HB 1985 -- Historic Structures Rehabilitation Tax Credit

Sponsor: Zerr

For each fiscal year beginning on or after July 1, 2013, this bill limits to $110 million the total amount of applications that the Department of Economic Development can approve for the Historic Structures Rehabilitation Tax Credit. For all applications for credits approved on or after July 1, 2013, no more than $125,000 may be issued for the eligible costs and expenses incurred in the rehabilitation of certain eligible owner-occupied residential property. For all credits authorized on or after July 1, 2013, the bill reduces from three years to one year the time period that the credit can be carried back and from 10 years to five years the time period that the credit can be carried forward. A taxpayer who receives a low-income housing tax credit for a project not financed through tax-exempt bonds issuance cannot be eligible for a historic preservation tax credit for the same project. An application for the final approval and issuance of a tax credit must include a cost and expense certification by an independent licensed certified public accountant with any accrued developer fees stated separately. The department will have 45 days from receipt of the application for final approval to determine whether the completed project meets the required standards and to issue a tax credit certificate equal to 75% of the eligible costs and expenses verified to that date or the amount of tax credits approved for the project. Within 120 days following the receipt, the department must determine the final amount of eligible rehabilitation costs and expenses. If a taxpayer receives a tax credit that includes an amount attributable to accrued developer fees, he or she must submit within six years of completion of the rehabilitation an additional cost and expense certification verifying the total amount of developer fees actually accrued and paid. If the amount of the tax credits issued and attributable to developer fees exceeds the amount of developer fees actually accrued and paid, the taxpayer is liable to repay 25% of the excess. A taxpayer, or his or her authorized representative, may appeal any official decision on a preliminary or final approval and denial of approval to an independent third-party appeals officer designated by the department.