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~ National ~
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ESTABLISHED 1895

FOR IMMEDIATE RELEASE
DATE: November 17, 2017
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Chinese American Citizens Alliance Urges Congress to Save Historic Tax Credit from Elimination; Program Key to Preservation of Historic Sites and Main Streets of America

San Francisco, November 17, 2017 — This week, the tax reform bill occupied the attention of the 115th Congress of the United States. Yesterday, November 16, the House passed its version of the tax overhaul and the Senate Finance Committee continued debate over its version of major tax reform legislation, called the Tax Cuts and Jobs Act. The Chinese American Citizens Alliance (C.A.C.A.) views a provision in the proposed tax reform threatening a key tenet of C.A.C.A.'s Purposes and Objectives: preserving Chinese American historical and cultural traditions.

The federal historic building tax credit (HTC) program—critical to the redevelopment of historic structures and the revitalization of aging Main Streets and downtown neighborhoods across the country—was not included in the proposed tax reform package. Through the HTC program, developers are able to recoup 20% of the cost of renovating a certified historic building, or 10% of the renovation cost of a pre-1936, but not historic building, that is rehabilitated for non-residential uses, thus providing a popular incentive for a continuing investment in the country's historic building resources.

According to a study by Rutgers University's Center for Urban Policy Research, the Historic Tax Credit program has cost the U.S. Treasury $25 billion since its inception in 1978. However in that same period, it has generated nearly $30 billion in federal taxes alone, a $1.18 return for every $1 invested. These figures do not reflect the beneficial impact of state and local taxes generated by the rehabilitation of structures under the HTC program.

Since its proposed elimination was introduced early this month, the HTC program has garnered a coalition of concerned citizens, community groups, preservation advocates and elected representatives in efforts to saving this important allowance. C.A.C.A. joins this growing chorus of voices to help save our country's historic assets.

On November 12, U.S. Senator Bill Cassidy (R-LA) filed an amendment to restore the Historic Tax Credit applied to qualified rehabilitation expenditures for historic buildings. Amendment co-sponsors included Senators Johnny Isakson (R-GA), Chuck Grassley (R-IA), Pat Roberts (R-KS) and Tim Scott (R-SC).

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Upon the conclusion of the Senate Finance Committee November 16 session, a Manager's Amendment, including a provision to restore only the 20% Historic Tax Credit while being earned over a 5-year period, passed. The amendment provides: (1) a 20 percent credit for qualified rehabilitation expenditures with respect to a certified historic structure; and (2) that the 20 percent credit be claimed ratably over a five-year period beginning in the taxable year in which a qualified rehabilitated structure is placed in service.

Not yet resolved are details such as effective date and transition period. The 10% tax credit toward renovation costs of pre-1936, non-historic structures, which has been a valuable incentive for the rehabilitation of many American downtown districts, was not part of the Manager's Amendment. The Senate is expected to vote on its final version of a tax bill after Thanksgiving holiday.

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Chinese American Citizens Alliance

The Chinese American Citizens Alliance, established in 1895, is among the oldest civil rights organizations in the United States. Headquartered in San Francisco with chapter/lodges in Albuquerque (NM), Boston (MA), Chicago (IL), Greater San Gabriel Valley (CA), Greater New York (NY), Houston (TX), Las Vegas (NV), Los Angeles (CA), Mississippi, Oakland (CA), Peninsula (CA), Portland (OR), Phoenix (AZ), Salinas (CA), San Antonio (TX), San Francisco (CA), Seattle (WA) and Washington, D.C., the Alliance addresses issues regarding voter education, political participation, racial discrimination and hate crimes, and supports youth leadership training programs and equal employment opportunities for all Chinese Americans.