



**HOMES
JOBS
COMMUNITY**



Status of Historic Preservation Tax Credits and the Federal Tax Exemption for Interest on Municipal Bonds

The Changing Landscape in Washington Webinar Series

Presented by: Jane Campbell | April 27, 2017



OCTOBER 23-25, 2017
WASHINGTON, D.C.

*Rethinking How We Invest: Homes, Jobs and
Communities in 2017 and Beyond*

Awards Nominations Deadline Extended to May 12th

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[LEARN MORE AND SUBMIT TODAY](#)



Tax Reform and Municipal Bonds

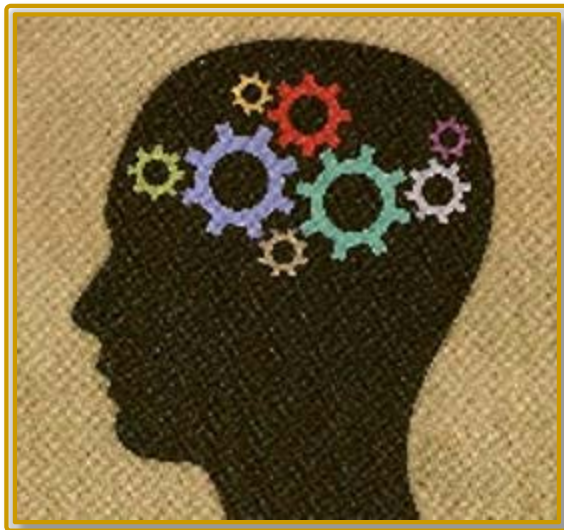
Motive, Means and Opportunity

John Godfrey is a senior government relations director for the American Public Power Association (APPA), the national service organization representing more than 2,000 state and locally-owned electric power utilities operating in every state (except Hawaii), Puerto Rico, Guam, the Virgin Islands, and American Samoa. John provides advocacy and subject matter expertise on federal tax, budget, and appropriations policy. Previously, he served clients in the energy sector while working for tax-focused federal policy consulting firms. Mr. Godfrey also had an 18-year career as an award-winning reporter, 16 years of which were spent covering the U.S. Congress, the Internal Revenue Service, and the White House.



John Godfrey
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Motive

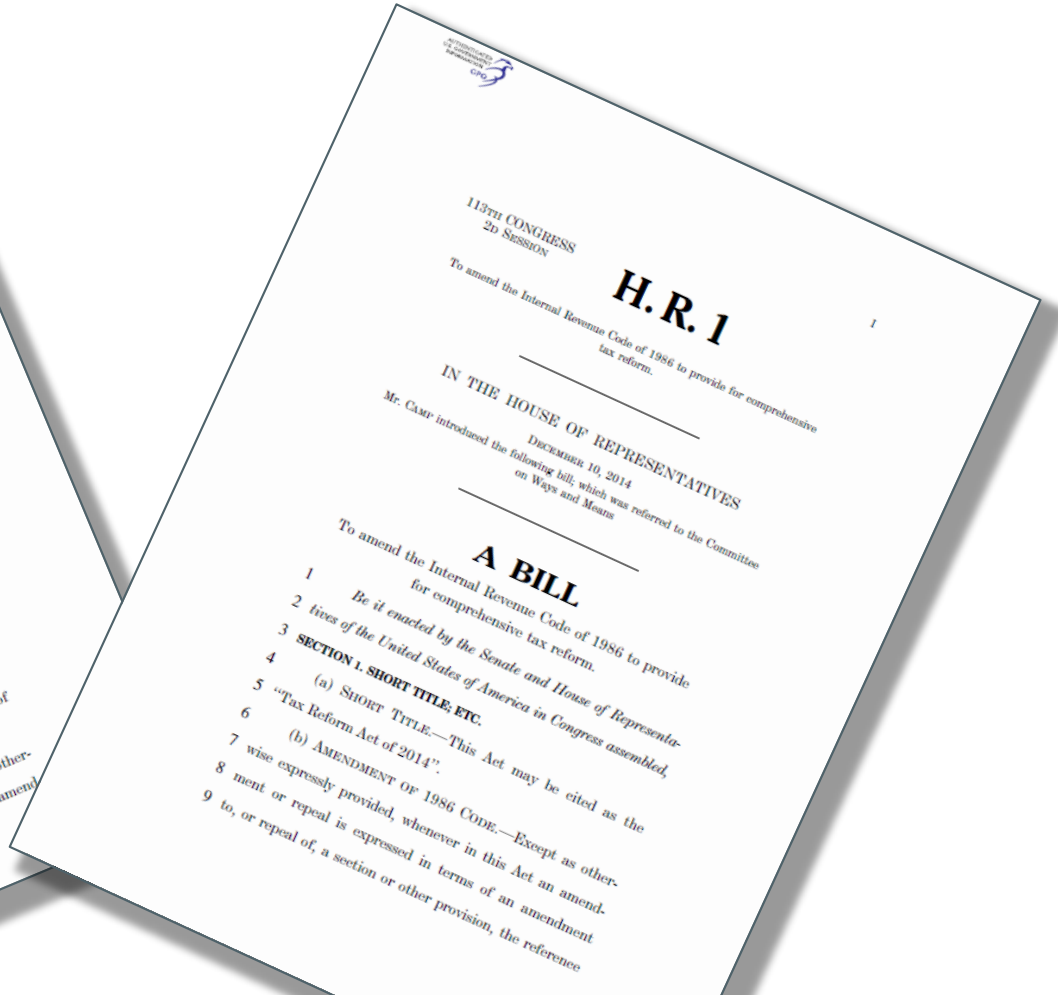
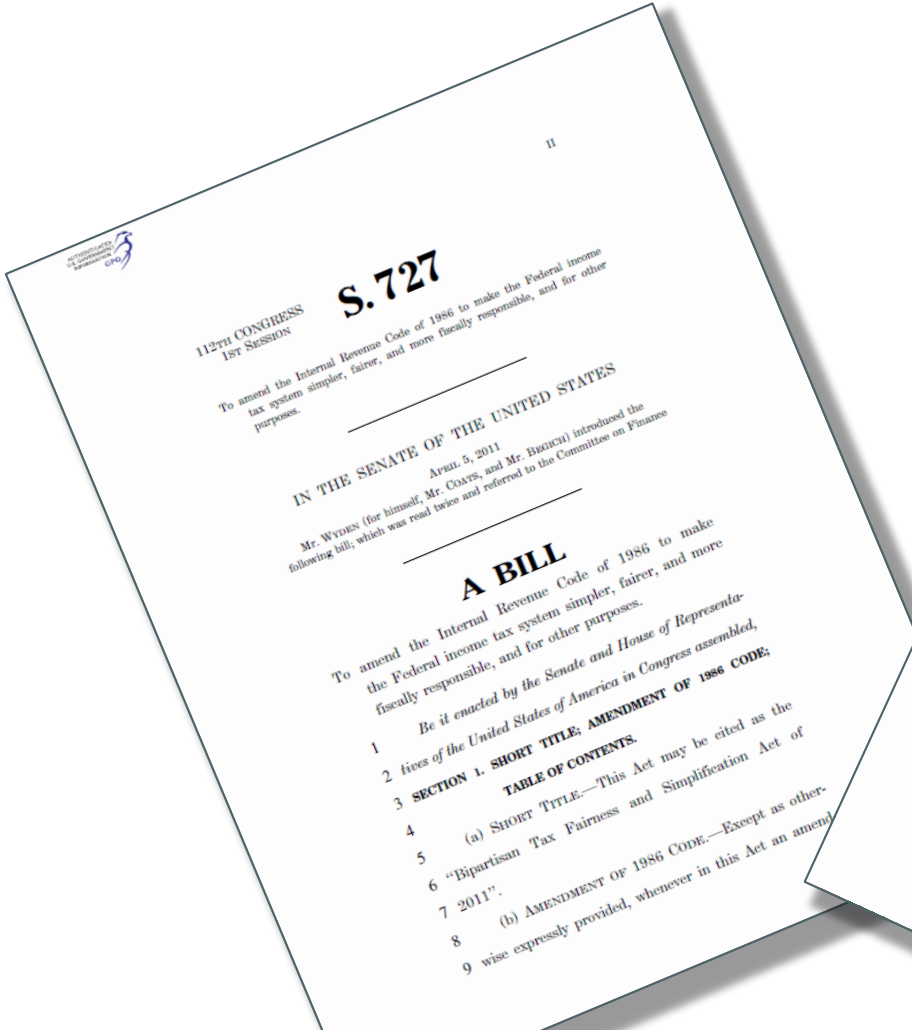


Top Twelve Tax Expenditures (FY2016)	Cost (\$B/Yr)	House GOP Blueprint
Retirement plan exclusions (IRA, DC, DB, Keogh)	\$169	Expand
Exclusion of employer health care	144	Cap
Reduced rates on dividends and capital gains	135	Expand
Deferral of income of controlled foreign corporations	109	Repeal
Home mortgage interest deduction	77	Cap
Earned income tax credit	73	Retain
Deduction of state and local taxes	65	Repeal
Child tax credit	56	Expand
Health exchange subsidies	54	Repeal
Exclusion of municipal/private activity bond interest	50	????
Exclusion of untaxed Social Security benefits	40	Retain
Deduction for charitable contributions	38	Retain

Means

Off-the-Shelf Revenue





THE WALL STREET JOURNAL.



TAX POLICY CENTER
URBAN INSTITUTE & BROOKINGS INSTITUTION



Center on
 **Budget
and Policy
Priorities**



Opportunity





POLITICS

POLITICS |

ELECTIONS |

PRESIDENTIAL DEBATES 2016 |

WHITE HOUSE |

CONGRESS |

House Speaker Ryan: 'Welcome to the dawn of a new unified Republican government'

Berkeley Lovelace Jr. | @Blovelace_Jr

Tuesday, 15 Nov 2016 | 11:11 AM ET



Airports Council Int'l – North America
 African American Mayors Assn
 Amer Assn of Airport Executives
 Amer Assn of State Highway and Transportation Officials
 Amer Concrete Pavement Assn
 Amer Concrete Pressure Pipe Assn
 Amer Council of Engineering Comp
 Amer Hospital Assn
 Amer Planning Assn
 Amer Public Gas Assn
 Amer Public Power Assn
 Amer Public Transportation Assn
 Amer Public Works Assn
 Amer Society of Civil Engineers
 Associated Equipment Distributors
 Associated General Contractors of America
 Assn of Metropolitan Water Agencies
 Bay Area Toll Authority
 Bond Dealers of America
 Business Oregon
 California Assn of Sanitation Agencies
 California Special Districts Assn
 Chester County Economic Development Council
 Chicago Regional Transportation Authority
 Cleveland-Cuyahoga County Port Authority
 Colorado Assn of Municipal Utilities
 Consumer Federation of America
 Council of Development Finance Agencies
 Council of Infrastructure Finance Authorities
 Council of State Community and Economic Development Agencies
 The Council of State Governments
 CPS Energy
 CSDA Finance
 DFW Airport
 Distribution Contractors Assn
 Government Finance Officers Assn



Education Finance Council
 Florida League of Cities
 Int'l Assn of Fire Fighters
 Int'l City/County Management Association
 Int'l Economic Development Council
 Int'l Municipal Lawyers Association, Inc.
 Int'l Public Management Association for HR
 Investment Company Institute
 Large Public Power Council
 The Ntnl Assn of Clean Water Agencies
 The National Grange
 National Asphalt Pavement Association
 Ntn'l Assn of Counties
 Ntn'l Assn of County and City Health Officials
 Ntn'l Assn of Development Organizations
 Ntn'l Assn of Health and Educational Facilities Finance Authorities
 Ntn'l Assn of Local Housing Finance Authorities
 Ntn'l Assn of Regional Councils
 Ntn'l Assn of Resource Conservation and Development Councils
 Ntn'l Assn of State Auditors, Comptrollers and Treasurers
 Ntn'l Assn of State Treasurers
 Ntn'l Assn of Towns and Townships
 Ntn'l Center for Frontier Communities
 Ntn'l Community Development Association
 Ntn'l Council of State Housing Agencies
 Ntn'l Council on Teacher Retirement
 Ntn'l Development Council
 Ntn'l Latino Farmers & Ranchers Trade Association
 Ntn'l League of Cities
 Ntn'l School Boards Association
 Ntn'l Utility Contractors Association
 Rural Coalition
 Texas Assn of Local Housing Financing Agencies
 Transmission Access Policy Study Group
 US Conference of Mayors
 Water Environment Federation
 Water Infrastructure Network



Stakeholders are diverse and energized for debate



Patrick Robertson

Managing Director, Strategic Communications

About

As a Managing Director in the firm's Public Affairs practice, Mr. Robertson advises executive teams, boards of directors, and senior decision-makers on public policy issues that pose opportunities and challenges to their organizations' enterprise value.

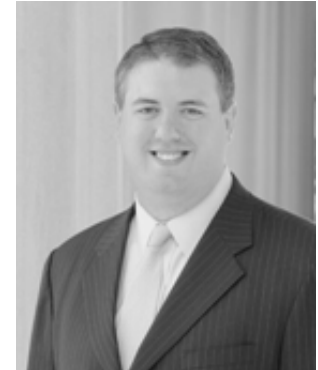
Mr. Robertson focuses primarily on serving clients in the fields of tax policy and regulation, energy matters, transportation, communications and trade. He has worked on issues including, health care implementation, permitting, treaty enforcement, and numerous provisions in the tax code.

Mr. Robertson has provided both offensive and defensive governmental strategies and execution as well as intelligence about important issues. In addition to these services, he leads coalitions, drafts legislation, and provides comprehensive messaging for clients' work in Washington and beyond.

His successes include obtaining expedited guidance from the IRS on an important client question, multiple policies enacted in law, positive messaging at Congressional hearings and investigations, Executive action benefitting clients, and helpful regulatory decisions.

Prior to joining the firm, Mr. Robertson served on the staff of Senator Jay Rockefeller (D-WV) for nine years, the last five as Deputy to the Chief of Staff. Mr. Robertson also served as Campaign Manager for Senator Rockefeller's successful 2008 re-election campaign. During his time on Capitol Hill, Mr. Robertson helped the Senator distill and attack problems and shape solutions on a wide spectrum of issues from economic development to the complexities of the tax code.

He worked closely with the Senate Finance Committee on tax and trade issues during his time on Capitol Hill – including the Miscellaneous Tariffs Bill, trade agreements, Trade Promotion Authority, as well as tax and health care bills.



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The Historic Tax Credit and Tax Reform

- Why is Tax Reform Important?
- Offense or Defense
 - Defend the Credit?
 - Make it Better?
- What Happens if the corporate rate is 20%?
- Could it go Away Overnight?

Learn more at www.historiccredit.com

Corporate Tax Plans

	CAMP DRAFT	BLUE PRINT	TRUMP RELEASE
CORPORATE RATE	25%	20 %	15%
INTERNATIONAL TAX SYSTEM	Territorial System, 95% Exclusion	Territorial System, 100% Exclusion	Territorial System
CORPORATE RATE	8.75% on cash; 3.5% on non-cash	8.75% on cash; 3.5% on non-cash	One-time tax (no rate yet)
ANTI BASE-EROSION	15% tax on foreign IP earning	BAT	N/A
CAPITAL RECOVERY	Slower depreciation schedule	Expensing, no interest deduction	N/A



INDIVIDUAL TAX PLANS



	CAMP DRAFT	BLUE PRINT	TRUMP RELEASE
TOP RATES	35%	33%	35% (no income brackets set yet)
PASS THROUGH RATES	35%	25%	Eligible for 15%
CAPITAL GAINS RATES	No special rate, 40% exclusion	No special rate, 50% exclusion	20% Rate
STANDARD/ITEMIZED DEDUCTIONS	Larger standard deduction (\$11,000 for an individual. \$22,000 for a couple)	Larger standard deduction (\$12,000 for an individual. \$24,000 for a couple)	Larger standard deduction (\$12,000 for an individual. \$24,000 for a couple)
AMT	Eliminates AMT	Eliminates AMT	Eliminates AMT
ESTATE TAX	Eliminates the Estate Tax	Eliminates the Estate Tax	Eliminates the Estate Tax

Historic Tax Credit Improvement Act Sponsors

HR 1158 Lead Sponsors



Rep. Mike
Kelly
(R-PA)



Rep. Earl
Blumenauer
(D-OR)

49 cosponsors

S 425 Lead Sponsors



Sen. Ben
Cardin
(D-MD)



Sen. Susan
Collins
(R-ME)

10 cosponsors

HTCIA Summary

- Small projects – 30% Credit
- Transferability of Credits on Small projects
- Lower Adjusted Basis Threshold for projects
- Reducing Basis Adjustment
- Disqualified Lease Rule





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