



October 11, 2021



# Main Street Monday!

## Kentucky General Assembly to begin 2022 session on Jan. 4

FRANKFORT – State lawmakers have finalized a calendar for the 2022 Regular Session with plans to convene the General Assembly on Jan. 4 and adjourn April 14.

The session is scheduled to last 60 days, the maximum allowed under the state constitution in even-numbered years. Lawmakers will have until Feb. 28 to introduce bills in the House and March 2 to introduce bills in the Senate.

The General Assembly will not meet on Jan. 17 in observance of Martin Luther King, Jr. Day or on Feb. 21 in observance of Presidents' Day. The calendar also provides a 10-day veto recess from March 31 through April 12, a time when lawmakers typically return to their home districts to await possible vetoes from the governor.

More info on state historic tax credits:

<https://forum.savingplaces.org/learn/fundamentals/economics/tax-credits/state-htc>

Here are the tax credit maps!

<https://forum.savingplaces.org/viewdocument/historic-tax-credit>

<https://www.preservecast.org/2021/09/27/merrill-hoopengardner/>

<https://www.mainstreet.org/blogs/national-main-street-center/2021/09/28/main-street-advocacy-alert-opportunity-to-improve>

**Historic Tax Credits** Why are they important to you and your Main Street? Many of our KYMS communities have benefited from the use of these credits along with our state credit to revitalize their downtowns. Returning historic buildings to their former grandeur is a win-win for the city and the citizens.

The National Main Street program is working closely with partners to provide information and advocate for changes that will benefit communities across the US. Today we are providing some educational information for you to see how these credits work and where you can find more information.

Preservation and rehabilitation tax credits are intended to serve as financial incentives to encourage private investment in historic buildings. The Kentucky Heritage Council (KHC) administers both the Kentucky Historic Preservation Tax Credit, in partnership with the Kentucky Department of Revenue, and the Federal Historic Rehabilitation Tax Credit, in partnership with the National Park Service (NPS). These incentives can often be used in tandem.

**Where does the money come from?** Federal dollars come from the Historic Preservation Fund. The HPF is uniquely structured, allocating a tiny percentage of **federal offshore drilling revenue (non-tax-payer dollars)** towards locating, protecting, and utilizing historic sites. Every year, since 1976, \$150 million has been deposited into the HPF account in the federal treasury – yet over \$3.3 billion has been spent elsewhere. With America's history disappearing all around us, it's time the HPF be utilized for its intended purpose of saving, not plundering, America's historic resources.

All across the country and in your local neighborhood, the Historic Preservation Fund (HPF) has helped to recognize, save, revitalize & protect America's historic places. For nearly forty years the HPF has built community education and pride, rescued and rehabilitated significant historic sites. It has created opportunities for economic growth, therefore making extremely effective the dollar-for-dollar return on investment Find more from <http://preservation50.org/>

It is important to note that money is spent on labor, supplies, and more *prior* to credits given. All work must meet the Department of Interior Standards for Rehabilitation. For more about KY's program and contact info. visit [heritage.ky.gov](http://heritage.ky.gov) More on page 2 & 6

## What changes are being considered for HTC?

### HTC ENHANCEMENTS: SIX PROVISIONS

1. Increase the credit from 20-30% for all projects for at least 5 years.
2. Elimination of basis adjustment.
3. Sustain the 30% credit amount for small projects
4. Modification of substantial rehabilitation definition.
5. Modifications of tax-exempt use leasing rules.
6. Enabling HTC to be used for public school buildings.

## Resources & Support from the National Main Street Center

### RESOURCES AND SUPPORT

- + Share on Social Media with #HistoricTaxCredit
- + Share sign-on form with your network:  
<https://support.savingplaces.org/page/28144/action/1?ea.trackid=Forum>
- + PreserveCast Podcast with Merrill Hoopengardner
- + Additional Resource Coming Soon!
- + Assistance with HTC Outreach:
  - Michael Phillips, [mphillips@ntcic.com](mailto:mphillips@ntcic.com)
  - Shaw Sprague, [SSprague@savingplaces.org](mailto:SSprague@savingplaces.org)
- + Main Street America:
  - Patrice Frey, [pfrey@savingplaces.org](mailto:pfrey@savingplaces.org)
  - Kelly Humrichouser, [khumrichouser@savingplaces.org](mailto:khumrichouser@savingplaces.org)

### OUTREACH ACTION STEPS

#### Review the provisions and craft your outreach message:

- Include a "thank you" for previous support of the Historic Tax Credit.
- Give local examples of projects that have or can be supported by the HTC and enhancements.
- Make a request: "We ask for your strong support of the HTC provisions included in the House Ways and Means Committee mark-up and urge your support for including these important provisions in the final budget reconciliation bill."
- Share the text of the House Ways and Means provisions.

#### Reach out:

- Call the office and ask to speak to the tax staffer OR
- Send a message via the Senator's website, using the "tax" or "taxation" issue area.

Just a few examples of tax credit properties



Downtown Guthrie before and after



Paducah City Hall



Downtown Middlesboro above, Downtown Georgetown to the left.

Tax credits can help change our downtowns for the better no matter their location.

Improved communities are good for the entire Commonwealth.





Join the Form-Based Codes Institute from Smart Growth America for a webinar **Monday, October 18th at 2 p.m. Eastern** exploring the new Zoned In report with opportunities to ask questions of the report authors. This webinar will also highlight the 2021 Driehaus Award winner. Learn more and register <https://smartgrowthamerica.org/>

The results are in: places that adopt form-based zoning codes generally perform better economically than places regulated by more conventional, Euclidean zoning—and there’s evidence that the former can also help foster more equitable development, according to new research released today by the Form- Based Codes Institute at Smart Growth America

[Zoned In: Economic Benefits & Shared Prosperity with Form-Based Codes](#) shows how form-based codes produce better economic outcomes, lead to positive impacts for equity and equitable development, and provide the best zoning and regulatory framework for good smart growth development.



Proceeds from the tours fund the Facade Grant Program of the LaGrange KY Main Street Program, helping to preserve historic buildings. Due to the potential spirit activity, all 100% genuine, tours are not recommended for children under 12.

Forum 2022 | July 13-17  
Save the date to join NAPC in Cincinnati next year.



New in Maysville! The Lamb's Ear Hippy Picker located at 231 Market Street. A phenomenal selection of antiques, arts and collectibles you can't find anywhere else. Stop in and explore the Hippy Picker







While ships are stuck in harbors it is a great time to shop your local independent retailers. Many of them carry items that are made locally. This might include a local artisan, a local farmer, a small manufacturer, lots of items can be found that support your friends and neighbors.

Everyone is still learning to navigate the changes that seem to occur daily. Local businesses have to constantly be flexible and ready for change. They have provided their customers with safe shopping experiences and continue to look out for the health and safety of others. They struggle to have enough staff and have worked long hours to be there for you. Now is a great time to continue supporting them and get a jump on your holiday shopping be it Halloween, Thanksgiving, Christmas, a wedding whatever the occasion they are waiting to assist you with your needs.



What is this you say??? Check in next week to learn more about this fun happening in downtown Paducah.



We have a new email address! Check us out.



The perfect picture spot in downtown Pikeville. This activated alley creates the perfect place to take a photo and promote #Pikeville. We love all the color and the public art that also hangs in the alley. Alleys can be great sources of inspiration & creativity along with economic vitality. How can you activate a space or 2 or 4 or more in your downtown?






**LOCALLY MADE MARKET**  
 26 KY HWY 52, BEATTYVILLE, KY

**HALLOWEEN  
EVENING MARKET**  
**THURS OCTOBER 14TH**  
**5:30-7:30PM**

Shop for Halloween Crafts, Jewelry & Baked Goods  
 at the Locally Made Farmers Market!  
 Treats for Kids! Halloween Photos!

**CHARACTERS FROM THE HAUNTED BARN  
WILL BE DANCING THE MONSTER MASH  
AND HANDING OUT TREATS!**




**October 15: Double Feature**  
**Pumpkin Painting for Kids starts at 6:00PM**



**Happy Halloween**  
**6:30PM**



**Psycho**  
**8:30PM**





**2nd Annual Haunted Trail**  
 Location: Lynch, KY "Walk of Legends"  
 Date: Oct. 29th and 30th.  
 Time: 7PM - 11PM  
 Admissions: \$5

Hot Chocolate and Coffee will be given out at the Depot Building Room at the start of the trail.  
 Hosted by: The Friends of Lynch

**HALLOWEEN COSTUME DANCE PARTY**  
*The Dead Ball*  
 APPALACHIAN CENTER FOR THE ARTS 2ND STREET, PIKEVILLE

**SATURDAY, OCT 23**  
**8PM 'til MIDNIGHT | CASH BAR**  
 21 & OVER

**TICKETS**  
 \$25 PRE-SALE • \$30 AFTER OCT 18  
[pikevillemainstreet.com](http://pikevillemainstreet.com)

HOSTED BY  
 PIKEVILLE MAIN STREET & THE APP  
 MINTA TRIMBLE, DIRECTOR: 606-899-2489 | [minta.trimble@pikevilleky.gov](mailto:minta.trimble@pikevilleky.gov)

**BLOCK PARTY**  
**10.23.21**  
**FREE CONCERT**  
**SHELburne AND JOE COE**  
**MUSIC! DRINKS! FUN!**




**What does a tax credit do?** A tax credit lowers the tax owed by an individual. A tax credit differs from a tax deduction in that an income tax deduction lowers the amount of income subject to taxation, while a tax credit is a dollar-for-dollar reduction in income tax liability. In other words, a tax credit of one dollar reduces the amount of income tax owed by one dollar.

**What is the economic impact of these programs?** *Tax credits have proven to be one of the nation's most successful and cost-effective community revitalization tools - creating jobs, leveraging private investment, enhancing property values, and returning underutilized properties to tax rolls. This widely recognized program has been instrumental in preserving the historic places that give our cities, towns, and communities their special character.*

Since its inception in 1976, more than 46,000 projects have been completed through the Federal Historic Rehabilitation Tax Credit (HTC), which has leveraged over \$109.18 billion in private investment in the rehabilitation of historic properties of every period, size, style, and type in all 50 states, the District of Columbia, Puerto Rico and U.S. Virgin Islands.

**In 2020, Kentucky ranked 15th nationally utilizing the federal HTC, with 20 successfully completed projects generating investment of \$54,292,000.** This number includes projects in KYMS communities. See the [Federal Tax Incentives for Rehabilitating Historic Buildings Annual Report](#) for FY 2020 for more.

This federal HTC can often be utilized in tandem with the Kentucky Historic Preservation Tax Credit, a key provision that strengthens use and effectiveness of both programs. For the state credit in 2020, KHC received a record 153 applications from 22 counties, with 127 of these approved pending completion of the work. These approved projects represent \$161,582,277 in proposed private investment in rehabilitation.

Since implemented in 2005, through 2020, the state tax credit has resulted in 1,091 buildings rehabilitated across Kentucky and \$663 million of private funds invested in historic buildings, leverage through \$49 million in credits.

The federal program offers a tax credit of up to 20% for qualified rehabilitation expenses for income-producing properties. Owner-occupied residences are not eligible; however, federal and state rehabilitation tax credits can be used in combination for the rehabilitation of commercial or income-producing properties.

Guidelines for the Kentucky credit are modeled on the federal program, also offering up to 20% of qualified rehabilitation expenses for income-producing properties; however, the Kentucky credit further offers up to 30% of qualified rehabilitation expenses for owner-occupied residential properties.

Within a consecutive 24-month period, rehabilitation expenses for owner-occupied buildings must exceed \$20,000. Rehabilitation expenses for commercial or other property must be \$20,000 or the adjusted basis of the structure, whichever is greater.

For more information visit [heritage.ky.gov](http://heritage.ky.gov) Program Administrator Diane Comer [Diane.Comer@ky.gov](mailto:Diane.Comer@ky.gov)

Learn more about the federal credit from National Park Service Technical Preservation Services

[Downtown Winchester suffered from severe flooding this past week receiving 5 inches of rain. Mayor Ed Burtner has declared a state of emergency.](#)

[These buildings if located in a National Register district could also be eligible to use the HTC. They would first assess the damage and then contact the KY Heritage Council for more information.](#)

