



40% Tax Credit for Historic Rehabilitation Projects in Eureka Springs!

ACT 650 increases the amount of the Arkansas Historic Rehabilitation Tax Credit and creates a tiered system to incentivize investment in smaller communities:

- Projects in cities with a population of less than 10,000 will receive a 40% credit
- Projects in cities with a population between 10,000 and 50,000 will receive a 35% credit
- Projects in cities with a population of 50,000 or more will receive a 30% credit
- Currently, the credit percentage for all projects is 25%, so this represents an increase for all projects.
- ACT 650 does not alter the annual cap of \$8 million per fiscal year or the current per project caps.

ACT 651 extends the deadline to apply for the Arkansas Major Historic Rehabilitation Tax Credit from June 30, 2025, to June 30, 2030. This credit is for projects with at least \$1.5 million in qualified expenses.

ACT 561 provides \$40 million for the Arkansas Major Historic Rehabilitation Trust Fund, which will be administered by the Division of Arkansas Heritage to fund credits awarded through the Arkansas Major Historic Rehabilitation Tax Credit program.

On the Federal Level: Historic Tax Credit Growth and Opportunity Act Reintroduced

The Historic Tax Credit Growth and Opportunity Act (HTC-GO) was recently reintroduced as H.R. 1785 and S. 639. HTC-GO would add value to the Federal Historic Tax Credit by increasing the percentage from 20% to 30% for projects with less than \$2.5 million in qualified expenses and make the credit easier to use by lowering the substantial rehabilitation threshold.

For more information contact Preservation Officer, Kyle Palmer:

Kyle.Palmer@eurekaspringsar.gov

479-253-9703