersey  
Civic Square Building  
33 Livingston Avenue  
New Brunswick, NJ 08901  
848-932-5475  
Web: [policy.rutgers.edu](http://policy.rutgers.edu)  
Email: [ejb@policy.rutgers.edu](mailto:ejb@policy.rutgers.edu)



Technical Preservation Services  
National Park Service  
U.S. Department of the Interior  
Washington, DC 20240