

Regular Session, 2013

SENATE BILL NO. 208

BY SENATORS RISER AND BUFFINGTON AND REPRESENTATIVES LEGER AND PATRICK WILLIAMS

TAX/TAXATION. Extends the tax credit for the rehabilitation of historic structures and provides for the applicability of such credit. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:6019(A)(1)(a), (2)(a), (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 eligibility and qualifications to

6 receive the credit; 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), (3)(b)(i)(cc), (B)(1)(a), and (C) are hereby
12 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 historic

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

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

1 **latest federal decennial census**. The credit shall not exceed twenty-five percent of the
 2 eligible costs and expenses of the rehabilitation. No taxpayer, or any entity affiliated with
 3 such taxpayer, shall ~~receive~~ **claim** more than five million dollars of credit **annually** for any
 4 number of structures rehabilitated within a particular downtown development, ~~or~~ cultural
 5 ~~product~~ district, **or municipality with a population of less than fifteen thousand persons**
 6 **according to the latest federal decennial census**.

7 * * *

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

14 * * *

15 (3) * * *

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 * * *

29 B.(1) Definitions. For purposes of this Section, the following words and

1 phrases shall have the meanings ascribed to them in this Subsection:

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

15 * * *

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

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

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Danielle Doiron.

DIGEST

Riser (SB 208)

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. Provides that credit 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.

Proposed law retains present law but changes the name of a "cultural product district" to a "cultural district" and provides that historic structures in a municipality with a population of less than 15,000 persons are eligible for the tax credit.

Present law requires that to qualify for the credit the historic structure be listed on the National Register of Historic Places or be certified by the state historic preservation office as contributing to the historical significance of the district.

Proposed law retains present law and includes such structure located in a municipality with a population of less than 15,000 persons.

Present law requires transferors and transferees to submit to the state historic preservation office and to the Department of Revenue a written notification of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax credits. 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 Department of Revenue.

Proposed law removes the state historic preservation office from such notifications and 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 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 the 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 Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Removes insurance premium tax from tax credit applicability