

The Failure for a Successful Program: Historic Tax Credits

by Senator Jon Erpenbach, 27th Senate District

Drive through a quaint renovated small village or town in Wisconsin and you are likely seeing a downtown renovated with Historic Tax Credits. In my opinion the Historic Tax Credit is the most successful rural and small town economic development program administered by Governor Walker's Wisconsin Economic Development Corporation (WEDC). As the Legislature considers venturing into the great unknown on high tech manufacturing with checks from our taxpayers for 15 years, that same Republican majority is planning to cap the Historic Tax Credit program.

This cap is defended as needed as an austerity measure. But clearly these budget cuts are not needed elsewhere. The Republican compromise budget announced by Senator Fitzgerald earlier this summer caps total spending on the Historic Tax Credit at \$20 million and limits the funding a project can receive at \$5 million. These limits will have a significant impact on the program's success.

In 2014, 60 percent of the Historic Tax Credit projects renovated buildings that had been vacant for more than 20 years. The return on investment for taxpayer investments in the Historic Tax Credit has been proven to be 8 to 1. Capping the program will jeopardize projects that will revitalize our communities and provide a known payback to taxpayers. I have heard from local leaders from all over the state and the 27th Senate District asking to leave the program alone, so I know other Legislators have received contact as well.

I cannot figure out why Governor Walker has continually tried to kill this program and why Republican Legislators would consider allowing it to happen. 2016 brought 38 projects into the Historic Tax Credit. Projects all over Wisconsin including Plymouth, Superior, Fond du Lac, Evansville, Platteville, Darlington, Waupaca, Wausau, Prairie du Chien, La Crosse, Manitowoc, Watertown, De Pere, Oshkosh, Neenah and Kenosha. I know of projects in the works in the 27th District as well.

In the last three budgets the Historic Tax Credit destruction has been defeated, but it appears we are at the cusp of a "victory" for Governor Walker limiting the Historic Tax Credit for communities all over Wisconsin in planning phases for redevelopment. I truly hope that the final budget will save the Historic Tax Credit again and deter those that wish to punish communities that are working to redevelop their downtowns.

Please contact members of the Legislature and ask them to support the Historic Tax Credit as current law in the state budget. **The Legislative Hotline is (800) 362-9472 or you can email from the Legislative website: <http://legis.wisconsin.gov/>**