State of Oklahoma

Incentive Evaluation Commission

Historic Rehabilitation Tax Credit Evaluation

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Key Findings and Recommendations

Overview

In 1992, as part of the Local Development Act, the Oklahoma Legislature introduced a tax credit for the rehabilitation of certified historic hotels and newspaper plants located in an increment or incentive district. Effective January 1, 2006, with the passage of HB 3024, credit eligibility was broadened to include the rehabilitation of any income-producing certified historic structure; the bill also allowed projects that qualify for the 20 percent federal credit to automatically qualify for the state credit (also 20 percent) without additional paperwork. All requirements with respect to qualifying for the federal credit are applicable.

Recommendation: The project team recommends retaining the historic rehabilitation tax credit.

Key Findings

- **As of January 2020, Oklahoma has 1,345 properties in 77 counties listed on the National Register of Historic Places.**[1] Oklahoma County accounts for 152 properties (11.3 percent of the total) and Tulsa County accounts for an additional 96 properties (7.1 percent of the total).[2]

- **Between tax years 2014 and 2018, claims activity associated with the incentive decreased.** The number of returns filed declined by a compound annual growth rate (CAGR) of -15.4 percent, and the total amount claimed (unused credit carried forward plus credit established during the current tax year) declined by a CAGR of -20.1 percent over the same period. The amount used to reduce tax liability (the amount of foregone revenue to the State) also declined, decreasing by a CAGR of -27.1 percent over the five-year span.

- **Changes to federal tax law may be impacting the use of the credit.** The Tax Cuts and Jobs Act (TCJA) modified the timing for claiming the 20 percent federal credit effective for taxable years beginning after 2017. Prior to the TCJA, the credit was claimed in the taxable year in which the certified historic building was placed in service after substantial rehabilitation. Under the new rules, the federal credit is claimed over a five-year period beginning with the taxable year in which the certified historic building is placed in service after substantial rehabilitation.

- **The credit appears to generate significantly more economic activity than what the State forgoes in revenue.** The total foregone revenue between 2014 and 2018 was $26.8 million. Total qualified expenditures associated with Oklahoma projects during the same years were $322.7 million – more than 12 times this total.

- **The program's return on investment to the State is generally negative.** For the five-year period 2014-2018, the estimated tax revenue generated was $16 million – compared with the cost of the incentive amount used to reduce tax liability of $26.8 million. This represents $0.60 in tax revenue for each $1 of tax liability reduced. These same costs generated $21 in total economic activity each $1 of tax liability reduced.

- **The State historic rehabilitation tax credit is increasingly combined with the State's affordable housing tax credit.** This strategy, which is also allowable under for the federal-level incentives, perhaps accounts for the growth in housing-related projects as a share of total projects and total qualified expenditures in recent years (as opposed to multi-use, commercial, office, hotel or other projects).

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[1] The National Register of Historic Places is a catalog of buildings, sites, structures, districts and objects significant to history and is the foundation for all of the Oklahoma State Historic Preservation Office's programs. Listing in the National Register of Historic Places provides recognition, limited protection and, in some cases, financial incentives for these properties.

[2] National Register of Historic Places, "Spreadsheet of NRHP Listed Properties," (listings up to January 8, 2020). Available at https://www.nps.gov/subjects/nationalregister/data-downloads.htm

- **The incentive is effectively administered.** The program is among the most efficient nationwide because it is directly tied to the federal program with no additional administrative burdens or costs. The policies and procedures in place are timely, transparent and accountable.

- **While protections are not in place to restrain the incentive's fiscal impact, recent experience suggests this isn't a major concern at present.** Because Oklahoma's program has no annual cap, the cost burden on the State could grow beyond the point of desirability. It is notable, however, that – as explained previously – credit usage has declined in recent years. As a result, the possibility that the obligations associated with credit claims will impose an unanticipated cost burden to the State is unlikely.

- **As of 2020, most states (37) provide historic rehabilitation tax credits, though significant variation exists in how these programs are structured.** At 20 percent of qualified rehabilitation expenditures, the amount of Oklahoma's credit ranks in the middle among other states, whose credits range from 5 to 50 percent. With a minimum investment requirement of $5,000, Oklahoma's qualification threshold is among the lowest. Unlike Oklahoma, many states provide credits for non-income-producing properties.

Recommendations

Currently, the program has no cap as it provides a one-for-one match with the federal credit. The lack of a cap could theoretically increase the cost burden to the State beyond the point of desirability. However, given the recent trend of decreased program utilization, in terms of the foregone revenue to the State, the project team does not believe the lack of a cap poses a real financial threat at this time.

Based on its analysis, the project team believes this incentive is effective and efficiently administered, and has no recommendations related to its 2020 evaluation of the program.

Introduction

Incentive Evaluation Commission Overview

In 2015, HB 2182 established the Oklahoma Incentive Evaluation Commission (the Commission). It requires the Commission to conduct evaluations of all qualified state incentives over a four-year timeframe. Between 2016 and 2019, the Commission conducted more than 40 evaluations.

The Historic Rehabilitation Tax Credit, first evaluated in 2016, is one of nine incentives scheduled for an updated review by the Commission in 2020. Based on this evaluation and their collective judgment, the Commission will make recommendations to the Governor and the Legislature related to this incentive.

2016 Evaluation Findings and Recommendations

Significant findings from the 2016 evaluation of this program are displayed in the following table:

Table 1: Summary of Findings, 2016 Evaluation

Fiscal and Economic Impact	Fiscal Impact: Between 2011 and 2015, a total of $47.7 million tax credits was claimed – the amount of foregone revenue to the State. Economic Impact: Between 2011 and 2015, the incentive generated $392.5 million in economic output, $137.8 million in labor income, nearly 2,900 jobs and $9.4 million in State tax revenue.
Adequate Protections for Future Fiscal Impact?	No. Without an annual cap in place, the cost burden on the State could grow beyond the point of desirability.
Effective Administration?	Yes. The program is among the most efficient nationwide because it is directly tied to the federal program with no additional administrative burdens or costs. The policies and procedures in place are timely, transparent and accountable.
Achieving Its Goals?	Yes. Since 2005 (the year the program was tied to the federal process), the average number of historic rehabilitation projects has quadrupled, and total development investment has increased by 82 times. This level of growth far exceeds that of most other states.
Changes to Improve Future Evaluation	None

The project team recommended in 2016 that the program be retained and an that an annual cap be adopted to ensure some measure of future budget predictability. The Commission voted 5-0 to approve retaining the program but did not recommend the adoption of an annual cap. In 2017, the Legislature considered – but did not pass – an annual cap or sunset provision.

2020 Criteria for Evaluation

The provisions of HB 2182 require that criteria specific to each incentive be used for the evaluation. A key factor in evaluating the effectiveness of incentive programs is to determine whether they are meeting the stated goals as established in state statute or legislation. In the case of this incentive, while the specific goal was not included in legislation, its purpose is presumably to increase private sector investment in historic rehabilitation activity.

Additionally, to assist in a determination of program effectiveness, the Commission has adopted the following criteria:

- Total amount of rehabilitation expenditures and number of qualified projects;
- State tax credit as a percent of total rehabilitation improvement for qualified projects;
- Percent of qualified structures on the National Register of Historic Places that receive assistance;
- Economic impact related to tourism, sales tax generated, etc.;
- Use with other related business incentives;
- Return on investment (economic impact versus financial impact).

2020 Evaluation Approach

To conduct its 2020 review of the Historic Rehabilitation Tax Credit, the project team conducted the following activities:

- Submitted a data request to the Oklahoma Tax Commission (OTC) and State Historic Preservation Office (SHPO) housed within the Oklahoma Historical Society;
- Reviewed and analyzed OTC- and SHPO-provided data;
- Completed subject matter expert/internal stakeholder interviews with representatives from OTC and SHPO;
- In collaboration with the Oklahoma City, Tulsa and State Chambers of Commerce, conducted external stakeholder interviews with industry representatives;
- Benchmarked Oklahoma to other states.

Background

Federal and State Historic Rehabilitation Tax Credits

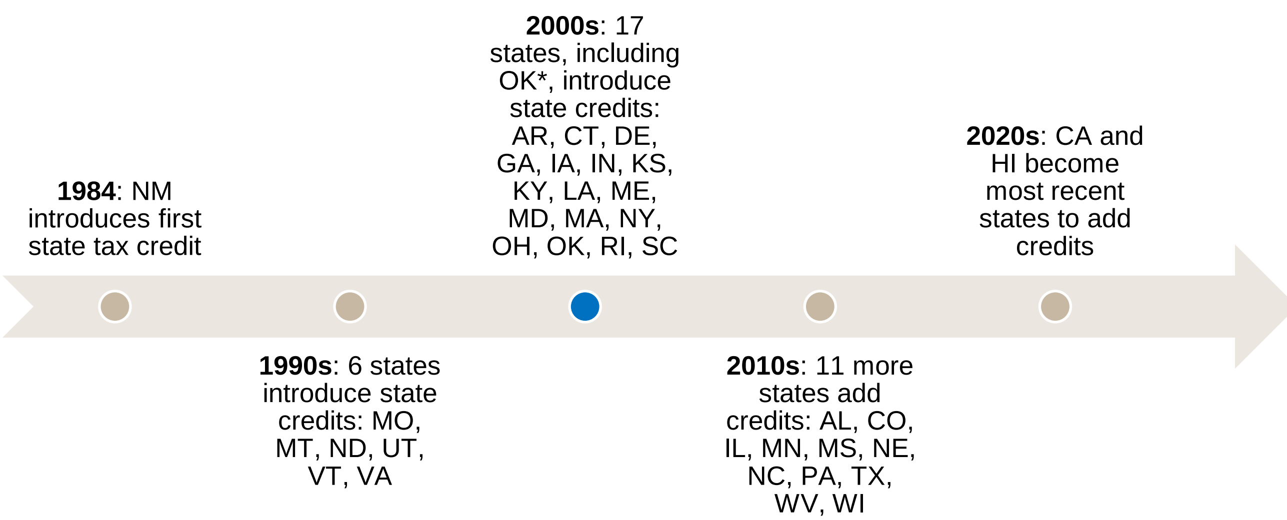
Since 1976, the federal government has promoted historic preservation and community revitalization through a historic rehabilitation tax credit. The federal program provides a 20 percent tax credit to property owners who undertake a substantial rehabilitation of a historic building in a business or income-producing use, while maintaining its historic character. Since the federal program's enactment, more than 45,000 projects have been completed, leveraging over $100 billion in private investment in the rehabilitation of historic properties in all 50 states.

According to the National Park Service (NPS), the federal credit "generates jobs and economic activity, enhances property values in older communities, creates affordable housing, and augments revenue for federal, state, and local governments, leveraging many times its cost in private expenditures on historic preservation. This widely recognized program has been instrumental in preserving the historic buildings and places that give cities, towns, Main Streets, and rural areas their special character and has attracted new private investment to communities small and large throughout the nation."[3]

Additionally, according to experts, as an economic activity, historic rehabilitation outperforms new construction in job creation. Rehabilitation project costs are on average 60 percent labor and 40 percent materials – compared to new construction, which is an estimated 40 percent labor and 60 percent materials. In addition to hiring local labor, materials for the rehabilitation are more likely to be purchased locally.[4]

Eight years after the federal government introduced its historic rehabilitation incentive program, New Mexico became the first state to enact its own program. Other states followed, as shown in the following figure:

Figure 1: Introduction of State Historic Preservation Tax Credits



Source: National Trust for Historic Preservation
** While Oklahoma introduced a credit for the rehabilitation of historic hotels and newspaper plants in 1992, it was not until 2005 (for qualified rehabilitation expenditures incurred after January 1, 2006) that program eligibility was expanded more generally to certified historic buildings.*

[3] NPS, "Federal Tax Incentives for Rehabilitating Historic Buildings, Annual Report for Fiscal Year 2019," (March 2020). Available at https://www.nps.gov/tps/tax-incentives/taxdocs/tax-incentives-2019annual.pdf
[4] National Trust for Historic Preservation, "State Historic Tax Credits: Maximizing Preservation, Community Revitalization and Economic Impact," (November 2018). Available at https://forum.savingplaces.org/viewdocument/report-on-state-historic-tax-credit?_ga=2.190952686.519120685.1596036305-164044860.1593543237

As of 2020, 37 states offer some type of historic rehabilitation tax credit,[5] though significant variation in the parameters of these programs exists (as discussed in the Incentive Benchmarking chapter of this evaluation).

Oklahoma Historic Tax Credit Projects

As of January 2020, Oklahoma has 1,345 properties listed on the National Register of Historic Places located in 77 counties.[6] Oklahoma County alone accounts for 152 properties (11.3 percent of the total) and Tulsa County accounts for an additional 96 properties (7.1 percent of the total).[7][8]

Between 2010 and 2019, 95 historic buildings were rehabilitated using historic tax credits, as shown in the following table. Collectively, housing, multi-use and commercial projects account for 83.2 percent of the total.

Table 2: Oklahoma Tax Credit Projects by Building Type, 2010-2019

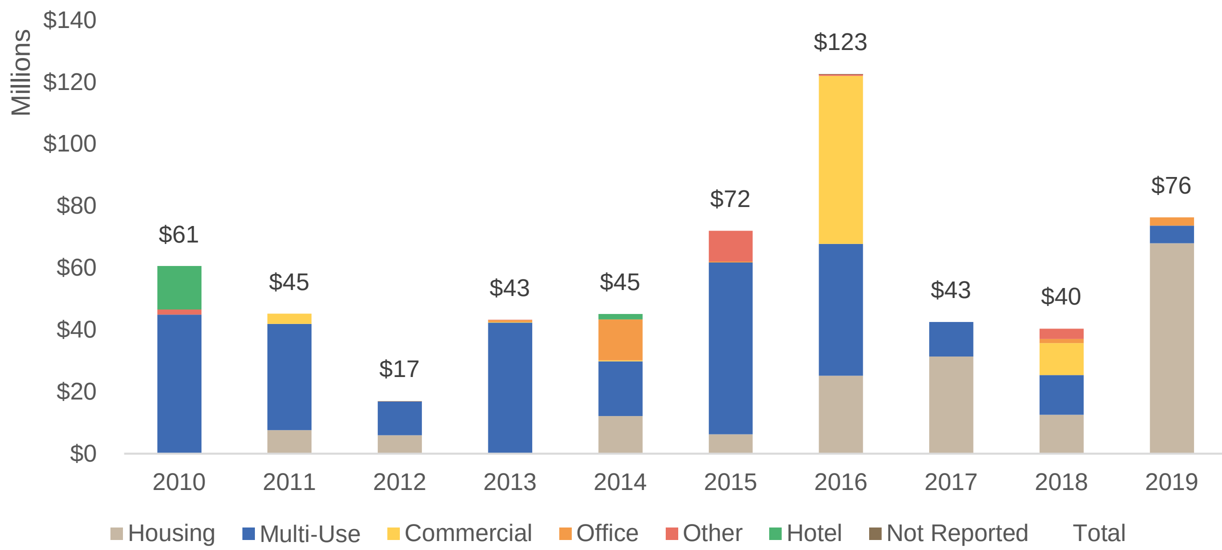
	Housing	Multi-Use	Comm.	Office	Other	Hotel	Not Reported	Total
2010	0	3	0	0	2	1	0	6
2011	3	2	1	0	0	0	0	6
2012	1	2	0	1	0	0	0	4
2013	0	4	1	1	1	0	0	7
2014	3	2	1	2	0	1	0	9
2015	2	3	1	1	1	0	0	8
2016	10	8	5	0	1	0	1	25
2017	5	1	0	0	0	0	0	6
2018	6	2	2	1	1	0	0	12
2019	9	2	0	1	0	0	0	12
Total	**39**	**29**	**11**	**7**	**6**	**2**	**1**	**95**

Source: National Trust for Historic Preservation

These 95 projects have a total of more than $565 million in qualified expenditures. When the number of projects peaked in 2016 at 25, qualified expenditures also peaked, at $123 million. The State credit is increasingly combined with the State affordable housing tax credit, perhaps accounting for the growth in housing projects as a share of total projects and total qualified expenditures.

[5] Alaska, Arizona, Florida, Idaho, Michigan, New Hampshire, New Jersey, Nevada, Oregon, South Dakota, Tennessee, Washington and Wyoming do not currently have state-level historic rehabilitation tax credit programs.
[6] The National Register is a catalog of buildings, sites, structures, districts and objects significant to history and is the foundation for all of the Oklahoma State Historic Preservation Office's programs. Listing in the National Register provides recognition, limited protection and, in some cases, financial incentives for these properties.
[7] National Register of Historic Places, "Spreadsheet of NRHP Listed Properties," (listings up to January 8, 2020). Available at https://www.nps.gov/subjects/nationalregister/data-downloads.htm
[8] One of the criteria for evaluation is the "percent of qualified structures on the national registry of historic places that receive assistance." However, in the course of the project team's analysis, it was determined that the percent of qualified structures on the national registry of historic places that receive assistance would not provide insight into the percentage of eligible buildings that have utilized the tax credit, as a structure's inclusion on the National Registry of Historic Places is not the sole determinant of eligibility for this incentive.

Figure 2: Qualified Expenditures, Oklahoma Tax Credit Projects, 2010-2019



Source: National Trust for Historic Preservation

Incentive Usage and Administration

Incentive Characteristics

In 1992, as part of the Local Development Act, the Oklahoma Legislature introduced a tax credit for the rehabilitation of certified historic hotels and newspaper plants located in an increment or incentive district. Effective January 1, 2006, with the passage of HB 3024, credit eligibility was broadened to include the rehabilitation of any income-producing certified historic structure. The bill also allowed projects that qualify for the 20 percent federal credit to automatically qualify for the state credit (also 20 percent) without additional paperwork. All requirements with respect to qualifying for the federal credit are applicable. Unused state credits may be carried forward for 10 years and are transferrable for five years after qualification.

Historic Use of the Credit

The following table illustrates the State credit's usage between tax years 2014 and 2018 (the most recent tax year for which OTC data is available). Related activity has slowed in recent years: the number of returns filed declined by a CAGR of -15.4 percent between 2014 and 2018, and the total amount claimed (unused credit carried forward plus credit established during the current tax year) declined by a CAGR of -20.1 percent during the same time period. The amount used to reduce tax liability (i.e., the amount of foregone revenue to the State) also declined, decreasing by a CAGR of -27.1 percent over the five-year span.

Table 3: Historic Rehabilitation Tax Credit Usage, 2014-2018

Tax Year	Number of Returns	Unused Credit Carried Over from Prior Year(s)	Credit Established During Current Tax Year	Total Amount Claimed	Amount Used to Reduce Tax Liability
2014	115	$6,630,719	$9,229,931	$15,877,567	$6,661,109
2015	91	$6,583,295	$6,646,361	$13,234,656	$5,010,695
2016	99	$5,565,703	$7,387,028	$12,977,413	$7,501,543
2017	83	$5,623,467	$6,689,158	$12,391,603	$5,735,531
2018	59	$4,694,941	$1,762,405	$6,480,004	$1,879,007

Source: Oklahoma Tax Commission

Note: According to SHPO representatives, if state credits are syndicated, the number of claimants may be more, less or different than the applicants to whom a Part 3 certification – discussed below – is issued.

Claims activity in other states which do not cap their programs is varied. In Kansas, for example, the number of claimants between 2014 and 2018 increased by a CAGR of 8.0 percent; the amount of foregone revenue increased by a CAGR of 13.1 percent.[9] In New Mexico, however, the number of claimants between 2013 and 2017 decreased by a CAGR of -13.5 percent; the amount of foregone revenue decreased by a CAGR of -12.8 percent.[10]

A possible explanation for the decrease in use – at least in states which "piggyback" on the federal credit – is a recent change to the federal program. The Tax Cuts and Jobs Act (TCJA) modified the timing for claiming the 20 percent federal credit effective for taxable years beginning after 2017. Prior to the TCJA, the credit was claimed in the taxable year in which the certified historic building was placed in service after substantial rehabilitation. Under the new rules, the federal credit is claimed over a five-year period beginning with the taxable year in which the certified historic building is placed in service after substantial rehabilitation.

[9] Kansas Department of Revenue, "Tax Expenditure Report," (Calendar Year 2018). Available at https://www.ksrevenue.org/pdf/taxexpreport18.pdf

[10] New Mexico Taxation and Revenue Department, "New Mexico Tax Expenditure Report," (2018). Available at https://s3.amazonaws.com/realFile34821a95-73ca-43e7-b06d-fad20f5183fd/1dd9b13e-56b4-4c6d-aadd-2884c70b865c?response-content-disposition=filename%3D%222018+NMTRD+Tax+Expenditure+Report.pdf%22&response-content-type=application%2Fpdf&AWSAccessKeyId=AKIAJBI25DHBYGD7I7TA&Signature=yJch%2F3dhW14GcyeT9CCHIcHPwM0%3D&Expires=1601046195

In Oklahoma, the aggregate total of revenue foregone between 2014 and 2018 was $26.8 million. Total qualified expenditures associated with Oklahoma projects during the same years were $322.7 million – more than 12 times this total.

The findings of an analysis of Oklahoma's program between 2001 and 2015 commissioned by the Tulsa Foundation for Architecture include the following:[11]

- 77 historic buildings had been rehabilitated using the state historic tax credits;
- The tax credit attracted over $415 million in rehabilitation expenditures with total project investment reaching $520 million;
- The rehabilitation of these buildings generated 3,232 direct jobs and 3,514 induced jobs (an average of 450 jobs per year);
- In total, the rehabilitation of these buildings generated direct salaries and wages of $167.0 million and indirect and induced wages of $142.9 million (an average of $20.7 million each year);
- If the average number of historic tax credit projects each year were a single industry, it would be among the largest five percent of all firms in Oklahoma;
- While the average project investment was over $6.8 million, a third of all projects were less than $0.5 million;
- 34 percent of tax credit projects were developed into mixed-use buildings;
- 18 counties benefitted from historic tax credit investment;
- Every $1.00 awarded in historic tax credits spurs $11.70 in economic activity;
- The Oklahoma treasury receives more than 50 percent of its money back before credits are even awarded.[12]

Incentive Administration

To qualify for Oklahoma's credit, projects must also qualify for the federal tax credit, which includes meeting the requirements established by both the Internal Revenue Service and the U.S. Department of the Interior. SHPO serves as the initial point of contact for applicants, and it participates in the determination that a building is a "certified historic structure" and the review of rehabilitation work. The federal NPS is responsible for certifying historic structures and rehabilitation work. The OTC addresses taxpayer questions regarding State tax returns, State statutes and OTC rules for using the State tax credits.

A three-part application is required to qualify for the federal – and State – tax credits:[13]

- Part 1: Evaluation of Significance: Presents information about the significance and appearance of the building.

- Part 2: Description of Rehabilitation: Describes the condition of the building and the planned rehabilitation work. Proposed work is evaluated based upon the Secretary of the Interior's *Standards for Rehabilitation*, a set of 10 rules of practice.

- Part 3: Request for Certification of Completed Work: Submitted after the project is complete; documents that the work was completed as proposed. NPS approval of the Part 3 certifies that the project meets the *Standards* and is a "certified rehabilitation."

[11] PlaceEconomics on behalf of the Tulsa Foundation for Architecture, "Oklahoma Historic Tax Credit: Impact on the Oklahoma Economy," (2016). Available at https://www.placeeconomics.com/wp-content/uploads/2017/01/TFA-OklahomaHistoricTaxCredit-ImpactStudy-Web.pdf

[12] This finding appears to be inconsistent with the 2016 evaluation finding that tax revenue generated was $9.4 million, while the costs were $47.7 million.

[13] However, historic preservation easements and the 10 percent credit use only Part 1 of the application.

Once the NPS issues an approved Part 3 Application, SHPO is no longer involved in the process. A copy of the signed Part 3 Application from the NPS is submitted to the OTC when the applicant claims the credit.

According to SHPO representatives, Oklahoma has no separate application or review process until the Part 3 application is approved and a taxpayer is ready to claim the Oklahoma credits. A formal request to the OTC yields the tax credit certificate. Key pieces of this request are the approved Part 3 Application and a cost certification. The cost certification provides a level of oversight and comfort for State elected officials and their "budget minders."[14]

Effective Administration
According to the National Trust for Historic Preservation, the best-performing state-level historic tax credits – the ones that help rehabilitate the most buildings and attract the most private investment – do the following:[15]

- Generally follow the framework of the federal credit;
- Are easily transferrable, which is critical to creating value;
- Predictable, which makes project financing easier;
- Tailored to address state priorities;
- Set at a percentage of qualifying expenses that ensures optimal performance.

Relating to these principles, Oklahoma's program follows the framework of the federal credit and is transferrable. Due to its alignment with the federal credit, it is predictable, but it is not tailored to address state priorities. According to the National Trust for Historic Preservation, a credit in the range of 20 to 30 percent of qualified rehabilitation expenditures is generally high enough to constitute a "meaningful" incentive – and Oklahoma's program is within that range.

[14] Rosin Preservation, "In the Know: Oklahoma," (April 2017). Available at https://rosinpreservation.com/oklahoma/
[15] National Trust for Historic Preservation, "State Historic Tax Credits: Maximizing Preservation, Community Revitalization and Economic Impact," (November 2018). Available at https://forum.savingplaces.org/viewdocument/report-on-state-historic-tax-credit?_ga=2.190952686.519120685.1596036305-164044860.1593543237

Economic and Fiscal Impact

Economic and Fiscal Impact

A discussion of the IMPLAN methodology and definition of terms is found in **Appendix B**.

Total qualified rehabilitation expenditures (QRE), shown previously in Figure 2, are used to estimate the economic impact of the incentive. The IMPLAN input-output model is used to determine the multiplier effects associated with the indirect and induced spending. QRE represents construction dollars spent in the local economy. This spending generates employment for the period of the ongoing construction activity. Once construction is completed, the economic impact associated with the jobs on the project ends.

For the purposes of this analysis, it is assumed annual QRE construction activity lasts one year. For example, jobs which occur during Year 1 are effectively replaced with jobs which occur during Year 2. In this way, continuous employment is generated from year to year. Over the ten years, from 2010-2019, average annual employment resulting from the historic rehabilitation program has been 730 jobs.

The following table demonstrates the economic impacts of QRE from 2010-2019. Over this ten-year period, total QRE reached nearly $511 million, while impacts from indirect and induced spending added an additional $391 million in economic activity to the State's economy. Total economic activity reaches just under $902 million.

The total tax revenues generated to the State of Oklahoma have been estimated, applying the long-term ratio of total taxes collected to gross state product (some 5.3 percent) to the total value added produced by QRE (see **Appendix C** for detail). This has generated an estimated $25.7 million in tax revenue to the State of Oklahoma, from 2010-2019.

For the purpose of analyzing return on investment, the table compares total impacts with total estimated tax revenue and total claimed credit. These comparisons are provided only for the years 2014-2018; the years for which claims data is available. Further, comparisons are made against total economic activity and not the component elements (direct, indirect and induced activity) because no corresponding credits at the component levels.

For the five-year period 2014-2018, the estimated tax revenue generated was $16.0 million compared with the cost of the incentive amount used to reduce tax liability of $26.8 million. This represents $0.60 in tax revenue for each $1.00 of tax liability reduced. Over this period these same costs generated $21.00 in total economic activity for each $1.00 of tax liability reduced.

Beyond economic impacts of construction, additional impact calculations are needed to help assess the total value of the program which occurs after construction is complete. There is insufficient data available to evaluate these impacts. Information needed to assess these impacts would include data on the number of square feet, room count or unit count by land use associated with QRE projects. At present, the project land use is reported but size or unit count is not. In addition, reporting of employment or population associated with the project, by land use type, is also needed. Finally, information regarding whether the project is new construction or existing rehabilitation and whether associated employment is new or retained as a result of the project is needed to fairly evaluate the economic impacts of the program beyond just construction amounts.

Table 4: Economic Impact of Historic Rehabilitation Tax Credit, 2010-2019

Year	Effect	Output	Value Added	Labor Income	Jobs	Estimated OK Tax Revenue	Total Claimed	Ratio: Output/ Claims	Ratio: Tax Revenue/ Tax Reduction
2010	Direct Effect	$6,045,425	$1,379,882	$720,210	39				
	Indirect Effect	$3,056,694	$1,289,991	$831,892	28				
	Induced Effect	$1,144,529	$603,542	$334,651	9				
	Total Effect	**$10,246,648**	**$3,273,416**	**$1,886,753**	**76**	**$172,640**			
2011	Direct Effect	$45,214,906	$26,395,715	$23,039,553	406				
	Indirect Effect	$17,196,307	$7,391,023	$5,135,909	92				
	Induced Effect	$20,815,697	$10,951,307	$6,075,302	161				
	Total Effect	**$83,226,910**	**$44,738,045**	**$34,250,763**	**658**	**$2,359,484**			
2012	Direct Effect	$17,059,053	$9,755,278	$8,352,250	160				
	Indirect Effect	$6,192,800	$2,733,660	$1,882,021	34				
	Induced Effect	$7,534,253	$3,977,872	$2,206,752	57				
	Total Effect	**$30,786,107**	**$16,466,810**	**$12,441,024**	**252**	**$868,460**			
2013	Direct Effect	$43,275,073	$21,317,573	$19,108,793	371				
	Indirect Effect	$16,548,471	$7,049,350	$4,939,056	82				
	Induced Effect	$17,721,816	$9,347,074	$5,185,294	132				
	Total Effect	**$77,545,360**	**$37,713,996**	**$29,233,142**	**586**	**$1,989,036**			
2014	Direct Effect	$45,094,392	$24,955,202	$21,574,083	415				
	Indirect Effect	$16,156,813	$7,122,347	$4,925,308	85				
	Induced Effect	$19,545,616	$10,299,844	$5,713,900	143				
	Total Effect	**$80,796,821**	**$42,377,392**	**$32,213,290**	**644**	**$2,234,984**	**$6,661,109**	**$12.13**	**$0.34**
2015	Direct Effect	$71,958,882	$36,855,791	$32,628,397	631				
	Indirect Effect	$24,992,782	$11,340,717	$7,915,255	130				
	Induced Effect	$29,455,471	$15,758,697	$8,742,182	217				
	Total Effect	**$126,407,135**	**$63,955,205**	**$49,285,835**	**979**	**$3,372,998**	**$5,010,695**	**$25.23**	**$0.67**
2016	Direct Effect	$122,667,486	$66,882,681	$58,299,394	1,111				
	Indirect Effect	$40,504,915	$18,752,029	$13,019,808	217				
	Induced Effect	$51,751,990	$27,720,519	$15,378,120	378				
	Total Effect	**$214,924,391**	**$113,355,228**	**$86,697,322**	**1,705**	**$5,978,355**	**$7,501,543**	**$28.65**	**$0.80**

Year	Effect	Output	Value Added	Labor Income	Jobs	Estimated OK Tax Revenue	Total Claimed	Ratio: Output/ Claims	Ratio: Tax Revenue/ Tax Reduction
2017	Direct Effect	$42,560,716	$28,331,063	$23,314,787	440				
	Indirect Effect	$11,954,138	$5,703,703	$3,853,764	70				
	Induced Effect	$19,833,063	$10,559,711	$5,858,179	141				
	Total Effect	**$74,347,917**	**$44,594,477**	**$33,026,730**	**651**	**$2,351,913**	**$5,735,531**	**$12.96**	**$0.41**
2018	Direct Effect	$40,398,808	$23,064,978	$19,837,122	376				
	Indirect Effect	$12,919,132	$5,993,021	$4,141,568	67				
	Induced Effect	$17,326,344	$9,320,048	$5,170,376	122				
	Total Effect	**$70,644,284**	**$38,378,047**	**$29,149,066**	**565**	**$2,024,058**	**$1,879,007**	**$37.60**	**$1.08**
2019	Direct Effect	$76,335,463	$53,370,925	$43,341,392	816				
	Indirect Effect	$20,144,586	$9,830,886	$6,579,812	119				
	Induced Effect	$36,116,911	$19,402,972	$10,764,182	250				
	Total Effect	**$132,596,960**	**$82,604,783**	**$60,685,386**	**1,185**	**$4,356,576**			

Source: PFM; IMPLAN Copyright 2020

Incentive Benchmarking

Benchmarking

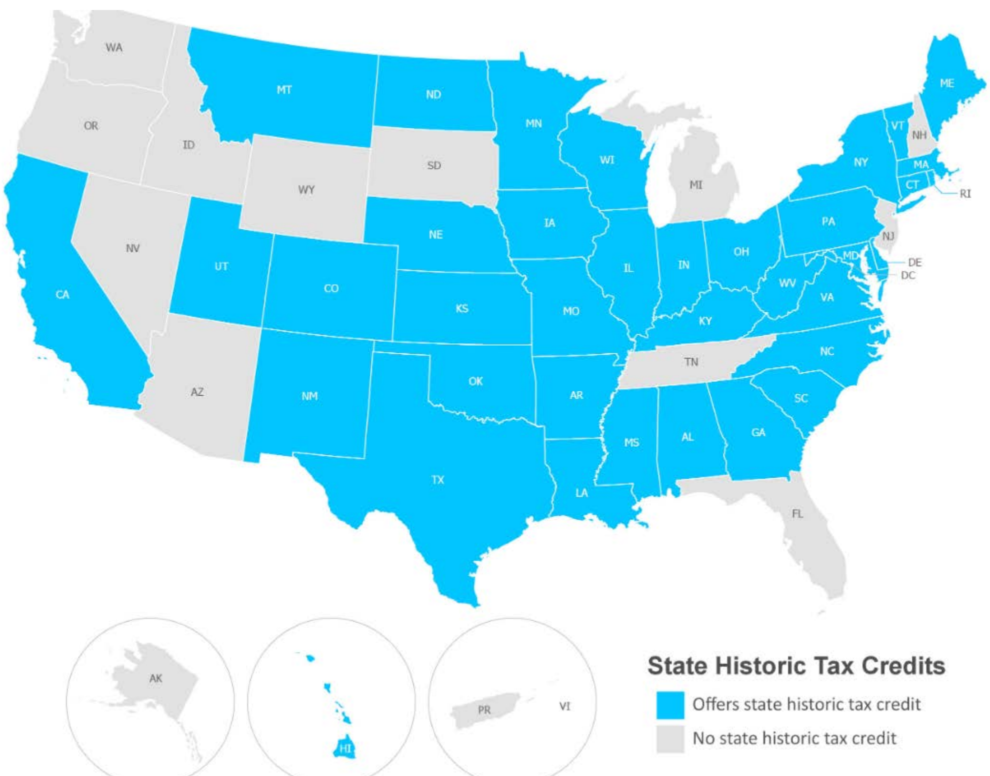
A detailed description of comparable state programs can be found in **Appendix D.**

For evaluation purposes, benchmarking provides information related to how peer states use and evaluate similar incentives. At the outset, it should be understood that no states are 'perfect peers' – there will be multiple differences in economic, demographic and political factors that will have to be considered in any analysis; likewise, it is exceedingly rare that any two state incentive programs will be exactly the same.[16] These benchmarking realities must be taken into consideration when making comparisons – and, for the sake of brevity, the report will not continually re-make this point throughout the discussion.

The process of creating a comparison group for incentives typically begins with bordering states. This is generally the starting point, because proximity often leads states to compete for the same regional businesses or business/industry investments. Second, neighboring states often (but not always) have similar economic, demographic or political structures that lend themselves to comparison.

As referenced previously, New Mexico was the first state to enact a historic rehabilitation tax credit in 1984 and, over time, more states added their own programs. As of 2020, 37 states – illustrated in the following map – offer credits.[17]

Figure 3: States with Historic Rehabilitation Tax Credits



Source: National Trust for Historic Preservation

[16] The primary instances of exactly alike state incentive programs occur when states choose to 'piggyback' onto federal programs.
[17] National Trust for Historic Preservation, "Preservation and State Historic Tax Credits," (2020). Available at https://forum.savingplaces.org/learn/fundamentals/economics/tax-credits/state-htc

According to the National Trust for Historic Preservation, all state historic rehabilitation tax credits provide a dollar-for-dollar reduction in tax liability and include the following elements:[18]

- Criteria that establishes which buildings qualify to receive the credits;
- Preservation standards that ensure the preservation of a building's historic character;
- A method for calculating the value of qualified rehabilitation expenditures;
- A minimum amount of investment required;
- An approval process that starts with the state historic preservation office.

Despite these commonalities, significant variation exists in how these programs are structured from state to state, including:

- The amount of the credit;
- Whether additional credits are provided for non-income producing properties;
- The minimum investment required;
- The annual cap;
- The per-project cap;
- Whether the credits are transferrable and/or refundable.

These variations are summarized in the following table.

Table 5: Summary of State Program Provisions

Program Component	Oklahoma	Summary of Peer State Provisions
Credit Amount for Income-Producing Properties	20 percent.	Credit amounts range from 5 percent in Montana to 50 percent in New Mexico; the average credit is 23 percent.
Additional Credits for Non-Income-Producing Properties	None.	Many states provide additional credits, most commonly for homeowners (23 states) and affordable housing (6 states); examples of other credits include those for nonprofits (2 states) barns and/or mills (2 states) and projects based in a specific location (2 states).
Minimum Investment Requirements	$5,000.	Dollar threshold ranges from $5,000 (Oklahoma, Delaware, Georgia, Kansas, Texas, Vermont) to $50,000 in Wisconsin; average is $14,167. Alternatively, many states base the minimum investment required on a percentage of the assessed value or adjusted basis of the property. Still other states use a multi-factor threshold (e.g., greater of a given dollar value or percentage of the adjusted basis).
Aggregate Annual Caps	None.	22 of 37 states cap the total amount spent on their programs each year. Among those that do, the range is from $250,000 (Indiana) to $90 million (Missouri).
Per-Project Caps	None.	21 of 37 states have annual per-project caps in place. Among those that do, the range is from $250,000 (North Dakota) to

[18] National Trust for Historic Preservation, "State Historic Tax Credits: Maximizing Preservation, Community Revitalization and Economic Impact," (November 2018). Available at https://forum.savingplaces.org/viewdocument/report-on-state-historic-tax-credit?_ga=2.190952686.519120685.1596036305-164044860.1593543237

Program Component	Oklahoma	Summary of Peer State Provisions
		$10 million (West Virginia; also applies to Georgia if the project meets certain job creation requirements).
Transferable?	Yes.	21 of 37 states have transferable credits; credits in 16 states are non-transferable.
Refundable?	No.	11 of 37 states have refundable credits; credits in 26 states are non-refundable.

Peer State and Other Program Evaluations

Many states have conducted reviews of their historic rehabilitation programs, and they tend to evaluate these incentives within the context of the following topics.

Overall Effectiveness and "But For" Determination

- An evaluation of Alabama's program determined that the extent to which the credit actually induced rehabilitation activity was difficult to determine. The report also noted that it was more difficult to other assess intangible impacts, such as environmentally beneficial positive spillovers or neighborhood "halo" effects that improve quality of life, economic development and the fiscal health of the local government.[19]

- An analysis of Missouri's credit found that the credit represents a small percentage of total renovation costs and, therefore, may not be a determining factor in restoration decisions. [20]

Economic Impact and State Return on Investment

- According to an analysis by the National Trust for Historic Preservation, when states evaluate the performance of their historic rehabilitation tax credits, "a common finding is that one third or more of the states' investment is returned during a project's construction phase and the investment is completely recouped within four to nine years after a building is placed in service."[21]

- An analysis conducted by Main Street America found that state historic tax credits return the state's investment over a period of time (in two phases) and that 30-40 percent of the state's investment is paid back before the building is placed into service and the credit is issued.[22]

- An evaluation of Iowa's Historic Preservation Credit program by Preservation Iowa determined that projects have had a positive return on investment since the its implementation in 2000: Projects yielded more than $8.2 million in state and local taxes construction taxes and more than $18.4 million annually in direct taxes from operations.[23]

- An evaluation of Missouri's Historic Preservation Tax Credit found that it has been an "inefficient use of state resources," and that only $0.49-$0.85 of every tax credit dollar issued is used for rehabilitation

[19] Matthew Murray and Donald Bruce on Behalf of the Alabama Department of Revenue, "Evaluation of Alabama's CAPCO Credit and Historic Rehabilitation Tax Credit," (January 2017).
[20] Missouri State Auditor, "Economic Development: Historic Preservation Tax Credit Program," (March 2014).
[21] National Trust for Historic Preservation, "State Historic Tax Credits: Maximizing Preservation, Community Revitalization and Economic Impact," (November 2018). Available at https://forum.savingplaces.org/viewdocument/report-on-state-historic-tax-credit?_ga=2.190952686.519120685.1596036305-164044860.1593543237
[22] Main Street America, "Historic Tax Credits: A Good Return for the Money," (June 2015).
[23] Preservation Iowa, "Iowa Historic Tax Credits," (2017). Available at http://www.preservationiowa.org/wp-content/uploads/2017/12/IA-HTC_Full-Report_direct-pages-1.pdf

costs. The analysis found that the remainder is distributed to investors, tax credit brokers/syndicators and the federal and state government in the form of income taxes. [24]

Employment and Wages

- An evaluation of Nebraska's program determined it has supported nearly 2,500 jobs and generated $82.7 million in wages since its inception in 2015.[25]

- Ohio's incentive created almost 9,000 temporary construction jobs during the 2008-2015 time period. OHPTC projects are estimated to have created 14,350 long-term operational jobs as of the end of 2015. Total businesses registered at project buildings added a 58.3 percent growth in jobs and added $201.4 million in total wages.[26]

Impact on Local Property Values and Associated Property Tax Revenue

- Main Street America's analysis found that the credits increase local property tax revenues. Rehabilitations aided by 33 state historic tax credit programs also increased local property tax revenues by a factor of ten.[27]

- The evaluation of Iowa's program estimated that property assessment values across the state increased by more than $87.8 million after construction on properties that participated in the program (an increase of 284 percent).[28]

- According to Nebraska's program evaluation, its Historic Tax Credit led to an increase in property values of 94.3 percent; nearby properties also benefitted from property value increases averaging 8.3 percent.[29]

Program Administration

- According to developers, Ohio's incentive program is viewed as well-run, transparent and relatively easy to use.[30]

[24] Missouri State Auditor, "Economic Development: Historic Preservation Tax Credit Program," (March 2014).
[25] Bureau of Business Research at the University of Nebraska - Lincoln
[26] Cleveland State University Maxine Goodman Levin College of Urban Affairs, "Ohio Historic Preservation Tax Credit Economic Impact Study," (October 2015).
[27] Main Street America, "Historic Tax Credits: A Good Return for the Money," (June 2015).
[28] Preservation Iowa, "Iowa Historic Tax Credits," (2017). Available at http://www.preservationiowa.org/wp-content/uploads/2017/12/IA-HTC_Full-Report_direct-pages-1.pdf
[29] NTV, "New Study: Nebraska Benefitting from Preservation Projects," (August 2019). Available at https://nebraska.tv/news/local/new-study-nebraska-benefiting-from-preservation-projects
[30] Cleveland State University Maxine Goodman Levin College of Urban Affairs, "Ohio Historic Preservation Tax Credit Economic Impact Study," (October 2015).

Appendices

Appendix A: Program Statute

§68-2357.41. Tax credit for qualified rehabilitation expenditures - Certified historic structures.

A. Except as otherwise provided by subsection I of this section, for tax years beginning after December 31, 2000, there shall be allowed a credit against the tax imposed by Sections 2355 and 2370 of this title or that portion of the tax imposed by Section 624 or 628 of Title 36 of the Oklahoma Statutes that would otherwise have been apportioned to the General Revenue Fund for qualified rehabilitation expenditures incurred in connection with any certified historic hotel or historic newspaper plant building located in an increment or incentive district created pursuant to the Local Development Act or for qualified rehabilitation expenditures incurred after January 1, 2006, in connection with any certified historic structure.

B. The amount of the credit shall be one hundred percent (100%) of the federal rehabilitation credit provided for in Section 47 of Title 26 of the United States Code. The credit authorized by this section may be claimed at any time after the relevant local governmental body responsible for doing so issues a certificate of occupancy or other document that is a precondition for the applicable use of the building or structure that is the basis upon which the credit authorized by this section is claimed.

C. All requirements with respect to qualification for the credit authorized by Section 47 of Title 26 of the United States Code shall be applicable to the credit authorized by this section.

D. If the credit allowed pursuant to this section exceeds the amount of income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of the credit allowed but not used in any taxable year may be carried forward as a credit against subsequent income tax liability for a period not exceeding ten (10) years following the qualified expenditures.

E. All rehabilitation work to which the credit may be applied shall be reviewed by the State Historic Preservation Office which will in turn forward the information to the National Park Service for certification in accordance with 36 C.F.R., Part 67. A certified historic structure may be rehabilitated for any lawful use or uses, including without limitation mixed uses and still retain eligibility for the credit provided for in this section.

F. The amount of the credit allowed for any credit claimed for a certified historic hotel or historic newspaper plant building or any certified historic structure, but not used, shall be freely transferable, in whole or in part, to subsequent transferees at any time during the five (5) years following the year of qualification. Any person to whom or to which a tax credit is transferred shall have only such rights to claim and use the credit under the terms that would have applied to the entity by whom or by which the tax credit was transferred. The provisions of this subsection shall not limit the ability of a tax credit transferee to reduce the tax liability of the transferee regardless of the actual tax liability of the tax credit transferor for the relevant taxable period. The transferor of the credit and the transferee shall jointly file a copy of the written credit transfer agreement with the Oklahoma Tax Commission within thirty (30) days of the transfer. Such filing of the written credit transfer agreement with the Oklahoma Tax Commission shall perfect such transfer. The written agreement shall contain the name, address and taxpayer identification number of the parties to the transfer, the amount of credit being transferred, the year the credit was originally allowed to the transferor, the tax year or years for which the credit may be claimed, and a representation by the transferor that the transferor has neither claimed for its own behalf nor conveyed such credits to any other transferee. The Tax Commission shall develop a standard form for use by subsequent transferees of the credit demonstrating eligibility for the transferee to reduce its applicable tax liabilities resulting from ownership of the credit. The Tax Commission shall develop a system to record and track the transfers of the credit and certify the ownership of the credit and may promulgate rules to permit verification of the validity and timeliness of a tax credit claimed upon a tax return pursuant to this subsection but shall not promulgate any rules which unduly restrict or hinder the transfers of such tax credit.

G. Notwithstanding any other provisions in this section, on or after January 1, 2009, if a credit allowed pursuant to this section which has been transferred is subsequently reduced as the result of an adjustment by the Internal Revenue Service, Tax Commission, or any other applicable government agency, only the transferor originally allowed the credit and not any subsequent transferee of the credit, shall be held liable to repay any amount of disallowed credit.

H. As used in this section:

1. "Certified historic hotel or historic newspaper plant building" means a hotel or newspaper plant building that is listed on the National Register of Historic Places within thirty (30) months of taking the credit pursuant to this section.
2. "Certified historic structure" means a building that is listed on the National Register of Historic Places within thirty (30) months of taking the credit pursuant to this section or a building located in Oklahoma which is certified by the State Historic Preservation Office as contributing to the historic significance of a certified historic district listed on the National Register of Historic Places, or a local district that has been certified by the State Historic Preservation Office as eligible for listing in the National Register of Historic Places; and
3. "Qualified rehabilitation expenditures" means capital expenditures that qualify for the federal rehabilitation credit provided in Section 47 of Title 26 of the United States Code and that were paid after December 31, 2000. Qualified rehabilitation expenditures do not include capital expenditures for nonhistoric additions except an addition that is required by state or federal regulations that relate to safety or accessibility. In addition, qualified rehabilitation expenditures do not include expenditures related to the cost of acquisition of the property.

I. No credit otherwise authorized by the provisions of this section may be claimed for any event, transaction, investment, expenditure or other act occurring on or after July 1, 2010, for which the credit would otherwise be allowable until the provisions of this subsection shall cease to be operative on July 1, 2012. Beginning July 1, 2012, the credit authorized by this section may be claimed for any event, transaction, investment, expenditure or other act occurring on or after July 1, 2010, according to the provisions of this section. Any tax credits which accrue during the period of July 1, 2010, through June 30, 2012, may not be claimed for any period prior to the taxable year beginning January 1, 2012. No credits which accrue during the period of July 1, 2010, through June 30, 2012, may be used to file an amended tax return for any taxable year prior to the taxable year beginning January 1, 2012.

Added by Laws 2000, c. 351, § 8, emerg. eff. June 6, 2000. Amended by Laws 2001, c. 382, § 4, eff. Jan. 1, 2002; Laws 2003, c. 186, § 2, eff. Nov. 1, 2003; Laws 2005, c. 413, § 6, eff. July 1, 2005; Laws 2006, c. 272, § 15; Laws 2008, c. 436, § 4, eff. Jan. 1, 2009; Laws 2010, c. 327, § 14, eff. July 1, 2010; Laws 2010, c. 418, § 5, emerg. eff. June 10, 2010.

NOTE: Editorially renumbered from Title 68, § 2357.34 to avoid duplication in numbering.

Appendix B: IMPLAN Economic Impact Methodology

The economic impact methodology utilized to determine the multiplier effects is IMPLAN (IMpact Analysis for PLANning).

IMPLAN's Social Accounting Matrices (SAMs) capture the actual dollar amounts of all business transactions taking place in a regional economy as reported each year by businesses and governmental agencies. SAM accounts are a better measure of economic flow than traditional input-output accounts because they include "non-market" transactions. Examples of these transactions would be taxes and unemployment benefits.

Economic Indicators

Employment

Employment data in IMPLAN follows the same definition as Bureau of Economic Analysis Regional Economic Accounts (BEA REA) and Bureau of Labor Statistics Census of Employment and Wages (BLS CEW) data, which is full-time/part-time annual average. Thus, 1 job lasting 12 months = 2 jobs lasting 6 months each = 3 jobs lasting 4 months each. A job can be either full-time or part-time. Similarly, a job that lasts one quarter of the year would be 0.25 jobs. Note that a person can hold more than one job, so the job count is not necessarily the same as the count of employed persons.

Labor Income

Labor Income represents the total value of all forms of employment income paid throughout a defined economy during a specified period of time. It reflects the combined cost of total payroll paid to employees (e.g. wages and salaries, benefits, payroll taxes) and payments received by self-employed individuals and/or unincorporated business owners (e.g. capital consumption allowance) across the defined economy. Labor Income (LI) encompasses two additional representative metrics called Proprietor Income (PI) and Employee Compensation (EC).

Value Added

Value Added represents the difference between *Output* and the cost of *Intermediate Inputs* throughout a defined economy during a specified period of time. It equals gross Output minus Intermediate Inputs (consumption of goods and services purchased from other industries or imported). Value Added is a measure of the contribution to GDP made by an individual producer, Industry, or Sector.

Output

All analysis in IMPLAN is based on Output, which is the value of production by industry in a calendar year. IMPLAN Output data largely come from the same sources as those used by the BEA in developing their Benchmark Input-Output tables. Since output is the total production value of a Sector, it includes all components of production value or output for a given Sector: Output = Employee Compensation + Proprietor Income + Intermediate Expenditures + Tax on Production and Imports + Other Property Income.

Economic Effects

Input-Output (I-O) Analysis and IMPLAN (SAM) is designed to predict the ripple effect of an economic activity by using data about previous spending. Production in a given Sector in an economy supports demand for production in Sectors throughout the economy, both due to supply chain spending and spending by workers.

Direct Effect

A Direct effect is the initial exogenous change in final demand in terms of Industry Output, Employment, and Labor Income Dollars. When consumers purchase goods and services, they create final demand to the Industries producing the goods and services they consume. When you analyze final demand in IMPLAN, we call this a Direct Effect.

Indirect Effect

Indirect effects are the business to business purchases in the supply chain taking place in the region that stem from the initial industry input purchases. As the Industry specified in an Event spends their money in the region with their suppliers, this spending is shown through the Indirect Effect.

Induced Effect

The Induced Effects stem from income being spent throughout the Selected Region. Typically, the income being analyzed are the wages of employees working in the Direct/Indirect Industries.

Appendix C: State of Oklahoma Tax Collection / Gross State Product

Year	Oklahoma GSP	Oklahoma Tax Revenue	Ratio
2005-06	$136,363,200,000	$8,435,214,025	6.2%
2006-07	$143,042,900,000	$8,685,842,682	6.1%
2007-08	$163,616,400,000	$9,008,981,280	5.5%
2008-09	$144,015,000,000	$8,783,165,581	6.1%
2009-10	$152,043,000,000	$7,774,910,000	5.1%
2010-11	$164,150,600,000	$8,367,871,162	5.1%
2011-12	$172,865,600,000	$8,998,362,975	5.2%
2012-13	$180,665,000,000	$9,175,334,979	5.1%
2013-14	$195,249,800,000	$9,550,183,790	4.9%
2014-15	$185,986,800,000	$9,778,654,182	5.3%
2015-16	$179,023,400,000	$8,963,894,053	5.0%
2016-17	$187,677,500,000	$8,789,362,844	4.7%
2017-18	$201,870,700,000	$9,837,247,035	4.9%
2018-19	$206,139,300,000	$11,091,161,884	5.4%
Average	**$172,336,371,429**	**$9,088,584,748**	**5.3%**

Sources: U.S. Bureau of Economic Analysis Regional Economic Accounts; OTC Annual Reports

Appendix C: Comparable State Programs

State	Effective Year	Credit % for Income-Producing Properties	Additional Credits	Minimum Investment	Annual Aggregate Cap	Annual Per-Project Cap	Transferrable	Allocation by Partnership Agreement	Refundable
Oklahoma	2009	20%	None	Greater of $5,000 or adjusted basis	None	None	Yes	No	No
Arkansas	2009	25%	25% homeowners	$25,000	$4M	$400K	Yes	Yes	No
Colorado	2018	25% for $2M QRE; 20% for $2M+ QRE	30% disasters; 35% in rural communities; 20% homeowners	25% of adjusted basis; in 2020, flat $20,000	$10M	$1M	Yes	Yes	No
Kansas	2001	25%	25% homeowners; 30% for nonprofits	$5,000	None	None	Yes	Yes	No
Missouri	1998	25%	25% homeowners	50% of total basis of the property	$90M; additional $30M in areas of high poverty; small projects uncapped	None	Yes	Yes	No
New Mexico	1984	50%	50% homeowners		None	$25K; $50K inside		Yes	

State	Effective Year	Credit % for Income-Producing Properties	Additional Credits	Minimum Investment	Annual Aggregate Cap	Annual Per-Project Cap	Transferrable	Allocation by Partnership Agreement	Refundable
						Arts/Cult. Dist.			
Texas	2015	25%		$5,000	None	None	Yes	Yes	
Alabama	2018	25%	25% homeowners	Greater of 50% of purchase price or $25,000	$20M	$5M	Yes		Yes
California	2021	20%	25% for projects located on federal surplus property, affordable housing, in designated census tracts; part of a military base reuse authority; or are transit-oriented developments		$50M, with $2M set aside for residences and $8M set aside for small projects	$5,000 - $25,000		Yes	
Connecticut	2007	25%	30% affordable housing; 30% homeowners	25% of assessed building value	$31.7M	$4M	Yes	Yes	
Delaware	2002	20%	30% affordable housing &	Greater of $5,000 or	$5M	None	Yes	Yes	

State	Effective Year	Credit % for Income-Producing Properties	Additional Credits	Minimum Investment	Annual Aggregate Cap	Annual Per-Project Cap	Transferrable	Allocation by Partnership Agreement	Refundable
			nonprofits; 30% homeowners	adjusted basis					
Georgia	2002	25%	30% residence in HUD areas; 25% homeowners	Greater of $5,000 or adjusted basis	No cap under $300k credits / $25m	$5M; $10M if meets job creation tests	Yes	Yes	
Hawaii	2020	30%			$1M	None		Yes	Yes
Illinois	2019	25%		Greater of $5,000 or adjusted basis	$15M	$3M		Yes	
Indiana	2002		20% homeowners		$250,000	None			
Iowa	2000	25%	25% homeowners	Lesser of 50% of the assessed value or $50,000	$45M	None	Yes	Yes	Yes
Kentucky	2005	Up to 20%	30% homeowners	Greater of $20,000 or adjusted basis	$5M	$400,000	Yes	Yes for non-taxed entities	Yes
Louisiana	2002	20%		$10,000	None	$5M per taxpayer, per year	Yes		

State	Effective Year	Credit % for Income-Producing Properties	Additional Credits	Minimum Investment	Annual Aggregate Cap	Annual Per-Project Cap	Transferrable	Allocation by Partnership Agreement	Refundable
Maine	2008	25%	30% for affordable housing	Same as federal HTC; $50K if fed HTC not claimed	None	$5M per building per year		Yes	Yes
Maryland	2004	20%	20% homeowners; 30% LEED gold; 30% affordable housing	Greater of adjusted basis or $25,000	$9M	$3M		Yes	Yes
Massachusetts	2005	Up to 20%	25% affordable housing	25% of adjusted basis	$55M	None	Yes	Yes	
Minnesota	2010	20%		Greater of $5,000 or adjusted basis	None	None	Yes	Yes	Yes
Mississippi	2016	25%	25% homeowners	50% of the total basis	$12M	None		Yes but not also with refund	75% can be refunded
Montana	1997	5%		Greater of $5,000 or adjusted basis	None	None			
Nebraska	2015	20%		$25,000 or 25% of	$15M	$1M		Yes	

State	Effective Year	Credit % for Income-Producing Properties	Additional Credits	Minimum Investment	Annual Aggregate Cap	Annual Per-Project Cap	Transferrable	Allocation by Partnership Agreement	Refundable
				assessed value					
New York	2007	20%	20% homeowners; 25% for barns	Greater of $5,000 or adjusted basis	None	$5M			Yes
North Carolina	2016	15% for up to $10M QRE; 10% for	Add 5% in target areas or sites;	Greater of $5,000 or adjusted basis	None	$4.5M		Yes when 40% allocated to owner	
North Dakota	1999	25% for projects in Renaissanc e Zones	25% homeowners	50% of building value	None	$250,000			
Ohio	2007	25%	25% homeowners		$60M	$5M		Yes	Yes
Pennsylvania	2013	25%		Greater of $5,000 or adjusted basis	$3M	$500,000	Yes		
Rhode Island	2002	20%	25% if 1/4 of space for business	Adjusted basis of the building	Awaiting re-authorization	$5M	Yes	Yes	Yes for tax exempt entities
South Carolina	2003	10%; 25% if no federal HTC	25% mills; 25% homeowners		None	None	Yes for mills	Yes for 10%; yes for pass through	

State	Effective Year	Credit % for Income-Producing Properties	Additional Credits	Minimum Investment	Annual Aggregate Cap	Annual Per-Project Cap	Transferrable	Allocation by Partnership Agreement	Refundable
								entities on mills	
Utah	1993		20% for rental residential	$10,000	None	None			
Vermont	1998	10% downtown; 25% façade and 50% code improvements		$5,000	$2.4M	None	Yes		
Virginia	1997	25%	25% homeowners	at least 50% of the assessed value	None	None		Yes	
West Virginia	2018	25%	20% homeowners	$5,000 or adjusted basis	$30M	$10M	Yes	Yes	
Wisconsin	2013	20%	25% homeowners (1989)	$50,000	None	$3.5M	Yes	Yes	

Source: National Trust for Historic Preservation

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2012-13	$180,665,000,000	$9,175,334,979	5.1%
2013-14	$195,249,800,000	$9,550,183,790	4.9%
2014-15	$185,986,800,000	$9,778,654,182	5.3%
2015-16	$179,023,400,000	$8,963,894,053	5.0%
2016-17	$187,677,500,000	$8,789,362,844	4.7%
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Average	**$172,336,371,429**	**$9,088,584,748**	**5.3%**

Sources: U.S. Bureau of Economic Analysis Regional Economic Accounts; OTC Annual Reports