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April 15, 2015

The Honorable Dean Heller
324 Hart Senate Office Building
United States Senate
Washington, DC 20510

The Honorable Michael F. Bennet
458 Russell Senate Office Building
United States Senate
Washington, DC 20510

Dear Senators Heller and Bennet:

In this challenging budget environment and the bipartisan call for meaningful tax reform, the Indiana Apartment Association which represents more than 220,000 professionally managed multifamily units across the state, believes it is critical to convey how important it is to retain the 20% federal Historic Tax Credit (HTC) which has successfully transformed and revitalized communities here in Indiana and across the country. Weakening or eliminating the credit would endanger the economic viability of nearly all historic rehabilitation projects. Having heard from members utilizing the HTC we believe it is essential to the financing of these challenging buildings that would otherwise remain vacant eyesores. Many of these projects become anchors for catalytic revitalization of a once depressed area of town. As discussions of tax reform progress, we encourage the Senate Finance Committee and Community Development and Infrastructure Working Group to support retention of the Historic Tax Credit because of the economic benefits it brings to Indiana cities and main street communities.

From the multifamily industry's perspective we cannot stress enough that this tax credit is a very important tool in the toolbox for local community economic development projects which otherwise would not be economically feasible. Incentives like the HTC help to support investments while creating economic development opportunities which in turn generate taxes that otherwise do not exist. From 2001-2013 the HTC has helped finance 145 projects in Indiana with \$717 million in total development costs.

It is our understanding that over half of the HTC projects are smaller projects that earn under \$1 million in credits. Over successive sessions of Congress, the Creating American Prosperity through Preservation (CAPP) Act has been introduced in the House and Senate. This bill provides for greater targeting of smaller Main Street-scale properties which are typical in Indiana; removes the federal income tax on state historic tax credits; and make it easier for nonprofits to sponsor the rehabilitation of historic buildings that cannot be tackled by for profit

developers. If the HTC is retained in the tax code, these suggested improvements would make this federal incentive even more efficient and effective.

Thank you for the opportunity to submit these comments.

Sincerely,

A handwritten signature in black ink that reads "Lynne Petersen". The signature is written in a cursive, flowing style.

Lynne Petersen
President
Indiana Apartment Association

CC:

Senator Dan Coats
Senator Joe Donnelly