

# Historic Preservation Tax Credits: A Decade of Economic Development in Missouri.



## Historic Preservation Trumps Highway Construction as an Economic Stimulus Tool.

A million dollars spent for historic rehabilitation will create more jobs and more state and local taxes than a million dollars spent on highway construction. And, while highway projects are usually 100% tax payer funded, historic preservation projects are at most only partially offset by tax credits. Finally, since historic credits are awarded only after the projects are complete, the benefits are felt by communities long before any state tax credits are issued.

As economic development consultant Donovan Rypkema noted in a recent speech:

*There are some economists and politicians who would argue that in economic down turns like we're having now public expenditures should be made to create employment. And I'm certainly not going to argue with that. And as you all know, among politicians' favorite forms of public works is building highways.*

*David Listokin at the Center for Urban Policy Research at Rutgers has calculated the relative impact of public works. Let's say a level of government spends \$1 million building a highway. (And these days that means a highway not quite the length of this room) but anyway a million dollar highway – what does that mean?*

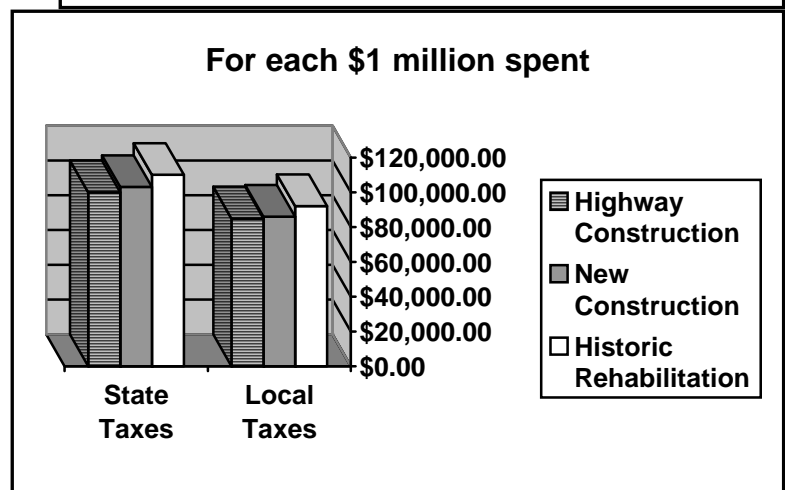
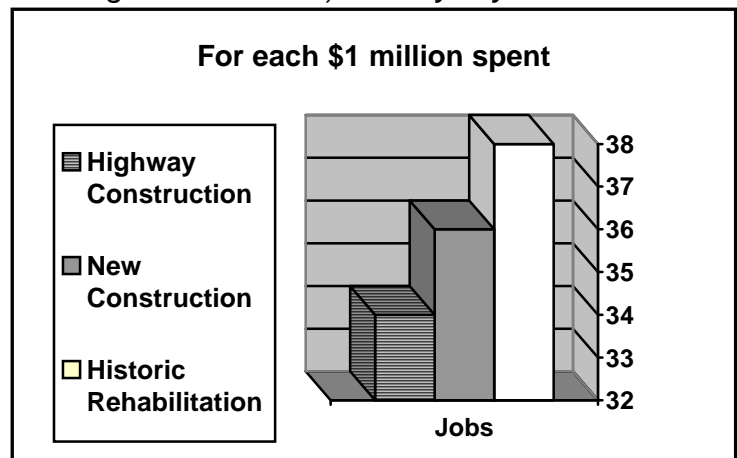
- 34 jobs
- \$1.2 million in ultimate household income
- \$100,000 in state taxes
- \$85,000 in local taxes.

*Anyway, we could build highways or we build a new building for \$1 million.*

- 36 jobs
- \$1,223,000 in household income
- \$103,000 in state taxes
- \$86,000 in local taxes

*Or we could spend that million rehabilitating an historic building.*

- 38 jobs
- \$1.3 million in household income
- \$110,000 in state taxes
- \$92,000 in local taxes



Charts by Missouri Preservation.