TAX CREDIT ANALYSIS

Program Name: Historic Preservation (HTC)

Department: Economic Development | **Contact Name & No.:** Nathan Potter 522-8006 | **Date:** October, 2012

Program Category: Redevelopment | **Type:** Tax Credit X Other (specify)____

Statutory Authority: 253.545 -253.561, RSMo | **Applicable Taxes:** Income tax, bank tax, insurance premium tax, other financial institutions

Program Description and Eligibility Requirements:

25% credit issued for qualified rehabilitation costs on historic structures. Individuals, organizations and businesses which have a Missouri liability are eligible to apply.

Explanation of How Award is Computed: Entitlement X Discretionary ____

Applicant applies to DED at beginning of project to receive preliminary approval. Along with application requirements, proposed work is reviewed by DNR SHPO. After work is complete, applicant files second application along with proof of expenses. Credits are issued after project has met program requirements and work is complete. This is a fiscal year program.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____X____ None

Explanation of cap:

January 1, 2010 - June 30, 2010 cap is $70M; Beginning FY 11 cap is $140M /FY. Projects not under cap: Owner-occupied residences (capped at $250,000 in credits) and projects to receive $275,000 in credits.

Explanation of Expiration of Authority: 253.550, RSMo

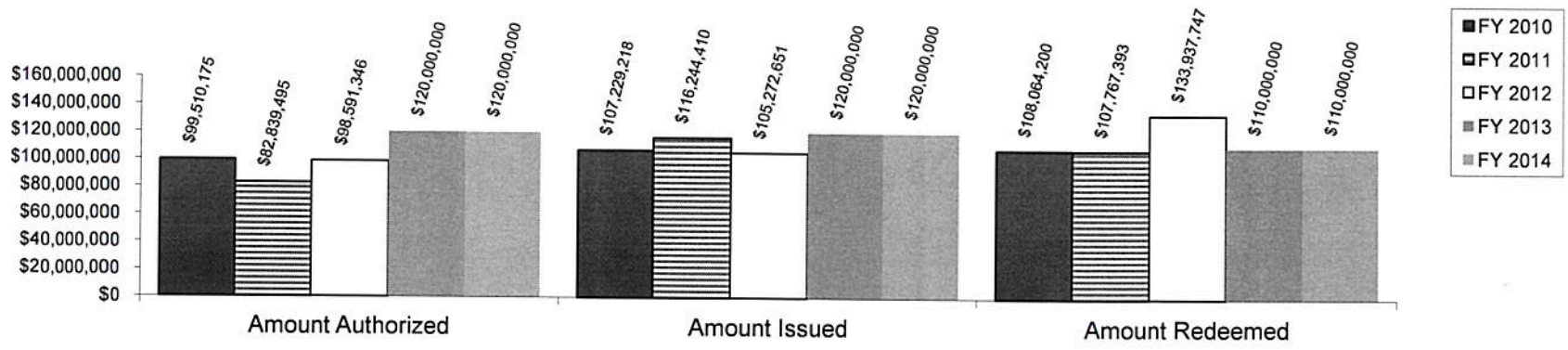
Specific Provisions: (if applicable)

Carry forward 10 years Carry Back 3 years Refundable ____ Sellable/Assignable X Additional Federal Tax Credits Available X

Comments on Specific Provisions: 20% Federal Historic Credit

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 (current year)	FY 2014 (budget year)
Certificates Issued (#)	219	161	178	250	200
Projects (#)	219	161	178	250	200
Amount Authorized	$99,510,175	$82,839,495	$98,591,346	$120,000,000	$120,000,000
Amount Issued	$107,229,218	$116,244,410	$105,272,651	$120,000,000	$120,000,000
Amount Redeemed	$108,064,200	$107,767,393	$133,937,747	$110,000,000	$110,000,000
EST. Amount Outstanding	N/A	N/A	$106,985,608	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	$237,995,156	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



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Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2012 ACTUAL	Other Fiscal Period 10-Year
BENEFITS		
Direct Fiscal Benefits	$315,092	$5,471,820
Indirect Fiscal Benefits	$1,935,093	$33,604,418
Total	$2,250,185	$39,076,238
COSTS		
Direct Fiscal Costs	$26,291,026	$95,948,811
Indirect Fiscal Costs	$0	0
Total	$26,291,026	$95,948,811
BENEFIT: COST	**0.09**	**0.41**

Derivation of Benefits:

Investment: (a) $168,769,464 in Residential Spending between 2012-2016, (b) $225,595,920 in Non-residential Investment Spending in 2012-2016.

Employment: (a) 2,397 jobs across various industries in local competitive markets at average wage rates in 2012-2021.

Other Assumptions: (a) real wage growth starting in 2013.

Incentives/Credits: (a) $98,591,345.91 in authorized Historic Preservation Tax Credits, redeemed between 2012-2016.

Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED.

The multi-year fiscal Benefit-Cost Ratio is 0.36 when other program incentives are included.

Other Benefits:

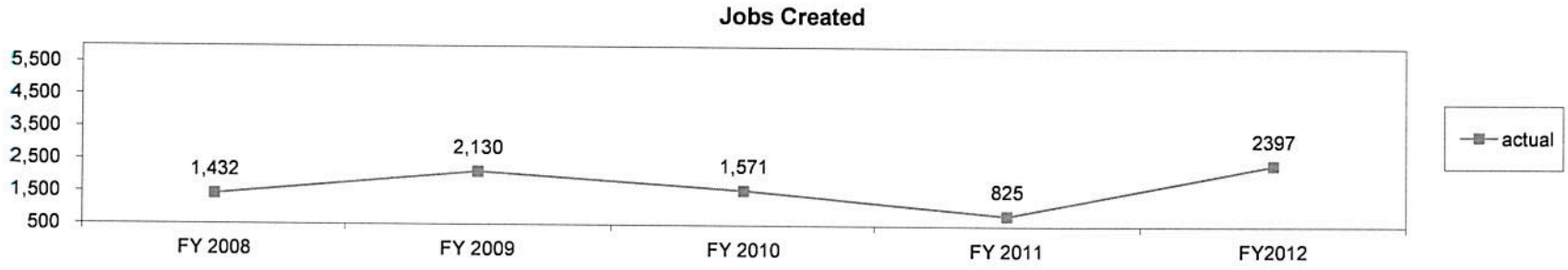
In FY 2012, every dollar of authorized program tax credits returns

$1.20 in new personal income totaling	$31.52 million
$2.23 in new value-added/GSP totaling	$58.65 million
$3.65 in new economic output totaling	$96.04 million

Over 10 years, every dollar of authorized program tax credits returns

$8.41 in new personal income totaling	$806.95 million
$14.35 in new value-added/GSP totaling	$1,377.29 million
$22.50 in new economic output totaling	$2,158.84 million

PERFORMANCE MEASURE(S)



Comments on Performance Measure:

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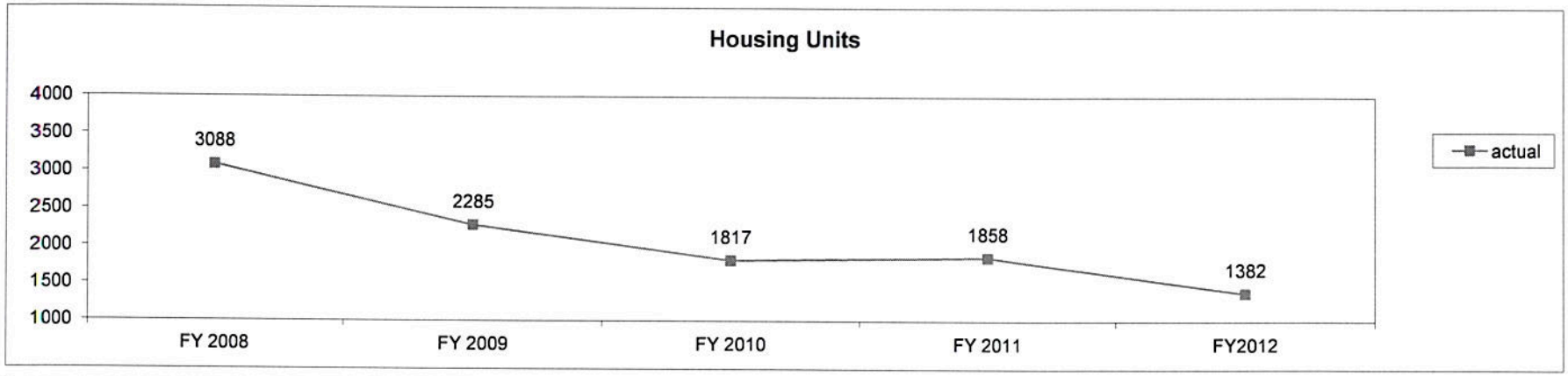
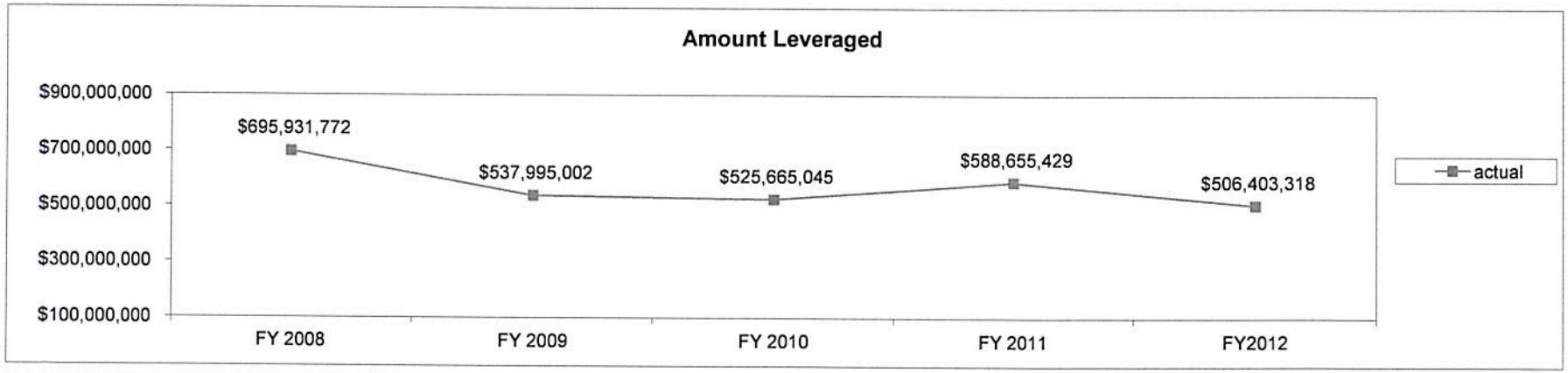


Comments on Performance Measure:



Comments on Performance Measure: