

**59-10-1006 Historic preservation tax credit.**

- (1)
- (a) For tax years beginning January 1, 1993, and thereafter, there is allowed to a claimant, estate, or trust, as a nonrefundable tax credit against the income tax due, an amount equal to 20% of qualified rehabilitation expenditures, costing more than \$10,000, incurred in connection with any residential certified historic building. When qualifying expenditures of more than \$10,000 are incurred, the tax credit allowed by this section shall apply to the full amount of expenditures.
  - (b) All rehabilitation work to which the tax credit may be applied shall be approved by the State Historic Preservation Office prior to completion of the rehabilitation project as meeting the Secretary of the Interior's Standards for Rehabilitation so that the office can provide corrective comments to the claimant, estate, or trust in order to preserve the historical qualities of the building.
  - (c) Any amount of tax credit remaining may be carried forward to each of the five taxable years following the qualified expenditures.
  - (d) The commission, in consultation with the Division of State History, shall promulgate rules to implement this section.
- (2) As used in this section:
- (a) "Certified historic building" means a building that is listed on the National Register of Historic Places within three years of taking the credit under this section or that is located in a National Register Historic District and the building has been designated by the Division of State History as being of significance to the district.
  - (b)
    - (i) "Qualified rehabilitation expenditures" means any amount properly chargeable to the rehabilitation and restoration of the physical elements of the building, including the historic decorative elements, and the upgrading of the structural, mechanical, electrical, and plumbing systems to applicable codes.
    - (ii) "Qualified rehabilitation expenditures" does not include expenditures related to:
      - (A) a claimant's, estate's, or trust's personal labor;
      - (B) cost of acquisition of the property;
      - (C) any expenditure attributable to the enlargement of an existing building;
      - (D) rehabilitation of a certified historic building without the approval required in Subsection (1) (b); or
      - (E) any expenditure attributable to landscaping and other site features, outbuildings, garages, and related features.
  - (c) "Residential" means a building used for residential use, either owner occupied or income producing.

Renumbered and Amended by Chapter 223, 2006 General Session