



NEW YORK STATE SENATOR

David J. Valesky

## Senator Valesky Sponsors Bill to Expand Historic Property Rehabilitation Tax Credits

DAVID J. VALESKY March 10, 2009

State Senator David J. Valesky (D-Oneida) recently introduced legislation which would make it easier for individuals and developers to rehabilitate historic properties.

The bill (S2960) would amend the tax code with the intention of creating an economic stimulus in distressed communities. There is currently a large inventory of vacant, underutilized and deteriorating historic property, much of which is located in Upstate urban areas. Rehabilitation of these properties would improve quality of life in distressed neighborhoods and provide much-needed economic stimulus by creating new jobs.

“This bill is an important stimulus for rebuilding our cities and developing our urban cores,” said Senator Valesky, Vice President Pro-Tempore of the New York State Senate. “Upstate cities have too many beautiful historic buildings that are in need of renovation. Expanding the tax credit will make it easier for private investors and corporations to invest in these renovations, improving our neighborhoods and property values.”

“This tax credit has been proven in other states to be highly effective at stimulating private investment and promoting urban revitalization,” said Robert M. Simpson, president and CEO of the Metropolitan Development Association of Syracuse and Central New York. “The legislation would provide for a predictable and fiscally responsible stimulus at a time when

New York State's cities need it most.”

The legislation focuses on both residential and commercial property. The higher level of incentive is designed to meet the gap in project financing faced by projects in distressed communities.

Tax credits on 20 percent of rehabilitation costs would be allowed for commercial properties in distressed areas. The state-level credits would be paid over five years and could also be combined with federal credits. The bill would also allow tax credits to be allocated within business partnerships, encouraging more investment from developers and out-of-state financing to spur project development.

Funding available for these projects would rise from \$100,000 to \$5 million during the course of the program, which lasts five years.

“It is my hope that through this bill, developers will begin projects that have been on hold or that have not been considered due to difficult economic conditions,” Senator Valesky said. “New projects represent jobs for architects and contractors, and increased income for suppliers.”

Through the legislation, the cap on residential credit values would be doubled from \$25,000 to \$50,000. Additionally, the rehabilitation tax credit would be offered as a rebate, providing strong financial incentive to homeowners while protecting them from significant income tax liability.

Eligible properties must be located within a census tract which was identified at or below 100 percent of the state median family income in the federal census.

A companion bill (A6471) was introduced by Assemblymember Sam Hoyt (D-Buffalo, Grand Island).

Senator David Valesky represents the 49th Senate District, and is Vice President Pro-Tempore of the New York State Senate.