

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

‘**Sec. 1. 27 MRSA §505, sub-§2, ¶E** is enacted to read:

E. The director may administer, in consultation with the Department of Administrative and Financial Services, Bureau of Revenue Services, a program in support of state rehabilitation tax credits for income-producing historic structures. The program must contain the following elements.

(1) The director shall certify that historic structures are listed in or are eligible for listing in the National Register of Historic Places or are in certified local districts.

(2) A historic structure is a building listed in the National Register of Historic Places.

(3) The director shall certify that rehabilitations of certified historic structures are consistent with the United States Secretary of the Interior's Standards for Rehabilitation.

(4) Qualified rehabilitation expenditures are those that are defined in Section 47 of the federal Internal Revenue Code.

(5) The director shall generate and update as necessary a state historic preservation certification application.

(6) The director may establish a schedule of processing fees, the proceeds of which may be used by the director solely for the support of the administration of certifying rehabilitations of certified historic structures.

(7) The processing fees collected by the director must be placed in a nonlapsing historic commercial rehabilitation fund to be used solely by the director for the administration of certifying rehabilitations of certified historic structures.

(8) By January 15, 2013, the Maine Historic Preservation Commission shall conduct an analysis of the use of tax credits provided under Title 36, section 5219-BB as an incentive for rehabilitation of historic structures and economic development and report the results of its analysis to the joint standing committee of the Legislature having jurisdiction over taxation

matters with recommendations as to whether the credits under section 5219-BB should be extended, repealed or amended. The joint standing committee may submit legislation related to the report.

Sec. 2. 36 MRSA §5219-R, sub-§1, as enacted by PL 2005, c. 519, Pt. H, §1, is amended to read:

1. Credit allowed. A taxpayer is allowed a credit against the tax imposed under this Part equal to the amount of credit claimed by the taxpayer for the taxable year under Section 47 of the Code with respect to expenditures incurred after December 31, 1999 for a certified historic structure located in the State. The credit is nonrefundable and is limited to \$100,000 annually per taxpayer. A credit received under this section is subject to the same recapture provisions, as apply to a credit received under Section 47 of the Code and to any available federal carry-back or carry-forward provisions. A credit may not be claimed under this subsection for expenditures incurred after December 31, 2007.

Sec. 3. 36 MRSA §5219-BB is enacted to read:

§ 5219-BB. Credit for rehabilitation of historic properties after 2007

1. Credit allowed. A taxpayer is allowed a credit against the tax imposed under this Part for either of the following.

A. A taxpayer is allowed a credit against the tax imposed under this Part equal to 25% of the taxpayer's qualified rehabilitation expenditures for which a tax credit is claimed under Section 47 of the Code for a certified historic structure located in the State. Eligible qualified rehabilitation expenditures are those taken into account under Section 47 of the Code, except that a credit may not be claimed for expenditures incurred prior to January 1, 2008 or after December 31, 2013.

B. A taxpayer who incurs not less than \$50,000 and up to \$250,000 in qualified rehabilitation expenditures in the rehabilitation of a certified historic structure located in the State and who does not claim the federal credit with regard to those expenditures may claim a credit against the tax imposed under this Part equal to 25% of those expenditures. The credit may be claimed for the taxable year in which the certified historic structure is placed in service, except that a credit may not be claimed for expenditures incurred before January 1, 2008 or after December 31, 2013. For purposes of this paragraph, "qualified rehabilitation expenditures" means expenditures incurred in the certified rehabilitation of a certified historic structure located in the State but does not include a requirement that the certified historic structure be substantially rehabilitated.

2. Maximum credit. The credit allowed pursuant to this section may not exceed \$5,000,000 for each certified rehabilitation under Section 47 of the Code placed into service in the State during the taxable year for which a credit is claimed under this section.

3. Timing of credit. Twenty-five percent of the credit allowed pursuant to this section must be taken in the taxable year the property is placed into service and 25% must be taken in each of the next 3 taxable years.

4. Credit refundable. The credit allowed under this section is fully refundable.

5. Allocation of credit. Credits allowed to a partnership, a limited liability company taxed as a partnership or multiple owners of property must be passed through to the partners, members or owners respectively pro rata in the same manner as under section 5219-G, subsection 1 or pursuant to an executed agreement among the partners, members or owners documenting an alternate allocation method.

6. Recapture. A credit received under this section is subject to the same recapture provisions as apply to a credit received under Section 47 of the Code.

7. Limitation. A taxpayer who is eligible to claim a credit under section 5219-R, whether or not a credit is actually claimed, may not claim a credit under this section. In addition, a credit may not be claimed under this section with respect to expenditures incurred for rehabilitation of Building No. 2 in the Lockwood Mill Historic District in the City of Waterville.

Sec. 4. Appropriations and allocations. The following appropriations and allocations are made.

HISTORIC PRESERVATION COMMISSION, MAINE

Historic Commercial Rehabilitation Fund N029

Initiative: Establishes a base allocation for the Historic Commercial Rehabilitation Fund to support the administration costs associated with certifying rehabilitations of certified historic structures.

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
All Other	\$0	\$500
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OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$500

SUMMARY

This amendment changes future historic rehabilitation tax credits a taxpayer may take if the taxpayer received a credit under the United States Internal Revenue Code from an amount equal to the credit the taxpayer received under the Code to an amount equal to 25% of the expenditures incurred. This amendment also allows a historic rehabilitation tax credit for a taxpayer who did not receive a credit under the United States Internal Revenue Code of 25% of expenditures if the taxpayer expended from \$50,000 to \$250,000 on a certified historic structure. This amendment makes the credit refundable and authorizes the State Historic Preservation Officer to establish a schedule of fees for certifying the historic structures and certifying rehabilitations in the State, the proceeds of which will go to administering the program. The amendment sunsets the credit in 2013. The Maine Historic Preservation Commission shall submit

an analysis of the use of the credit to the joint standing committee of the Legislature having jurisdiction over taxation matters by January 15, 2013.

FISCAL NOTE REQUIRED
(See attached)