

*In this issue ...*

Revised Defense  
Authorization  
Cleared for  
President's  
Signature

Arlington  
Cemetery Still  
Considering  
Replacement of  
the Monument

Proposed Cap  
Poses Threat to  
State Rehab  
Credit

Colorado  
Advocates Seek  
Extension of  
State Rehab  
Credit to 2020 in  
Legislature

## ***FEDERAL UPDATE***

### Revised Defense Authorization Bill Passes House and Senate with Tomb of the Unknowns Study Provision Intact

After the first measure was vetoed by the President, the House and Senate passed a revised version of the 2008 Defense Authorization bill (HR 4986) that includes a provision providing for a study to repair the Tomb of the Unknowns in Arlington National Cemetery. Even though Congress and the Administration haggled over and ultimately resolved a contentious legal item dealing with the seizure of Iraqi assets, the study for repair of the Tomb of the Unknowns was never in doubt. The Trust kept up the pressure to include and retain the provision throughout the legislative process.

In addition, the Army Corps announced last week that Arlington National Cemetery now is considering repairing the Tomb's cracks to "retard continuing deterioration of the monument," and the Cemetery has initiated a Section 106 review for the repair project. Inclusion of the Tomb study provision in the Defense Bill was likely an impetus in this change of strategy by the Corps. The Cemetery administration, however, has not completely abandoned the idea of replacing the monument and describes the repair undertaking as "cyclical maintenance," with a long-term option to explore replacement."

The President has received the revised defense authorization bill and is expected to sign it shortly.

## ***STATE & LOCAL UPDATE***

### Rhode Island's Rehab Credit Threatened

Rhode Island's Coalition for Neighborhood & Economic Renewal members are gearing up to protect the state's 30% uncapped commercial rehabilitation tax credit. The Governor's supplemental budget, including amendments to the Historic Tax Credit creating a retroactive and prospective cap, was introduced as legislation on January 23<sup>rd</sup>. The bill was referred to the House Finance Committee, which has scheduled a hearing on Article 20 for January 31<sup>st</sup>.

### Colorado's Historic Preservation Tax Credit Program Seeks Extension

In their January 24<sup>th</sup> meeting, the House Finance committee heard testimony from six advocates about the benefits of the historic preservation tax credit (HB08-1033). This legislation would extend the current historic preservation tax credit program to 2020 and eliminate the current requirement that Certified Local Governments (CLGs) take action annually to indicate their desire to serve as the reviewing entity. The current State Income Tax Credit is 20% of qualified rehabilitation costs up to a maximum of \$50,000 credit per qualified property. In any given year, the maximum credit is the amount of

your tax liability for the year; any excess credit may be carried forward for a maximum of 10 years. If a property owner takes the credit and then sells the property within five years, there is a mechanism for pay back of all or a portion of the credit to the Department of Revenue.

During the Finance Committee hearing, Representative Claire Levy (D-13<sup>th</sup>), the sponsor of the bill, described how the 20% credit for income-producing and homeowner properties is used for modest projects (per project cap of \$50,000). Representative Joel Judd (D-5<sup>th</sup>), Chairman of the Finance Committee, decided that the amendments and action would be postponed until they had a chance to look into the fiscal note further. The tax credit program is due to sunset in 2009.

To learn more about the bill, download Preservation Colorado's fact sheet at <http://www.coloradopreservation.org/policy/index.html>

## Rehab Tax Credit Bill Reintroduced in New Jersey

The Historic Properties Reinvestment Act (HPRA) was reintroduced in the New Jersey Assembly on January 8<sup>th</sup> after opposition from the Administration stalled the bill in the 2007 legislative session. Under the bill, a taxpayer would be allowed a credit against his/her personal income tax OR a business would be allowed a credit against its corporate business tax of 25 percent of the costs of a completed rehabilitation. Taxpayers who are unable to use the credit would be allowed to transfer it.

For updated information on the advocacy effort, visit Preservation New Jersey's website at [http://preservationnj.org/take\\_action/take\\_action.asp?ss3id=3](http://preservationnj.org/take_action/take_action.asp?ss3id=3).

## Support Grows for Rehab Tax Credit in Maine

The historic rehabilitation tax credit that was carried over to the short session was highlighted in Governor Baldacci's state of the state speech. To read the full text of the speech, go to <http://www.maine.gov/tools/whatsnew/index.php?topic=Portal+News&id=48517&v=article-2006>.

The *Kennebec Journal Morning Sentinel* also supported the tax credit in its January 9<sup>th</sup> edition saying "the credit should be expanded to allow qualified rehabilitation projects to receive a tax credit equal to 25 percent of the qualified historic rehabilitation costs that would provide a maximum benefit of \$5 million. A tax credit like this would provide a dollar-for-dollar reduction in the participating developer's income tax liability. This is a powerful incentive to undertake these otherwise financially risky projects."

New Jersey  
Advocates to Try  
Again for Passage  
of State Rehab  
Tax Credit

Governor's State  
of the State  
Speech Highlights  
State Rehab Tax  
Credit

To read the complete text of the Sentinel article visit  
<http://morningsentinel.maintoday.com/view/columns/4632418.html>.

## Michigan Historic Rehab Credit Amended

HB 5126, an amendment which allows insurance companies to claim historic preservation credits under the Michigan Business Tax, was filed in the Office of the Great Seal on December 28, 2007 and took immediate effect.

NATIONAL  
TRUST  
FOR  
HISTORIC  
PRESERVATION®

# Public Policy Weekly Bulletin

January 25, 2008 — Volume 3, Issue No. 1

Published weekly by the National Trust's Department of Public Policy, Public Policy Weekly Bulletin brings you all the latest legislative and policy developments affecting historic preservation in Congress, State Legislatures, the Federal government, and the Courts.