

Tax Credits for the Preservation of Historic Structures; SB 227

SB 227 increases tax credit amounts allowed for preservation of historic structures and makes changes to the conditions under which different credit amounts are allowed.

Under continuing law, credits are equal to a percentage of qualified expenditures for the preservation or renovation of a historic structure, in an amount determined by the level of investment and the location or type of project.

The bill authorizes credits as follows:

- 25 percent for a project in a city with a population of more than 50,000 and qualified expenditures of at least \$5,000 and less than \$50,000; and
- 40 percent for a project:
 - In a city with a population of more than 50,000 and qualified expenditures exceeding \$50,000;
 - In a city, township, or unincorporated area with a population of less than or equal to 50,000 and at least \$5,000 in qualified expenditures; or
 - With at least \$5,000 in qualified expenditures if the structure does not produce income and is exempt from federal income tax pursuant to section 501(c)(3) of the federal Internal Revenue Code.

[*Note:* Previous law authorized credits in amounts of 25, 30, or 40 percent, depending on the project. The bill increases the credit amount for tax-exempt structures from 25 to 40 percent and restructures other conditions and corresponding credit amounts.]

The bill also authorizes the Department of Revenue, before the issuance of credits under the bill, to verify that the taxpayer does not owe any delinquent income, privilege, premium, sales, or compensating use taxes, or interest, additions, or penalties on such taxes, to the State. In case of such outstanding liability, the bill requires that the amount of any credits issued to the taxpayer be reduced by such amounts owed to the State. Once issued, credits are not subject to reduction, recapture, disallowance, or voidability.