

STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Fiscal: Fiscal impact issued
Revenue: Revenue impact issued

Action Date: 03/24/15

Action: Do Pass And Requesting Referral To Tax Credits.

Meeting Dates: 03/04, 03/24

Vote:

Yeas: 5 - Baertschiger Jr, Boquist, Edwards, Hass, Riley

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WHAT THE MEASURE DOES:

Creates a personal and corporate income tax credit for contributions to the State Historic Rehabilitation Fund. Declares that the tax credit will be sold at auction by the Department of Revenue and the State Historic Preservation Officer. Limits the amount of tax credits to be sold at \$12 million per year. The tax credit is nonrefundable but has a five-year carryforward. Applies to tax years 2016 through 2021. The tax credit has a sunset date of January 1, 2022. Money contributed to the Fund shall be used to provide rebates to property owners who complete eligible material rehabilitation projects. The maximum rebate is 25 percent of eligible expenses up to \$2 million. Sets criteria for eligible projects. Applications for rebates must be submitted by July 1, 2015.

ISSUES DISCUSSED:

- Value as an economic development tool
- Potential impact on insurance rates
- Value as a financial incentive to increase diversification

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The federal government has a tax credit that is 10 percent of rehabilitation costs for buildings placed in service prior to 1936 and 20 percent for certified historic structures. In addition, roughly 35 states offer a tax credit for the rehabilitation of historic buildings.