



Debt and Equity Market Updates



Supply-Demand Analysis of Tax Credit Equity Pricing

In-depth look at size of overall tax credit equity market and how changes—and proposed changes—affect overall market and specific incentives

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Renewable energy among tax incentives now eligible for proportional amortization method of accounting. It's a significant change.

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Legislative Update: Patrick Robertson and the HTC-GO Act



CINDY HAMILTON, HERITAGE CONSULTING GROUP

In continuation of our conversations with Patrick Robertson of Confluence Government Relations, we sat down again to discuss the new Congress and the current status of the Historic Tax Credit Growth and Opportunity (HTC-GO) Act. Robertson, who leads the Historic Tax Credit Coalition (HTCC) government relations effort, oversees the legislative lobbying efforts for historic tax credits (HTCs).

Earlier this year, HTC-GO was reintroduced in both houses of Congress. At the end of last year, HTC-GO reached new heights in the Senate and House of Representatives, gaining the bill's highest levels of support. The 2023 iteration of the bill maintains the key components of last session's bill, including a 30% credit for smaller projects, a basis adjustment elimination, a decrease in the substantial rehabilitation test threshold and an increase in eligibility of historic properties.

As the new Congress takes shape, HTC-GO is regaining bipartisan support in both houses.

The following is a continuation of our interview with Robertson:

Q: Why is the HTC-GO bill needed?

A: Congress has not significantly improved the HTC since tax reform in 1986. In the 37 years since, market dynamics have changed, other tax incentive programs have improved, American building stock has changed, the regulatory process has dramatically shifted and the economy and end-use of rehabilitated buildings has transformed. Meanwhile, the HTC has stayed the same, except for some legislative changes, administrative decisions and rulemakings that have made the credit less valuable and harder to use.

The improvements in HTC-GO are, at the time of this writing, the most impactful and politically feasible changes to the program to help counterbalance the changes of the last four decades.

Q: What is the status of HTC-GO?

A: When Congress adjourned sine die in December, ending the 117th Congress, any bills that had not been signed into law disappeared. As a result, members of the House and senators needed to reintroduce any bills in the new 118th Congress, which started in January. Our champions went to bat, quickly, to signal their continued support for improvements to the HTC.

In March, Representatives Darin LaHood, R-Illinois, and Earl Blumenauer, D-Oregon, and Sens. Ben Cardin, D-Maryland, and Bill Cassidy, R-Louisiana, introduced the HTC-GO Act (H.R.1785/S.639). The House and Senate bills include four permanent provisions that will add value to the HTC, improve access to the credit and increase investment in smaller rehabilitation projects. The House bill also includes a provision that will temporarily increase the amount of the tax incentive to help address the significant challenges currently facing historic rehabilitation projects throughout the nation. As of mid-May, the legislation has 20 co-sponsors in the House and seven co-sponsors in the Senate.

Q: What is the current level of support for the bill?

A: Last year we reached historic levels of support—12 Senate co-sponsors and more than 100 in the House. We are working diligently this year to reach and surpass those levels, but to do so we need the help of all HTC industry leaders. Since it is so early in the new Congress and each Congress sees a great deal of turnover, it takes some time to add co-sponsors, but the most effective way is to introduce legislators and their staff to your projects and tell them why HTC-GO will help current or future HTC projects.

Q: What was the advantage of reintroducing the same legislation?

A: When HTCC leadership began speaking with House and Senate leaders on the HTC, they made it clear that reintroducing the same bills they supported last year would be an efficient and expedient way to begin rebuilding the historic level of support our priorities enjoyed in the last Congress. While the Coalition is meeting regularly to discuss potential new improvements to the HTC, this Congressional placeholder is irreplaceable as a way for Congress members to show their support for the HTC.

Q: What is the HTCC and why is it leading this effort?

A: The HTCC is the only national group dedicated solely to the preservation and enhancement of the federal HTC. It is a national nonprofit comprised of a variety of stakeholders who use the credit, including architects, developers, preservation consultants, syndicators, investors, lawyers, accountants and preservationists.

The board and members of the HTCC developed and advocated for the HTC-GO Act and also are in regular communication with the Internal Revenue Service and National Park Service—the two primary regulators of HTC projects. To learn more about the Coalition, please visit www.historiccredit.com.

Q: What has the HTCC been doing to engage legislators?

A: The coalition, through its lobbyists and its members, is in constant contact with both our champions and rank-and-file members of the Congress. We start the year with a priority list of previous supporters, members with a high level of HTC activity, members of the Historic Preservation Caucus, and other like-minded members. We hosted a Lobby Day this spring that saw dozens of HTCC members descend on Capitol Hill to ask Congress to pass the HTC improvements in the HTC-GO bill.

Q: What can stakeholders do to assist in securing support?

A: Ask.

In all seriousness, the surest way to get a representative or senator to co-sponsor legislation is to reach out to them and ask them to add their name to the list of supporters. You can do this by hosting a site visit, coming to an industry Lobby Day, calling or emailing your representatives in the Congress, or mentioning it when they are out and about in the community. Lobbyists in Washington can talk until they are blue in the face—and they often do—but legislators respond to the people they represent.

If you are interested in advocating, reach out to the Historic Tax Credit Coalition at coalition@historiccredit.com or visit our website to find more information on the most effective ways to reach out. The website also hosts state and local maps, talking points, and other helpful resources.

Patrick Robertson

Patrick Robertson is the principal of Confluence Government Relations, a full-service government affairs and business advisory firm based in Washington, D.C. Since 2009, Robertson has served as the government relations consultant for the HTCC, engaging with members of Congress and the various presidential administrations on the importance of

the HTC as a job creator and economic development tool. Robertson oversees the day-to-day operations of the HTCC and assists in strategic planning and

the development of legislation to continue to improve upon and expand the HTC. ❖

Cindy Hamilton is president of Heritage Consulting Group.

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This article first appeared in the June 2023 issue of the Novogradac Journal of Tax Credits. Reproduction of this publication in whole or in part in any form without written permission from the publisher is prohibited by law.

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