



March 15, 2023

Re: Support for SF 1340 and SF 1623– reviving the tax credit for historic structure rehabilitation

Dear Chair Rest and members of the Senate Tax Committee:

The League of Minnesota Cities appreciates the opportunity to provide comments on Senate Files 1340 and 1623. On behalf of our 837 member cities, we respectfully request that members support reviving the Minnesota Historic Structure Tax Credit, which provides a 20 percent tax refund for the rehabilitation of qualified historic buildings. Both SF 1340 and SF 1623 revive the historic structure rehabilitation tax credit following its expiration in 2022. SF 1340 would also return the credit to be paid out in a single year rather than over a five year period. This would eliminate a budget shift that resulted from a change at the federal level in 2017.

Cities across Minnesota are faced with expensive barriers to rehabilitate and re-use historic buildings. Such barriers pose significant problems for cities seeking to re-use existing infrastructure and spur much needed development and renovation projects across the state. The League of Minnesota Cities supports resources for cities that help with the preservation of historic structures. Since its inception in 2010, the Minnesota Historic Rehabilitation Tax Credit has proven an effective resource in spurring rehabilitation efforts in cities across the state and according to an analysis by the University of Minnesota has helped leverage more than \$5.8 billion in economic impact across the state.

Reviving the Historic Structure Tax Credit will support investment in historic preservation across the state, stimulate job growth, increase local tax bases, and help attract private investment to assist many Minnesota cities that are seeking to revitalize historic structures. And consolidating the credit into a single payment will result in a more responsive benefit and reflect better budget practice.

Please join us in preserving resources for historic structure rehabilitation by supporting SF 1340 and SF 1623.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Nathan Jesson".

Nathan Jesson
League of Minnesota Cities