

Wisconsin Historic Tax Credit Program

Low Risk- High Return

- The Wisconsin Historic Tax Credit (HTC) program is a **low risk–high return** program. The credit is fully repaid by the end of the fourth year after construction is completed, and over a 10-year period the state gets an **\$8 to \$1 return on investment**.
- **Communities small and large are benefitting** from development supported by the credit. In fact, there's an emerging trend of more small communities benefitting from historic tax credit projects. In 2016, 67 percent of all such projects were in smaller communities, up from 46 percent in 2015 and 39 percent in 2014.
 - **Smaller communities benefitting** from the credit, include Plymouth, Superior, Fond du Lac, Evansville, Platteville, Darlington, Waupaca, Wausau, Prairie du Chien, La Crosse, Manitowoc, Watertown, De Pere, Oshkosh, Neenah, and Kenosha. In 2016, 38 projects received approvals to proceed, 30 of which were in cities other than Madison or Milwaukee.
- **The state benefits immediately.** While a credit is not paid until a project is completed, tax revenue is generated immediately during the construction period. Credits issued to development projects between 2014 and 2016 are projected to generate more than **\$600 million in economic output**, more than \$90 million in new state tax revenue, while generating more than 10,000 new construction jobs.
- The credit stimulates an **increase in property values**. Reviewing tax records and mill rates for 118 projects using the credit between 2014-16, more than \$3 million in various state and local property taxes were paid on properties assessed at a total of more than \$113.1 million at the start of their redevelopment. Upon completion, it is estimated the properties will have a cumulative property tax assessment value of approximately \$687.1 million and will pay more than \$19.1 million in state and local property taxes.
- The credit is playing a significant role in **reducing blight** and opening the door for new utilization of older buildings in communities. In 2014, **60% of all projects using the credit were vacant more than 20 years**. These projects would not occur without the historic tax credits and the buildings will continue to blight their communities.
- The credit is **stimulating development** throughout the state. Since 2014, when the credit was elevated from 5 percent to 20 percent of expenditures on qualified rehabilitation projects of historic buildings, Wisconsin has experienced a **67 percent increase** in redevelopment of such properties.
- The credit also helps **create jobs**. More than 10,000 full-time construction jobs will be generated on projects started between 2014-16, and nearly 5,000 full-time jobs created once those projects are operational after construction.