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# A LOOK AT THE YEAR AHEAD



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# A Look at the Year Ahead: Navigating Opportunity and Uncertainty in Tax Credit Legislation and Historic Preservation Policy



CINDY HAMILTON, HERITAGE CONSULTING GROUP

With one month of 2026 already in the books, many new year's resolutions have begun to lose their vigor. In their place, uncertainty inevitably seeps in as we face—and try to plan for—the year ahead. Yet, when it comes to the world of historic tax credit (HTC) legislation and historic preservation policy, there is still cause for future-looking optimism. After all, any sense of uncertainty also leaves space for possibility and opportunity.

As Congress sorts through its broader tax and budget priorities, the current fluidity of the HTC incentive allows investors and developers to help shape the conversation, prepare strategically for next steps and position their projects for success. With thoughtful planning, stakeholders can create new openings for preservation and development innovation, advocacy and alignment in 2026—even if this new year does not bring total resolution.

## Legislative Landscape: Multiple Paths Forward

Congress has yet to unite around a specific tax package, and at present, there is no version of an HTC “enhancement package” on a path to passage.

Nevertheless, given the HTC's decadeslong track record, congressional leaders continue to express interest in expanding and strengthening community development incentives. Even if the current legislative session does not address the expansion or enhancement of HTCs, industry leaders are still forging the partnerships to pursue meaningful revisions in 2027 and beyond.



*Image: Courtesy of Heritage Consulting Group*  
Patrick Robertson is the advocacy lead for the Historic Tax Credit Coalition.

“In the fourth quarter of 2025, the Historic Tax Credit Coalition (HTCC) held a series of meetings with congressional leadership on both sides of the aisle to promote the Historic Tax Credit Growth and Opportunity (HTC-GO) Act,” said Patrick Robertson of Confluence Government Relations and advocacy lead for the HTCC. “We received only positive feedback on the bill’s provisions and the moderate cost of the changes.”

By sustaining this conversation with legislative officials, HTCC advocates have ensured that HTC issues remain congressional priorities as the House and Senate come to terms on their next big bill.

In the meantime, Congress may still find ways to introduce smaller technical improvements or clarifications as part of other tax legislation, streamlining administrative efficiency and offering more predictability in anticipation of more substantial HTC enhancements in the future. With so many policy pathways available, industry practitioners have room to strategize, advocate and prepare to adapt swiftly once the legislative signals become clearer.

### **Regulatory Considerations: A Chance for Clarity and Modernization**

Even without congressional action, the Internal Revenue Service (IRS) and Department of the Treasury can modernize the HTC and address technical questions by issuing definitive signals on regulatory updates. As federal agencies contend with competing priorities, regulatory modernization remains an ongoing theme across the federal government. By issuing incremental clarifications—whether narrow or broad—the IRS and Treasury can help reduce transactional friction between agencies and expand the accessibility of the HTC. In the coming year, stakeholders can articulate their needs and help shape future guidance from these key federal players.

“The coalition’s IRS Committee is meeting early in the year to discuss possible regulatory changes to the credit,” Robertson said. “Meanwhile, Treasury is working feverishly to implement the provisions of last year’s reconciliation package of tax changes.”

The result, Robertson said, is that with implementation well in hand, Treasury will be able to seize the opportunity to address other items of importance, including HTC technical guidance. In the interim, practitioners who focus on flexible structures and scenario planning can anticipate and accommodate a range of regulatory outcomes.

### **The Historic Preservation Fund: A Critical Resource with Growing Visibility**

As with so many other aspects of funding appropriations, the Historic Preservation Fund (HPF) entered 2026 with substantial uncertainty; this has had cascading effects for HPF-supported state historic preservation offices (SHPOs), tribal historic preservation offices (THPOs) and other foundational preservation programs. However, recent years have demonstrated that Congress is not only aware of the HPF, but supports its activities on a bipartisan basis. The fund’s demonstrated impacts on economic development, cultural resource protection and community revitalization have had measurable results in every state and most congressional districts. This heightened visibility has created new opportunities for advocacy and education, particularly as federal leaders consider preservation’s role in tourism, housing development and Main Street economic vitality.

Even if appropriations remain unpredictable this year, the preservation community is well-positioned with numbers and narratives to highlight the HPF’s value. This clear messaging, carried out by the HTCC’s Advocacy Committee and other partners, demonstrates how bipartisan support for preservation can strengthen the

program and maximize the federal government's return on investment.

### **Workforce Capacity: Challenges That Inspire Innovation**

“Last year saw the largest cuts in the federal government in multiple generations,” Robertson said. Staffing constraints and budget cuts at the National Park Service (NPS), SHPOs and THPOs have created pressures on the HTC and National Register programs, as developers seek more approvals from fewer people. Robertson predicts, however, that 2026 will have some mitigating effects from the changes of last year. “This year will likely bring a rebalancing and reallocation of resources to ensure that the government can continue to perform the functions that the Trump administration wants to see,” he said.

In many cases, this rebalancing has sparked renewed focus on process improvements within these agencies, as the remaining staff modernize their tools and coordinate in new ways across review teams. In turn, agencies have seen benefits from digital efficiencies and increased communication. The net effect for Technical Preservation Services (as one example) is a review timeframe that has remained relatively steady at 30 days or less, even amid staffing turnover over the last year.

For practitioners, this moment offers an opportunity to build stronger relationships with review offices. Moreover, with new procedural efficiencies, development teams can improve the quality of their submissions. Thus, working in partnership with agency officials, industry leaders can support and implement the efforts that help to streamline the entire system.

### **Section 106: Potential Adjustments and the Opportunity for Advocacy**

The Section 106 process—which requires federal agencies to assess the effect of their undertakings on historic properties, to consult with stakeholders and provide

a chance for comment before action—remains a pillar of federal historic preservation review in 2026. While discussions about “streamlining” or “modernizing” the process continue, the preservation community has a strong and unified voice in shaping any reforms to Section 106; this clear advocacy has helped congressional leaders and the public alike to better understand the process. Many policymakers appreciate that thoughtful reviews protect community character, cultural resources and long-term economic value. Thus, any proposals that might affect Section 106 in the coming year will give preservation and development stakeholders an opportunity to demonstrate the value of high-quality review for economic growth and resource stewardship.

### **Planning in the Fog: Turning Uncertainty into Strategic Advantage**

With legislative, regulatory, funding, workforce and policy factors all in motion, the most successful organizations will be those that focus on the dynamics that can be controlled. Strong communication with review agencies, flexible deal structuring, realistic scheduling and close monitoring of state-level HTC incentives all strengthen a project's ability to weather uncertainty. The year ahead offers an opportunity to sharpen internal processes, build new partnerships and prepare for what could be a pivotal legislative year in 2026.

“Every new year in Washington and state capitals across the country brings opportunity as priorities change, legislation shifts and the players change,” Robertson said. “As the calendar turns, those that succeed in advancing their priorities will be the groups that execute a concerted, targeted advocacy effort and create a narrative of need.”

To help HTC stakeholders realize these goals, the HTCC has an active plan to mobilize its constituents and raise the coalition's profile just as Congress and the administration finalize their 2026 agendas.

## Conclusion: A Year for Agility, Collaboration and Opportunity

The groundwork being laid now—in Congress, federal agencies and across the preservation field—may help shape some of the most meaningful advances to the HTC program in years. By preparing for a range of scenarios, engaging proactively with policymakers and

strengthening their internal planning, practitioners can position themselves to take full advantage of whatever the coming year brings, seizing opportunity from uncertainty. As this new year progresses, adaptability and optimism may offer the most valuable resolution of all. ❖

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*Cindy Hamilton is president of Heritage Consulting Group.*

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CORRESPONDENCE AND EDITORIAL SUBMISSIONS

**Teresa Garcia****teresa.garcia@novoco.com****925.949.4232**

ADVERTISING INQUIRIES

**Christianna Cohen****christianna.cohen@novoco.com****925.949.4216**

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