

MIKE COFFMAN
6TH DISTRICT, COLORADO

ARMED SERVICES COMMITTEE

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December 12, 2017

Chairman Kevin Brady
Ranking Member Richard Neal
Committee on Ways and Means
1102 Longworth HOB
Washington, D.C. 20515

Dear Chairman Brady and Ranking Member Neal:

I write to thank you for your efforts to craft and pass a major tax reform package here in the House of Representatives. I was proud to include myself in the majority that voted in the affirmative. At the same time, however, I also acknowledge (as I am sure you do) that the bill is not perfect. Many of my constituents have written with specific concerns about various provisions, and I am now writing to support the historic tax credit.

Under current law, taxpayers may claim a credit for resources they expend to rehabilitate historic buildings. For certified historic structures the credit is 20%; a 10% credit is available for rehabilitation expenditures spent on rehabilitated buildings. These credits make it financially feasible for owners to preserve the historical character and quality of older or historically important buildings. Absent the availability of these credits, it is often more cost effective either to demolish historic buildings or to renovate them in ways that ruin their historic features. In Colorado, where the use of these credits is often tied to grants from the state for historic preservation efforts, their impact is profound. According to History Colorado, since 1981 this important economic development tool has supported 380 projects in Colorado with qualified rehabilitation expenditures of \$640.3 million. Adjusted for inflation, these projects generated a total economic impact of \$2.1 billion including direct and indirect.

The House bill as passed eliminates these credits. The Senate bill eliminates the 10% credit for non-historic structures and reduces the credit for certified historic structures from 20% down to 10%. Given the value of these credits to communities in my district and around the country, I believe we should preserve the credits as they exist in current law. If that is not possible, then I suggest adhering to the Senate treatment in the final tax bill.

If you need any assistance with these or other matters as we continue to find a path forward on tax reform, please do not hesitate to contact me.

Sincerely,



Mike Coffman
Member of Congress
6th Congressional District of Colorado