What the Heritage Sector expects from Government on Bill C-323

The Liberal Party of Canada expressed willingness to consider financial incentives for historic places in their October 2015 pre-election message to the heritage sector. Responding to written questions from the National Trust for Canada, Liberal Party president Anna Gainey wrote:

“A Liberal government will work in collaboration with the heritage sector and other stakeholders to examine measures that promote the preservation and rehabilitation of Canada’s heritage buildings. We are open to measures that use the tax system that stimulate private investments in heritage buildings.”

The Office of the Minister of Finance has stated that the Government will oppose Bill C-323.

If the Government will not support Bill C-323 as drafted, will it consider amendments? If not, how and when will the Liberal Government move forward with its promise to examine financial incentives for historic places?

Why measures like those in Bill C-323 are needed:

In the thirty years between 1970 and 2000, Canada lost more than 20% of its historic building stock. The impact was wide spread but the loss among income-producing properties was the greatest: 33% of commercial and 26% of industrial buildings were lost. Other countries, most notably including the United States, had the same experience and responded successfully with tax incentives. The U.S. government refers to its tax credit as the most effective federal program to promote urban and rural revitalization, and encourage private investment in rehabilitating historic buildings.

In its Agency Act, Parks Canada has responsibility for historic places in Canada. Parks Canada itself reports to the Minister of the Environment, who has a vested interest in keeping heritage buildings out of the landfill as part of the fight against climate change.

A federal rehabilitation tax incentive like the one recently proposed (Bill C-323) is a proven way to attract private and corporate investment to privately-owned historic places, and give older buildings vibrant new uses.

The US experience of tax incentives for historic places:

The measures included in Bill C-323 are inspired by the successful, long-running US Federal Historic Tax Credit Program. The U.S. government refers to its tax credit as the most effective federal program to promote urban and rural revitalization, and encourage private investment in rehabilitating historic buildings. This program has seen $23.1 billion in federal credits generate more than $28.1 billion in additional federal tax revenue and leverage over $120.8 billion in private investment – a 5 to 1 ratio of private investment to tax credits. Funded projects have in turn created 2.4 million jobs, preserved 41,254 historic properties, and created over 525,000 housing units, including 27% for low/moderate income families.
In Canada, the measures included in Bill C-323 have the potential to achieve the same success, broadly affecting homeowners and the development/construction industry, and positively impacting the economy, job creation and carbon reduction.

**Tax Incentives plus Matching Grants would cover the bases:**

A substantial and predictable source of matching grants for heritage properties owned by non-profits and charities is also essential. The National Cost-Sharing Program for Heritage Places is a start, and its recent increase to $10 million per year is a positive yet still modest step in the right direction. The Government should also consider a mechanism where donations by private individuals and corporations are matched by the federal government, encouraging philanthropy.

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