RÉSUMÉ DIGEST

ACT 108 (HB 387) **2015 Regular Session** **Leger**

Existing law provides for an income or 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 district or a cultural district. No taxpayer shall claim more than $5 million of credit annually for any number of structures rehabilitated within a particular downtown development or cultural district.

Prior law provided that the credit shall not exceed 25% of the eligible costs and expenses.

Existing law provides that the tax credit for qualified rehabilitation expenditures is earned only in the year in which the property attributable to the expenditures is placed in service.

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

New law reduces the amount of the tax credit from 25% to 20% of eligible costs and expenses incurred on and after Jan. 1, 2018, regardless of the year in which the property is placed in service.

New law prohibits projects for which rehabilitation costs and expenses are paid with state or federal funds from being eligible to receive the tax credits, unless the state or federal funds used in the rehabilitation are reported as taxable income or are structured as repayable loans.

Prior law authorized the state historic preservation office to charge an application fee in an amount determined by the Dept. of Culture, Recreation and Tourism.

New law directs the state historic preservation office to consult with the Dept. of Revenue in determining the amount of a single application fee to be charged per application and requires that the application fee be distributed equitably between the entities.

Prior law provided that the credit was effective for taxable years ending prior to Jan. 1, 2018.

New law extends the effectiveness of the credit from taxable years ending prior to Jan. 1, 2018 to taxable years ending prior to Jan. 1, 2022.

Effective upon signature of governor (June 19, 2015).

(Amends R.S. 47:6019(A)(1) and (2)(c) and (C))