

## RÉSUMÉ DIGEST

ACT 426 (HB 483)

2023 Regular Session

Magee

Existing law authorizes a tax preference known commonly as the "rehabilitation of historic structures tax credit" which provides a credit against income and corporation franchise tax for the amount of eligible costs and expenses incurred during the rehabilitation of a historic structure that meets qualifications provided in existing law.

Existing law provides that the amount of the credit shall be 25% of the eligible costs and expenses of the rehabilitation incurred prior to Jan. 1, 2018, regardless of the year in which the property is placed in service.

Prior law established that the amount of the credit would be 20% of the eligible costs and expenses of the rehabilitation incurred on or after Jan. 1, 2018, and before Jan. 1, 2026, regardless of the year in which the property is placed in service. New law revises prior law to provide that the amount of the credit shall be as follows:

- (1) 20% of the eligible costs and expenses of the rehabilitation incurred on or after Jan. 1, 2018, and before Jan. 1, 2023, regardless of the year in which the property is placed in service.
- (2) 25% of the eligible costs and expenses of the rehabilitation incurred on or after Jan. 1, 2023, and before Jan. 1, 2029, regardless of the year in which the property is placed in service.
- (3) For rehabilitation of a historic structure located in a rural area, 35% of the eligible costs and expenses of the rehabilitation incurred on or after Jan. 1, 2023, and before Jan. 1, 2029.

New law defines "rural area" as any of the following:

- (1) A parish with a population of less than 100,000.
- (2) A municipality with a population of less than 35,000.
- (3) An unincorporated area of a parish with a population of 100,000 or more.

Prior law stipulated that no rehabilitation of historic structures tax credit would be authorized for rehabilitation expenses incurred on or after Jan. 1, 2026. New law extends the period in which eligible rehabilitation expenses may be incurred for purposes of qualifying for the tax credit, providing that no credit is authorized for rehabilitation expenses incurred on or after Jan. 1, 2029.

Existing law provides that rehabilitation costs associated with the following classes of structures qualify for the tax credit:

- (1) Historic structures located in a downtown development district as defined in existing law.
- (2) Historic structures located in a cultural district as defined in existing law.

New law adds historic structures contributing to the National Register of Historic Places to the classes of structures that qualify for the tax credit. Defines "contributing to the National Register of Historic Places" as listed or deemed as a contributing element within a National Register Historic District as determined by the National Park Service.

Effective August 1, 2023.

(Amends R.S. 47:6019(A)(1)(a), (B)(1)(intro. para.), and (C); Adds R.S. 47:6019(B)(1)(d) and (e))