

Regular Session, 2013

HOUSE BILL NO. 630

BY REPRESENTATIVES LEGER, BROSSETT, BURFORD, HENRY BURNS,
JEFFERSON, MORENO, AND PATRICK WILLIAMS AND SENATOR
MORRELL

TAX CREDITS: Provides for the transferability of the income tax credit for the
rehabilitation of historic commercial structures

1 AN ACT

2 To amend and reenact R.S. 47:6019(A)(1)(a), (2)(a), and (3)(b)(i)(cc), (B)(1)(a), and (C),

3 relative to tax credits for the rehabilitation of historic structures; to provide for

4 income and corporation franchise tax credits for costs associated with the

5 rehabilitation of historic structures; to provide for certain eligible municipalities and

6 qualifications; to provide with respect to definitions; to provide for certain

7 notifications and requirements; to extend the taxable periods in which the tax credit

8 shall be applicable; to provide for an effective date; and to provide for related

9 matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:6019(A)(1)(a), (2)(a), and (3)(b)(i)(cc), (B)(1)(a), and (C) are
12 hereby amended and reenacted to read as follows:

13 §6019. Tax credit; rehabilitation of historic structures

14 A.(1)(a) There shall be a credit against income and corporation franchise tax

15 for the amount of eligible costs and expenses incurred during the rehabilitation of a

16 historic structure located in a downtown development, or a cultural ~~product~~ district,

17 or a municipality with a population of less than fifteen thousand persons according

18 to the latest federal decennial census. The credit shall not exceed twenty-five percent

19 of the eligible costs and expenses of the rehabilitation. No taxpayer, or any entity

1 affiliated with such taxpayer, shall ~~receive~~ claim more than five million dollars of
2 credit annually for any number of structures rehabilitated within a particular
3 downtown development, or cultural ~~product~~ district, or municipality with a
4 population of less than fifteen thousand persons according to the latest federal
5 decennial census.

6 * * *

7 (2)(a) In order to qualify for the credit, the historic structure located in the
8 downtown development, or cultural ~~product~~ district, or municipality with a
9 population of less than fifteen thousand persons according to the latest federal
10 decennial census, shall also be listed on the National Register of Historic Places or
11 be certified by the state historic preservation office as contributing to the historical
12 significance of the district.

13 * * *

14 (3)

15 * * *

16 (b)(i)

17 * * *

18 (cc) Transferors and transferees shall submit to ~~the state historic preservation~~
19 ~~office and to~~ the Department of Revenue in writing a notification of any transfer or
20 sale of tax credits within thirty days after the transfer or sale of such tax credits. The
21 notification shall include the transferor's tax credit balance prior to transfer, the
22 credit identification number assigned by the state historic preservation office, the
23 remaining balance after transfer, all federal and Louisiana tax identification numbers
24 for both transferor and transferee, the date of transfer, the amount transferred, and
25 any other information required by ~~the state historic preservation office or the~~
26 Department of Revenue. Failure to comply with this notification provision will result
27 in the disallowance of the tax credit until the parties are in full compliance.

28 * * *

1 B.(1) Definitions. For purposes of this Section, the following words and
2 phrases shall have the meanings ascribed to them in this Subsection:

3 (a) "Cultural ~~product~~ district" shall mean a district designated by a local
4 governing authority in accordance with law for the purpose of revitalizing a
5 community by creating a hub of cultural activity, including affordable artist housing
6 and workspace. The Department of Culture, Recreation and Tourism shall develop
7 standard criteria for cultural product districts. Such criteria shall include that the
8 district must be geographically contiguous and distinguished by cultural resources
9 that play a vital role in the life and cultural development of a community. The district
10 shall focus on a cultural compound, a major art institution, art and entertainment
11 businesses, an area with arts and cultural activities or cultural or artisan production
12 and be engaged in the promotion, preservation, and educational aspects of the arts
13 and culture of the locale and contribute to the public through interpretive and
14 educational uses. The Department of Culture, Recreation and Tourism may
15 determine whether or not a district complies with this definition.

16 * * *

17 C. The provisions of this Section shall be effective for the taxable years
18 ending prior to January 1, ~~2016~~ 2018.

19 Section 2. This Act shall become effective upon signature by the governor or, if not
20 signed by the governor, upon expiration of the time for bills to become law without signature
21 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
22 vetoed by the governor and subsequently approved by the legislature, this Act shall become
23 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Leger

HB No. 630

Abstract: For the tax credit for rehabilitation of historic commercial structures, adds eligibility for structures in certain municipalities and extends the tax credit applicability from taxable years ending prior to Jan. 1, 2016, to taxable years ending prior to Jan. 1, 2018.

Present law authorizes an income and corporation franchise tax credit for the amount of eligible costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development or a cultural product district. The credit shall not exceed 25% of the eligible costs and expenses of the rehabilitation. Present law prohibits a taxpayer from receiving more than \$5 million of credit for any number of structures rehabilitated within a particular downtown development or cultural product district.

Present law designates that the historic structure must be located in a cultural product district or a downtown development district to apply for the tax credit.

Proposed law retains present law but changes the designation of "cultural product district" to "cultural district" and adds eligibility for structures located within a municipality with a population of less than 15,000 persons according to the latest federal decennial census.

Present law authorizes taxpayers to sell their unused tax credits to other individuals or entities. There is no limit on the number of times a credit may be transferred or sold.

Present law requires transferors and transferees of tax credits to submit to the state historic preservation office and to the Dept. of Revenue a written notification of any transfer or sale of tax credits within 30 days of the transaction. Further requires the notification to include the tax credit balance prior to the transfer, the credit identification number assigned by the state historic preservation office, the remaining balance after the transfer, the amount of the transfer, and any other information required by the state historic preservation office or the Dept. of Revenue.

Proposed law retains present law but removes the state historic preservation office from the notice requirements.

Present law provides that the provisions of present law shall be effective for all taxable years ending prior to Jan. 1, 2016.

Proposed law retains present law and extends the tax credit applicability from taxable years ending prior to Jan. 1, 2016, to taxable years ending prior to Jan. 1, 2018.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:6019(A)(1)(a), (2)(a), (3)(b)(i)(cc), (B)(1)(a), and (C))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Deletes authorization for the tax credit to apply against the premium tax.
2. Deletes provisions relative to claiming tax credits against premium taxes.