Regular Session, 2014

HOUSE BILL NO. 824

## BY REPRESENTATIVE LEGER

# TAX CREDITS: Provides relative to the application fee for projects applying for the rehabilitation of historic structures tax credit applicable to nonresidential property

1	AN ACT
2	To amend and reenact R.S. 47:6019(A)(2)(c) and (3)(b)(i)(cc), relative to the rehabilitation
3	of historic structures; to provide relative to the application fee charged by the state
4	historic preservation office for processing certain applications; to authorize the
5	establishment and imposition of a fee for the processing of tax credit transfers; to
6	require the promulgation of rules and regulations; and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 47:6019(A)(2)(c) and (3)(b)(i)(cc) are hereby amended and reenacted
9	to read as follows:
10	§6019. Tax credit; rehabilitation of historic structures
11	А.
12	* * *
13	(2)(a)
14	* * *
15	(c) A fee shall be charged <u>per application</u> by the state historic preservation
16	office of two hundred fifty dollars per application, the amount of which shall be
17	determined in rules and regulations promulgated by the Department of Culture,
18	Recreation, and Tourism, in accordance with the Administrative Procedure Act,

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	subject to oversight by the House Committee on Ways and Means and the Senate
2	Committee on Revenue and Fiscal Affairs.
3	(3)
4	* * *
5	(b)(i)
6	* * *
7	(cc) Transferors and transferees shall submit to the Department of Revenue
8	in writing a notification of any transfer or sale of tax credits within ten business days
9	after the transfer or sale of such tax credits. The notification shall be accompanied
10	by a tax credit transfer processing fee, the amount of which shall be determined in
11	rules and regulations promulgated by the Department of Revenue, in accordance with
12	the Administrative Procedure Act. A "transfer", for purposes of the fee requirement,
13	means an assignment, disposition, transfer, or allocation of tax credits. The
14	notification shall include the transferor's tax credit balance prior to transfer, the
15	credit identification number assigned by the state historic preservation office, the
16	remaining balance after transfer, all federal and Louisiana tax identification numbers
17	for both transferor and transferee, the date of transfer, the amount transferred, and
18	any other information required by the Department of Revenue. Failure to comply
19	with this notification provision will result in the disallowance of the tax credit until
20	the parties are in full compliance.
21	Section 2. This Act shall become effective on July 1, 2014; if vetoed by the
22	governor and subsequently approved by the legislature, this Act shall become
23	effective on July 1, 2014, or on the day following such approval by the legislature,
24	whichever is later.

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

#### Leger

HB No. 824

**Abstract:** For the tax credit for rehabilitation of historic structures, changes the amount of the tax credit application fee from \$250 per application to an amount determined by rule and requires the payment of a tax credit transfer processing fee by a person who transfers a tax credit.

<u>Present law</u> authorizes an income tax credit for eligible costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development or a cultural district. The amount of the credit shall not exceed 25% of the eligible costs and expenses of the rehabilitation. In order to qualify for the credit, the historic structure must be located in a downtown development or cultural district 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. Eligible structures include nonresidential real property or residential rental property.

<u>Present law</u> requires the state historic preservation office to charge a fee of \$250 per application.

<u>Proposed law</u> retains <u>present law</u> but changes the fee amount <u>from</u> \$250 per application <u>to</u> an amount to be determined by rule promulgated by the Dept. of Culture, Recreation, and Tourism in accordance with the Administrative Procedure Act (APA).

<u>Present law</u> grants legislative oversight authority to the House Committee on Municipal, Parochial, and Cultural Affairs and the Senate Committee on Commerce, Consumer Protection, and International Affairs over rules promulgated by the Dept. of Culture Recreation, and Tourism.

<u>Proposed law</u> retains <u>present law</u> and changes legislative oversight authority to the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs over Dept. of Culture, Recreation, and Tourism rules promulgated regarding the amount of the tax credit application fee.

<u>Present law</u> authorizes the sale and transfer of unused tax credits.

<u>Proposed law</u> retains <u>present law</u> and adds a requirement for the payment of a tax credit transfer processing fee as part of the notification to the Dept. of Revenue relative to the transfer of a tax credit. The Dept. of Revenue is authorized to establish the amount of the fee by rule promulgated in accordance with the APA.

Effective July 1, 2014.

(Amends R.S. 47:6019(A)(2)(c) and (3)(b)(i)(cc))

Summary of Amendments Adopted by House

- Committee Amendments Proposed by <u>House Committee on Ways and Means</u> to the <u>original</u> bill.
- 1. Required legislative oversight authority by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs for Dept. of

Culture, Recreation, and Tourism rules regarding the amount of the tax credit application fee.

- 2. Added a requirement for the payment of a tax credit transfer processing fee as part of the notification to the Dept. of Revenue relative to the transfer of a tax credit, the amount of the fee to be established by rule of the Dept. of Revenue.
- 3. Added effective date.