

SB0234S01 compared with SB0234

~~text~~ shows text that was in SB0234 but was deleted in SB0234S01.

text shows text that was not in SB0234 but was inserted into SB0234S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Timothy D. Hawkes proposes the following substitute bill:

HISTORIC REHABILITATION TAX CREDIT AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Derrin R. Owens

House Sponsor: ~~_____~~ Timothy D. Hawkes

LONG TITLE

General Description:

This bill modifies the tax credit related to expenditures for rehabilitating a historic building.

Highlighted Provisions:

This bill:

- ▶ allows a taxpayer to claim a tax credit for rehabilitation expenditures made for certain historic commercial buildings;
- ▶ provides that a person may assign all or a portion of a historic rehabilitation tax credit; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

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Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-7-609, as enacted by Laws of Utah 1995, Chapter 42

59-10-1006, as renumbered and amended by Laws of Utah 2006, Chapter 223

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-7-609** is amended to read:

59-7-609. Historic rehabilitation credit.

(1) (a) [~~For tax years beginning January 1, 1993, and thereafter, there is allowed to a taxpayer subject~~] Subject to Section 59-7-104, a taxpayer may claim as a credit against the tax due, an amount equal to 20% of qualified rehabilitation expenditures, costing more than \$10,000, incurred in connection with any residential or commercial certified historic building. When qualifying expenditures of more than \$10,000 are incurred, the credit allowed by this section shall apply to the full amount of expenditures.

(b) All rehabilitation work to which the 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 taxpayer in order to preserve the historical qualities of the building.

(c) Subject to Subsection (1)(d):

(i) ~~{A}~~a taxpayer may ~~{sell or}~~ assign all or a portion of a tax credit under this section ~~{.}~~;

(ii) ~~{A}~~a person to whom another person ~~{sells or}~~ assigns all or a portion of a tax credit under this section may ~~{sell or}~~ assign all or a portion of the tax credit to which the person is entitled ~~{.}~~; and

(iii) ~~{There}~~there is no limit on the number of transactions for the ~~{sale or}~~ assignment of all or a portion of a tax credit under this section.

(d) A person who assigns all or a portion of a tax credit under this section shall provide written notice to the State Historic Preservation Office that includes:

(i) the amount of tax credit assigned;

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(ii) the assignor's written certification or other proof that the assignor irrevocably elects not to claim the value of the tax credit assigned to another person;

(iii) the assignee's contact information; and

(iv) any other information the State Historic Preservation Office requests.

(e) The State Historic Preservation Office shall annually provide an electronic list to the commission that includes:

(i) (A) the name and identifying information for each taxpayer for whom the State Historic Preservation Office approves qualified rehabilitation expenditures; and

(B) each person to whom all or a portion of a tax credit is assigned under this section; and

(ii) for each person described in Subsection (1)(e)(i), the amount of the person's approved qualified rehabilitation expenditures or the value of the tax credit to which the person is entitled.

~~(e)~~ ~~(f)~~ Any amount of credit remaining may be carried forward to each of the five taxable years following the qualified expenditures.

~~(d)~~ ~~(e)~~ ~~(g)~~ 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) the taxpayer'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

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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.

Section 2. Section **59-10-1006** is amended to read:

59-10-1006. Historic rehabilitation tax credit.

(1) (a) [~~For tax years beginning January 1, 1993, and thereafter, there is allowed to a~~] A claimant, estate, or trust, may claim 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 or commercial 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) Subject to Subsection (1)(d):

(i) ~~{A}~~a claimant, estate, or trust may~~{ sell or}~~ assign all or a portion of a tax credit under this section~~{.};~~

(ii) ~~{A}~~a person to whom another person~~{ sells or}~~ assigns all or a portion of a tax credit under this section may~~{ sell or}~~ assign all or a portion of the tax credit to which the person is entitled~~{.};~~ and

(iii) ~~{There}~~there is no limit on the number of transactions for the~~{ sale or}~~ assignment of all or a portion of a tax credit under this section.

(d) A person who assigns all or a portion of a tax credit under this section shall provide written notice to the State Historic Preservation Office that includes:

(i) the amount of tax credit assigned;

(ii) the assignor's written certification or other proof that the assignor irrevocably elects not to claim the value of the tax credit assigned to another person;

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(iii) the assignee's contact information; and

(iv) any other information the State Historic Preservation Office requests.

(e) The State Historic Preservation Office shall annually provide an electronic list to the commission that includes:

(i) (A) the name and identifying information for each claimant, estate, or trust for whom the State Historic Preservation Office approves qualified rehabilitation expenditures;
and

(B) each person to whom all or a portion of a tax credit is assigned under this section;
and

(ii) for each person described in Subsection (1)(e)(i), the amount of the person's approved qualified rehabilitation expenditures or the value of the tax credit to which the person is entitled.

~~(c)~~ ~~(f)~~ Any amount of tax credit remaining may be carried forward to each of the five taxable years following the qualified expenditures.

~~(d)~~ ~~(e)~~ 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

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(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.

Section 3. Retrospective operation.

This bill has retrospective operation for a taxable year beginning on or after January 1, 2022.