

**Written Testimony, HB 2763**  
Brenda Spencer, Friends of Historic Preservation  
House Committee on Taxation  
March 14, 2012

The Friends of Historic Preservation - a coalition of preservation advocates, developers, architects, engineers and investors who are working to revitalize Kansas downtowns and redevelop historic properties – opposes HB 2763 and supports maintaining Kansas' historic tax credit program in its current form.

Our Governor has challenged Kansans to make this decade the decade of economic growth and job creation. The historic tax credit program is an engine of job creation and a vital catalyst to attract capital to our state and efficiently drive rural development.

Because historic preservation is 50% more labor intensive than new construction, historic rehabilitation projects create more jobs – jobs that cannot be out-sourced. During the most recent recession, when new construction virtually ceased, a growing number of rehabilitation projects created much-needed private-sector jobs. The projects would not have moved forward without Kansas' historic tax credit. In the past decade, the Kansas historic tax credit program has created nearly 15,000 jobs and had an economic impact of approximately \$700 million. In 2011 alone, the historic tax credit program was directly responsible for 2,000 or 18% of the 11,000 net private-sector jobs created in our state

Historic tax credits are also an engine of capital investment and rural development. In towns and cities throughout Kansas where market rents are low, rehabilitation projects are not financially feasible. The Kansas historic tax credit attracts the capital necessary to fill the gap and allow the projects to get done.

By eliminating the state income tax, HB 2763 would eliminate the mechanism for leveraging financing for these labor-intensive rehabilitation projects.

Thank you for your consideration.