



The Charleston Regional  
**Chamber of Commerce**

## **ISSUE: STATE HISTORIC TAX CREDIT FOR COMMERCIAL PROPERTIES**

### **BACKGROUND**

Revitalize West Virginia's Downtowns (<https://revitalizewvdowntowns.com/>), a coalition of economic development professionals, architects, private developers, community developers, city officials, and historic preservationists want to increase West Virginia's income-producing historic tax credit to make downtowns of all sizes desirable places to live and work. In 2017, Revitalize West Virginia's Downtowns will be asking the West Virginia Legislature to increase West Virginia's uncompetitive 10 percent historic rehabilitation tax credit to 25 percent in order to:

- spur private investment;
- create jobs'
- repurpose vacant and underutilized historic buildings; and
- provide West Virginia with a positive return on investment.

West Virginia has 92 commercial and mixed-use historic districts ripe for revitalization – yet developers choose to invest in neighboring states instead of our downtowns due to West Virginia's uncompetitive 10 percent historic rehabilitation tax credit. Neighboring states, including Pennsylvania, Ohio, and Virginia, all have 25 percent historic rehabilitation tax credits. Since 2002, each of these three states has created more than 44,000 jobs in the redevelopment of historic buildings, generating more than \$3 billion in total income for each state. In the same period, West Virginia's 10 percent tax credit has created just 3,529 jobs, and \$170 million in total income.

The state must take action to remain economically competitive with surrounding states. An increase in the current state historic rehabilitation tax credit from 10 percent to 25 percent would make West Virginia's historic commercial districts more attractive to developers, spurring private investment.

The coalition's members include the Abandoned Property Coalition, the American Institute of Architects WV Chapter, the National Trust for Historic Preservation, and private businesses.

The average tax credits used per year the past four years is \$566,483. However, it is likely that these projects would not have happened had there been no state credit. It is estimated that if the tax credit increases to 25% many more downtown properties will be renovated.

### **RECOMMENDATION**

The Charleston Regional Chamber of Commerce supports increasing the West Virginia Historic Tax Credit to 25 percent to compete with surrounding states in commercial property redevelopment.