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FEDERAL UPDATE

Ways & Means Committee Mark Up May Include Federal Rehab Tax Credit Amendments

House Ways and Means Committee chairman Charles Rangel (D-NY) may hold a mark-up next week in his committee on a draft package of affordable housing tax provisions, which will include Alternative Minimum Tax (AMT) relief and possibly some of the [key amendments to the federal rehabilitation tax credit](#) proposed in the "[Community Restoration and Revitalization Act of 2007](#)" ([H.R. 1043/S. 584](#)). Although Chairman Rangel wanted to act on a bill as early as next week, a recent flu illness — which required hospitalization — may result in the mark up being rescheduled until after the Easter recess. In the interim, the National Trust and its preservation partners are particularly focused on 12 Democratic co-sponsors to H.R. 1043 that sit on the Ways and Means Committee in an effort to get them to express their support to chairman Rangel on the bill's amendments regarding basis reduction, the 130% boost of the credit in difficult to develop areas, opening the 10% credit to housing, and indexing the credit to buildings 50 years or older. The 12 key Democratic co-sponsors include: Shelley Berkley (D-NV), Earl Blumenauer (D-OR), Artur Davis (D-AL), Rahm Emanuel (D-IL), John B. Larson (D-CT), Jim McDermott (D-WA), Michael McNulty (D-NY), Kendrick Meek (D-FL), Richard Neal (D-MA), Bill Pascrell, Jr. (D-NJ), Jim Ramstad (R-MN), Chris Van Hollen (D-MD).

In addition, steady progress has been made in the effort to secure [co-sponsors for the Community Restoration and Revitalization Act](#). Rep. Michael Doyle (D-PA) was recently added to the co-sponsors list this week, increasing the total to 89 for the House bill. In addition, the number of co-sponsors increased to nine (9) for the Senate bill this week with the addition of Sen. Bernard Sanders (I-VT). If you member of Congress has not signed on to the bill, [send them a letter through our Advocacy Center](#) urging them to become a co-sponsor.

House Leadership May Impose Earmarks Moratorium

The House leadership indicated this week that it may endorse a moratorium on earmarks for FY'09 in an attempt to steal the issue away from Republican lawmakers. More specifically, Speaker Nancy Pelosi (D-CA) wants infrastructure spending to be the centerpiece of a new round of economic stimulus measures that she hopes to roll out later this month which may be funded by doing away with all congressional earmarks. Pelosi has made clear that she wants to abide by the Democrats' Pay-As-You-GO (PAYGO) rules — which requiring offsets for any new spending — to fund a \$15 billion infrastructure investment package being floated by House Transportation and Infrastructure Committee chairman James Oberstar (D-MN). However, chairman Oberstar was not receptive to the proposed earmarks ban as a way to pay for infrastructure funding because earmarks are a favorite source of local project funding for members of his committee.

Similarly, House Appropriations Chairman David Obey (D-WI) confirmed that he was polling his fellow House members and asking them to tell him whether they want earmarks or not in FY'09; however, he declined to publicly whether he was engaged in discussions with Speaker Pelosi about enacting a possible moratorium on earmarks in appropriations bills.

If a moratorium were enacted, there would be considerable fallout for historic preservation programs that are heavily earmarked, including Save America's Treasures (SAT) program grants and Transportation Enhancements (TE) funding.

STATE & LOCAL UPDATE

Increase in Georgia Historic Rehab Credit Passes House

As we reported last week, a bill to strengthen the Georgia State Historic Tax Credit continues to move in the Georgia State Legislature. The House gave its approval to HB 851 last Friday, and it now moves to the Senate Finance Committee for consideration. The measure would increase both the commercial and residential credit for historic rehabilitation to 25% (up from 10% for the residential credit and 20% for the commercial credit). The bill would also increase the per-project cap from \$5,000 to \$100,000 for residential properties and \$300,000 for commercial properties, and it would allow a one-time transfer of the credit. To read the complete text of HB 851, visit http://www.legis.ga.gov/legis/2007_08/fulltext/hb851.htm

State Residential
and Commercial
Rehab Credit
Increased to 25%
Under HB 851