Federal Historic Tax Credit Fact Sheet

The Federal Historic Tax Credit (HTC) is a 20% credit applied to qualified rehabilitation expenses for certified historic structures distributed over 5 years (4% per year). It represents, by far, the largest federal investment in historic preservation.

- The HTC encourages private investment in historic buildings. The credit attracts private capital—approximately $181 billion since inception—to revitalize often vacant and underutilized properties that have a financing gap between what banks will lend and what rehabilitation will cost.

- The credit generates new economic activity. According to the National Park Service HTC Impact Report (2021), since its inception, the rehabilitation of over 47,000 historic buildings has created nearly 3 million jobs and has produced over 185,000 low- and moderate-income affordable housing units.

- The NPS 2020 study concluded that the HTC returns more to the Treasury than it costs. The HTC has generated $39.4 billion in federal tax revenue from the $34.3 billion in federal tax credits.

- According to the HTC FY2020 Annual Report (NPS), 75% of HTC projects were in economically distressed areas.

- Thirty-nine states recognize the economic development potential of historic rehabilitation and have enacted individual state HTC programs that work in tandem with the federal program.

- The credit is used in both larger urban areas and smaller towns. In 2020, 40% of projects were in communities with populations under 100,000.

- According to the NPS HTC Annual Report in 2021, approximately 47% of projects are under $1 million in rehabilitation development costs (less than $200,000 in credits).