

City of Milwaukee

Office of the City Clerk

200 E. Wells Street

Milwaukee, Wisconsin 53202

Certified Copy of Resolution

FILE NO: 250576

..Number

250576

..Version

SUBSTITUTE 1

..Reference

..Sponsor

ALD. BAUMAN

..Title

Substitute resolution amending the City of Milwaukee's State Legislative Package to express support for State legislation relating to historic preservation tax credits.

..Analysis

This resolution amends the City of Milwaukee's State Legislative Package to support the modification of historic tax credits in the State of Wisconsin. Specifically, the resolution supports 2025 Assembly Bill 375, which removes federal requirements from projects only using state historic tax credits and removes the requirement that the State Historic Preservation Office recommend a project for federal approval if only state tax credits are being used. In addition, the proposed bill allows taxpayers to claim their entire tax credit for rehabilitation projects in one year, as opposed to 5 and sunsets the state credit for the rehabilitation of qualifying buildings that are not certified historic structures to align with the similar federal credit that was also sunset. Finally, the proposed bill allows a taxpayer to claim \$3.5 million in tax credits for a single parcel, every 10 years, instead of only once.

..Body

Whereas, The State Legislature is currently considering 2025 Assembly Bill 375, a bill modifying how historic tax credits work in Wisconsin; and

Whereas, The bill allows taxpayers to claim credits for the amounts spent to rehabilitate certified historic structures located in Wisconsin; and

Whereas, In general, a taxpayer may claim both federal and state credits for the same rehabilitation project; however, in some cases, a taxpayer may not be able to claim both credits due to differences in state and federal law; and

Whereas, Under current law, taxpayers may claim a credit equal to 20 percent of their qualified rehabilitation expenditures so long as the expenditures are at least \$50,000, while federal law further

requires the expenditures exceed the greater of the taxpayer's adjusted basis in the property or \$5,000; and

Whereas, The proposed bill provides that the federal requirement does not apply, while maintaining the \$50,000 threshold; and

Whereas, Also under current law, a taxpayer must be certified by the Wisconsin Economic Development Corporation to claim the credit and must provide evidence that the State Historic Preservation Officer approved the rehabilitation before the work began and that the State Historic Preservation Office recommended the rehabilitation for approval to the U.S. Secretary of the Interior; and

Whereas, The proposed bill removes the requirement regarding the State Historic Preservation Office recommendation for federal approval if the taxpayer claims only the state credit and modifies the timing for claiming the credit, allowing for it to be claimed in full over one year, as opposed to over 5; and

Whereas, The bill sunsets the state credit for the rehabilitation of qualifying buildings that are not certified historic structures, which was already sunset at the federal level; and

Whereas, Current law prohibits the Wisconsin Economic Development Corporation from certifying persons to claim more than a total of \$3,500,000 in tax credits for all projects undertaken on the same parcel; and

Whereas, Under the proposed bill, this restriction only applies to certifying persons to claim tax credits for all projects undertaken on the same parcel within a single 10-year period; now, therefore, be it

Resolved, That Common Council Resolution File Number 241415 is amended by inserting the following item in the document attached to the file as "2025-26 State Legislative Package":

Neighborhood Stability and Economic Prosperity Common Council Seek introduction and passage of State legislation modifying historic rehabilitation tax credits.

; and, be it

Further Resolved, That the City Clerk shall forward copies of this resolution to members of the City of Milwaukee's delegation to the Wisconsin Legislature.

..Requestor

..Drafter

LRB180876

Christopher Hillard

7/23/2025



I, James R. Owczarski, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on July 31, 2025.

James R. Owczarski

August 25, 2025

Date Certified