

Tennessee should adopt an historic tax credit



Your Turn

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Guest columnist

Earlier this week, Gov. Bill Lee made the commendable decision to direct all state agencies to find ways to improve how they serve rural Tennessee regions.

"My administration will place a high emphasis on the development and success of our rural areas," Governor Lee said in announcing his first executive order.

I strongly support our Governor's committed focus, and have given thought to opportunities to move our rural towns, main streets, and downtowns forward.

What are some of the ways we can stimulate wage growth for some of our most vulnerable, improve the well-being of all our citizens, and pass along a better Tennessee to future generations? One proven way lies with harnessing our heritage.

Incentives for historic preservation not only protect culturally significant buildings for the next generation, but also stimulate economic growth in our communities.

Every state that borders Tennessee offers an incentive to rehabilitate and repurpose their historic buildings.

A state historic tax credit for Tennessee focused on driving private investment back into our rural towns and main street communities will help create good local jobs, promote small business entrepreneurship, and bring more people back into historic town centers.

Revitalized buildings will help bridge

generation gaps with a common space. And it will bring additional, stimulative investments to small towns.

Indeed, Tennessee has already benefited from a historic rehabilitation incentive.

The federal historic tax credit has enabled the rehabilitation of more than 1,000 buildings in our state, generating over \$1 billion in investment that is breathing new life into our historic buildings.

Projects like the distinctive Jackson Terminal in Knoxville, the transformative Crosstown Concourse in Memphis, and the iconic Ryman Auditorium in Nashville were all repurposed using federal historic tax credits. The incentives are a win-win for all.

Now, we have the opportunity to put this incentive with all of its demonstrated, proven advantages to work for Tennessee's smaller communities. Such places like Brownsville, Fayetteville, Pulaski, Columbia, Gallatin, Tullahoma, and Morristown are looking for just that additional spark to ignite their revitalization. The potential is vast.

I encourage Governor-elect Lee and our state legislators to consider the benefits enjoyed by the 35 states that have established a state historic tax credit.

Colorado reauthorized its historic rehabilitation incentive this year, adding a provision that directs more investment to rural communities.

In Texas, the state saw a threefold increase in the number of historic rehabilitation applications after its credit went into effect in 2015.

Better still, rural communities that had not benefited from the federal in-

centive previously began to see rehabilitation investments flow to their communities for the first time. Other states have used it to encourage the creation of affordable housing or to foster rehabilitation after natural disasters. Building on the federal tax credit, the state incentive can be tailored to meet the Volunteer State's unique needs.

There is a reason this tax credit was strengthened by President Reagan at the federal level, was preserved during last year's federal tax overhaul, and has been adopted by seven out of 10 states.

At a time when our Main Street communities are seeing significant change, this credit reinvigorates neighborhoods and improves property values when vacant and underutilized historic buildings become productive again. It spurs job creation.

And studies have shown that a state's investment in historic rehabilitation pays for itself through tax revenues and other benefits within four to nine years after a building becomes operational.

Preserving Tennessee's unique heritage and using that heritage as an economic engine will serve our communities well. Let's move all of Tennessee forward by enacting a state historic tax credit.

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