



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: HB 824 HLS 14RS 1211
Bill Text Version: REENGROSSED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 30, 2014 7:54 AM
Author: LEGER
Dept./Agy.: Culture, Recreation, & Tourism
Subject: Application Fees
Analyst: Drew Danna

TAX CREDITS RE +\$552,000 SG RV See Note Page 1 of 1
Provides relative to the application fee for projects applying for the rehabilitation of historic structures tax credit applicable to nonresidential property

Current law provides tax credits for nonresidential or residential rental historic structures in downtown development or cultural product districts. The state historic preservation office charges a fee of \$250 per application. Current law also authorizes the sale and transfer of unused tax credits.

Proposed law will alter the current fee from a flat \$250 per application to an amount to be determined by the Department of Culture, Recreation, and Tourism in accordance with the Administrative Procedure Act.

Proposed law adds a tax credit transfer processing fee to the Dept. of Revenue as a part of the notification to the transfer of a tax credit. The Dept. of Revenue is authorized to establish the amount in accordance with the Administrative Procedure Act. Effective July 1, 2014.

Table with 7 columns: EXPENDITURES, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. This bill provides for the ability of CRT to change the fee structure of the tax credit program in accordance with the Administrative Procedure Act.

REVENUE EXPLANATION

The current application fee is \$250 for all applications. The proposed fees will be an amount determined in rules and regulations promulgated by CRT in accordance with the Administrative Procedure Act.

There is currently a three part process to apply for the state tax credit for historic commercial buildings. The application steps are as follows: Part 1- Certification of Contributing Status, Part 2- Proposed Work Description, Part 3- Request for Project Certification.

This bill also calls for a processing fee for a tax credit transfer that will be paid to the Department of Revenue. This fee will be used to pay for the administrative and other costs necessary to transfer the credit to another user.

- Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Signature of Gregory V. Albrecht
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