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General Overview: Why Rehabilitate an Historic Building?

Why rehabilitate an historic building?

- ***These rehabilitations have economic and cultural benefits!***
- Deteriorating buildings cost municipalities money. They are a drain on services.
- Rehabbed buildings can be made safe, up to code, useable and accessible.
- Tax credit projects result in quality preservation at a reasonable cost, using the Secretary of the Interior Standards.
- Tax credits often make projects feasible.
- Rehab projects create more jobs in construction. Most jobs require good skills and pay well. More of the construction dollar stays in the state.
- Materials (old growth timber, etc.) are reused and recycled. Most materials are purchased locally.
- Historic buildings are handcrafted and irreplaceable.
- They are beautiful in design and human scale.
- They are often located within prime space in the community.
- Historic buildings are unique and contribute to the Maine 'brand' and our quality of place.
- Restoration and rehabilitation are exciting, sparking a sense of pride in the community. They also support a creative economy.
- Rehabbed buildings bring life back in to downtown and are generally mixed use, allowing livability downtown.
- Restored historic buildings help grow tourism interest in our communities.

Additional Points

- The purpose of LD262 is to attract funding from out of state and to keep Maine developers funding in state to finance rehabilitation of historic mills, downtown buildings and other income producing historic structures that are vacant or underused. Other states have good tax credit bills and that is where the money is flowing. Maine needs a tax credit that will put our historic buildings on an equal footing with other states.
- LD262 provides for a 25% tax credit for the total expenditures on the rehabilitation of an historic structure. The building and the rehab work are certified by the Maine Historic Preservation Commission, using the same standards as the federal historic rehabilitation tax credit.
- This 25% State credit is crucial in making projects feasible. Due to federal tax costs, the State credit is worth about 65 cents per dollar. So about two-thirds of the 25% credit, or 16%, is usable - that 16% of the rehabilitation cost is simply the difference between the project making a profit or not.
- Without the credit the building will sit, continue to be a drain on its community and be more difficult to fix later. With the credit the building will be rehabilitated and act as a catalyst for the revitalization of the community around it.
- The long-term benefits of the historic tax credit to both the State and to Maine's communities greatly exceed its costs. This tax credit bill allows the private sector to invest the funds to improve our communities.