Existing law authorizes an individual income tax credit for the amount of eligible costs and expenses incurred during the rehabilitation of an owner-occupied residential or owner-occupied mixed use structure which is located in a National Register Historic District, a local historic district, a Main Street District, a cultural products district, or a downtown development district, or an owner-occupied residential structure which has been listed or is eligible for listing on the National Register, or a structure which has been certified as contributing to the historical significance of the district, or a vacant and blighted owner-occupied residential structure that is at least 50 years old.

New law clarifies that a vacant and blighted owner-occupied residential structure may be located anywhere in this state.

Existing law limits taxpayers to one credit per rehabilitated structure. Further provides that the total credit shall not exceed $25,000 per structure.

Prior law provided that in order to qualify for the credit, rehabilitation costs for the structure must exceed $20,000.

New law decreases the required rehabilitation costs necessary to qualify for the credit from $20,000 to $10,000.

Prior law required the credit to be calculated using percentages of the eligible costs and expenses of the rehabilitation based on the adjusted gross income of the owner-occupant. If the residential structure was owned and occupied by two or more individuals, the credit was to be divided between the owner-occupants in proportion to their contribution to the eligible costs and expenses, unless they agree to an alternate division as follows:

(1) If the adjusted gross income was less than or equal to $50,000, the credit was 25% of the eligible costs and expenses of the rehabilitation.

(2) If the adjusted gross income was greater than $50,000 and less than or equal to $75,000, the credit was 20% of the eligible costs and expenses of the rehabilitation.

(3) If the adjusted gross income was greater than $75,000 and less than or equal to $100,000, the credit was 15% of the eligible costs and expenses of the rehabilitation.

(4) If the adjusted gross income was greater than $100,000, the credit was only available for the rehabilitation of a vacant and blighted owner-occupied residential structure that was at least 50 years old, and the credit was 10% of the eligible costs and expenses of the rehabilitation.

New law removes the income provisions for calculating the credit.

New law establishes the amount of the credit for the rehabilitation of an owner-occupied residential structure at 25% of the eligible costs and expenses provided that the first tax credit application for the project has been filed after July 1, 2011. Further provides that multiple owners shall divide the credit in proportion to their contribution to the eligible costs and expenses for rehabilitation.

New law changes prior law as it related to the rehabilitation of vacant and blighted owner-occupied residential structures by deleting the income requirement and increasing the percentage of the eligible costs and expenses of rehabilitation for which the credit applies from 10% to 50%, provided the first tax credit application for the rehabilitation project has been filed after July 1, 2011.

Existing law requires eligible structures to be owner-occupied residential property.

Existing law provides that the maximum amount of tax credits allowed to be granted in any calendar year shall not exceed $10 million. Credit shall be granted on a first-come, first-served basis.

Prior law provided that the provisions of existing law were applicable until and including the tax years beginning on or before Dec. 31, 2012.

New law extends applicability of this tax credit from tax years beginning on or before Dec. 31, 2012, to tax years beginning before Jan. 1, 2016.

Effective upon signature of governor (July 7, 2011).

(Amends §2 of Act No. 479 of the 2005 R.S., as amended by Act No. 188 of the 2007 R.S., and R.S. 47:297.6(A)(1))