

House Committee on Ways and Means  
Subcommittee on Select Revenue Measures  
Hearing on Tax Extender Provisions  
Tsongas Statement  
Thursday, April 26, 2012

Chairman Tiberi and Ranking Member Neal,

Thank you for holding this hearing today. As a strong supporter of a number of the tax extenders under discussion today—including the research and development tax credit, New Markets tax credit, and Build America Bonds, among others—I am glad that the Subcommittee is seeking input from a broad range of Members. However, I am quite concerned that one proven tax incentive, the Renewal Community (RC) program, is not part of today's hearing.

Throughout the 111<sup>th</sup> Congress, extensions of the RC program passed both chambers of Congress, and with good reason. During its lifetime, this bipartisan program proved itself to be incredibly successful in fostering economic development in distressed communities. However, during last minute negotiations of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, the RC program was de-coupled from the Empowerment Zone program and allowed to expire.

During this Congress, I have joined several of my House colleagues in introducing H.R. 1428 to extend the RC program through the end of 2012 because I have seen firsthand what these tax incentives can accomplish. In two communities that I represent, Lowell and Lawrence, Massachusetts, the program generated a combined \$85 million in private investment and hundreds of new jobs through tax incentives that encouraged businesses to open, expand, and hire local residents.

That investment, in turn, had a ripple effect on the rest of the community. For instance, in downtown Lawrence, RC wage incentives helped New Balance Athletic Shoe, Inc. maintain their manufacturing operations in the United States, the last athletic shoemaker to make sneakers from stitch to final product in the U.S. The New Balance plant and warehouse collectively employ more than 800 Lawrence workers, and New Balance is an active participant in the community. At the Riverwalk Complex, the LuPoli Companies invested over \$100 million, in part thanks to RC incentives, drawing over a hundred companies and bringing more than 2,000 new jobs to Lawrence.

Similarly, RC credits helped restore the American Textile Museum, a Smithsonian affiliate, which strengthened Lowell's attractiveness to business by providing cultural programming to the area and contributed to a renaissance in Lowell's creative economy.

But the power of these incentives goes far beyond pure economic development. Older industrial cities like Lowell and Lawrence, and others like them throughout the country, serve as a repository of architectural and cultural riches; their preservation helps prevent the sprawl that endangers our environment and destroys our historic and treasured landscapes. RC incentives in

both cities were critical to the adaptive reuse of historic mill buildings, preserving and reinvigorating the history of these two sites of the Industrial Revolution.

Mr. Chairman, Mr. Ranking Member, with the economy recovering, but with historically distressed communities still struggling, now is not the time to turn our backs on job creation tools that work. Thank you again for letting me participate in today's hearing to discuss legislation critical to assisting distressed communities. I look forward to working with you as you craft this year's extenders bill to ensure that the RC program is once again extended.

Niki Tsongas  
Member of Congress