



March 2, 2022

**Re: Support for HF 3688 – extending the sunset on the tax credit for historic structure rehabilitation**

Dear Chair Marquart and members of the House Tax Committee:

The League of Minnesota Cities appreciates the opportunity to provide comments on HF 3688. On behalf of our 837 member cities, we respectfully request that members support extending the Minnesota Historic Structure Tax Credit, which provides a 20 percent tax rebate for the rehabilitation of qualified historic buildings. HF 3688 (Youakim) extends the sunset of the historic structure rehabilitation tax credit through fiscal year 2030. While the League supports the elimination of the sunset provision of the tax credit to provide greater certainty to cities and their project developer partners, an extension of the tax credit through fiscal year 2030 is an important step to preserve this critical resource.

Cities across Minnesota are faced with expensive barriers to rehabilitate and re-use historic buildings. Such barriers pose significant problems for cities seeking to re-use existing infrastructure and spur much needed development and renovation projects across the state. The League of Minnesota Cities supports resources for cities that help with the preservation of historic structures. Since its inception in 2010, the Minnesota Historic Rehabilitation Tax Credit has proven an effective resource in spurring rehabilitation efforts in Minnesota cities and has helped leverage more than \$1.9 billion in developer investment.

The continuation of the Historic Structure Tax Credit will support investment in historic preservation across the state, stimulate job growth, increase local tax bases, and help attract private investment to assist many Minnesota cities that are seeking to revitalize historic structures. Unless the current sunset of the historic structure rehabilitation tax credit is extended, the tax credit will sunset after fiscal year 2022.

Please join us in preserving resources for historic structure rehabilitation by supporting HF 3688.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads 'Gary N. Carlson'.

Gary Carlson  
Intergovernmental Relations Director  
League of Minnesota Cities

A handwritten signature in black ink that reads 'Daniel Lightfoot'.

Daniel Lightfoot  
Intergovernmental Relations Representative  
League of Minnesota Cities