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Raising Awareness: Thoughts from Rep. Darin LaHood, a Champion of the HTC



CINDY HAMILTON, HERITAGE CONSULTING GROUP

This month's article features a written interview with historic tax credit (HTC) champion Illinois Rep. Darin LaHood, about his support of the HTC, the coming tax debate and how advocates can work to ensure the credit is improved.

Q: Rep. LaHood, you've been a longtime supporter of the HTC. As a member of the House Ways and Means Committee, you've been one of the lead sponsors of the Historic Tax Credit Growth and Opportunity (HTC-GO) Act for multiple Congresses. What first drew you to the HTC and why have you been such a longtime champion?

A: My passion for the HTC and for historic preservation comes primarily from my district and where I grew up in central Illinois. I was born and raised in Peoria, Illinois, and come from a part of the state that is rich with history—we have historic landmarks such as the homes of Abraham Lincoln, Ronald Reagan and Ulysses S. Grant, along with many historic towns like Springfield, our state capital; Galena; Eureka, and Dixon.

In Illinois, I've seen firsthand the positive impact that the HTC has on economic development on local communities. For several Congress' now, I have been proud to co-lead the HTC-GO Act in the House alongside Rep. Earl Blumenauer of Oregon.

Our bill modernizes the HTC, making it a more attractive incentive for rehabilitation projects of any size. The bill would increase the credit value temporarily for large projects and permanently for small-scale projects, helping to mitigate many of the financing challenges we are seeing across the country. Additionally, the bill makes common-sense reforms to building eligibility and tax-exempt projects to expand opportunities where the credit can be used.



Image: Courtesy of the Office of Rep. Darin LaHood
Rep. Darin LaHood, R-Illinois

Our bill has garnered significant, bipartisan support, with more than 65 cosponsors from districts across the country.

Q: We have read all about the House Republican Ways and Means Committee Tax Teams, especially the Community Development Tax Team, on which you serve. Can you give us an update on the tax team, what it has learned and where it is headed?

A: Chairman Rep. Jason Smith stood up these tax teams earlier this year to provide an opportunity for the Republican members on the Ways and Means Committee to take a deeper dive into various areas of tax policy ahead of the larger tax negotiations next year. The Community Development Tax Team, led by Rep. Mike Kelly of Pennsylvania, is looking at ways to strengthen various tax incentives aimed at reinvestment in our communities, housing and local economic development. These tools include the HTC, low-income housing tax credit, new markets tax credit and opportunity zones incentive.

We've had several member briefings over the last few months, taking a deeper dive into these incentives to better understand how each of them works, how they interact with each other and what proposals currently exist to strengthen them for the future. The tax team members all recognize that it is critical that we preserve and strengthen as many of these financial tools as we can to promote economic growth in our communities.

Q: Chairman Smith has called 2025 the “Super Bowl of Tax.” What do you predict for 2025 in general and specifically for the HTC?

A: Next year really will be the “Super Bowl of Tax” with much of the Tax Cuts and Jobs Act of 2017 set to expire at the end of 2025. We are looking at roughly \$4.5 trillion in tax policy that will be up for debate and will drive the Congressional agenda right out of the gate in January. With both chambers of Congress and the White House up for grabs in the November elections, whether we will be in a divided government or one-party control will dictate the contours of the debate on tax policy.

One advantage we have with the HTC-GO Act is that it continues to be an incredibly bipartisan bill, with strong support in both chambers of Congress by both Republicans and Democrats, and I remain confident that we can continue this bipartisan success into next year.

Q: How can HTC advocates best tell Congress about the credit and what messages resonate best with your colleagues?

A: I always remind folks of the old adage that all politics is local. It's one thing to meet with a member of Congress or their staff and explain how the HTC works and why it needs to be preserved or strengthened, but providing specific examples of individual properties or areas within their congressional districts or states that benefit from the HTC can change the conversation entirely.

I also believe that a winning message on the HTC is that the credit is a proven tool we know can make a significant impact in any type of community, whether that be rural, suburban or urban. Many tax policy proposals come across my desk that are brand new ideas that may or may not actually achieve the goal the proposal is trying to solve. The HTC, on the other hand, has been around for 40-plus years and we have an abundance of data and examples of how the credit builds continued economic development and growth.

Q: Thank you so much for your willingness to do this interview. We so appreciate all your leadership on the HTC. Is there anything the community can do to help you improve the credit?

A: Member education and awareness is critical when it comes to building support for policy proposals, especially when it comes to tax incentives that may not be well understood by members of Congress. Continuing to engage with members of Congress and their staffs, inviting them to visit historic properties in their districts/states, and ensuring they understand the importance of the HTC will go a long way to protecting the credit's success in 2025 and beyond. ♦

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