

HB 1130 -- Distressed Areas Land Assemblage Tax Credit

Sponsor: Brown (50)

This bill changes the laws regarding the Distressed Areas Land Assemblage Tax Credit. The definition of "eligible project area" is revised to include a redevelopment area as defined under the Real Property Tax Increment Allocation Redevelopment Act that contains at least 300 acres in 80 or more parcels, includes or previously included in excess of one million square feet of commercial building space, and is located within a low-income community as defined in 26 U.S.C. Section 45D as of January 1, 2012. The definition of "acquisition costs" is revised to include engineering costs, attorney fees, and architectural and planning costs.

The provision is removed which restricts an applicant from receiving a tax credit for acquisition and interest costs of an eligible parcel for only up to five years. The bill allows a tax credit for 100% of the reasonable demolition costs. Currently, the credit is 50% of those costs. An applicant is allowed to file for the tax credit quarterly. Currently, the applicant can only file annually.

The annual program cap is increased from \$20 million to \$30 million, but the aggregate program cap remains at \$95 million. A process is established for allocating the annual \$30 million in tax credits depending upon the number of eligible applicants. However, if there are more than two applicants, no single applicant can receive more than 50% of the available tax credits.

The bill extends the provisions regarding the credit from August 28, 2013, to August 28, 2017.