

By: Representative Stevens

To: Ways and Means

## HOUSE BILL NO. 1528

1 AN ACT TO AUTHORIZE AN INCOME TAX CREDIT FOR TAXPAYERS WHO  
 2 INCUR COSTS AND EXPENSES FOR THE REHABILITATION OF ELIGIBLE  
 3 PROPERTY WHICH IS A CERTIFIED HISTORIC STRUCTURE OR A STRUCTURE IN  
 4 A CERTIFIED HISTORIC DISTRICT IN AN AMOUNT EQUAL TO 25% OF THE  
 5 TOTAL COSTS AND EXPENSES OF REHABILITATION INCURRED, IF THE COSTS  
 6 AND EXPENSES ASSOCIATED WITH REHABILITATION EXCEED 50% OF THE  
 7 TOTAL BASIS IN THE PROPERTY AND THE REHABILITATION IS CONSISTENT  
 8 WITH THE STANDARDS OF THE SECRETARY OF THE UNITED STATES  
 9 DEPARTMENT OF THE INTERIOR AS DETERMINED BY THE MISSISSIPPI  
 10 DEPARTMENT OF ARCHIVES AND HISTORY; TO PROVIDE THAT IF THE AMOUNT  
 11 OF THE TAX CREDIT EXCEEDS THE TOTAL STATE INCOME TAX LIABILITY FOR  
 12 THE YEAR IN WHICH THE REHABILITATED PROPERTY IS PLACED IN SERVICE,  
 13 THE AMOUNT THAT EXCEEDS THE TOTAL STATE INCOME TAX LIABILITY MAY  
 14 BE CARRIED BACK TO EACH OF THE THREE TAX YEARS PRECEDING THE TAX  
 15 YEAR IN WHICH THE ORIGINAL CREDIT IS CLAIMED AND CARRIED FORWARD  
 16 FOR THE TEN SUCCEEDING TAX YEARS; TO PROVIDE THE MANNER IN WHICH  
 17 SUCH CREDIT MAY BE CLAIMED; TO PROVIDE FOR THE MISSISSIPPI  
 18 DEVELOPMENT AUTHORITY TO DETERMINE THE AMOUNT OF THE ELIGIBLE TAX  
 19 CREDIT, CONSISTENT WITH THE STANDARDS OF THE SECRETARY OF THE  
 20 UNITED STATES DEPARTMENT OF THE INTERIOR; TO REQUIRE THAT THE  
 21 EXPENDITURES HAVE A POSITIVE ECONOMIC, FISCAL OR TAX IMPACT ON THE  
 22 STATE OR LOCAL GOVERNMENTS; TO PROVIDE FOR A DECEMBER 31, 2011,  
 23 REPEAL DATE ON THE INCOME TAX CREDIT AUTHORIZED UNDER THIS ACT;  
 24 AND FOR RELATED PURPOSES.

25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

26 **SECTION 1.** (1) As used in this section:

27 (a) "Certified historic structure" means a property  
 28 located in Mississippi and listed individually on the National  
 29 Register of Historic Places.

30 (b) "Eligible property" means property located in  
 31 Mississippi and offered or used for residential or business  
 32 purposes.

33 (c) "Structure in a certified historic district" means  
 34 a structure (and its structural components) located in Mississippi  
 35 which (i) is listed in the National Register of Historic Places or  
 36 (ii) is located in a registered historic district and is certified  
 37 by the Secretary of the United States Department of the Interior  
 38 as being of historic significance to the district; or a structure

39 (and its structural components) certified by the Mississippi  
40 Department of Archives and History as contributing to the historic  
41 significance of a certified historic district listed on the  
42 National Register of Historic Places or a local district that has  
43 been certified by the United States Department of the Interior.

44 (2) Any taxpayer incurring costs and expenses for the  
45 rehabilitation of eligible property, which is a certified historic  
46 structure or a structure in a certified historic district, shall  
47 be entitled to a credit against the taxes imposed pursuant to this  
48 chapter in an amount equal to twenty-five percent (25%) of the  
49 total costs and expenses of rehabilitation incurred after January  
50 1, 2006, which shall include, but not be limited to, qualified  
51 rehabilitation expenditures as defined under Section 47(c)(2)(A)  
52 of the Internal Revenue Code of 1986, as amended, and the related  
53 regulations thereunder, if the costs and expenses associated with  
54 rehabilitation exceed fifty percent (50%) of the total basis in  
55 the property and the rehabilitation is consistent with the  
56 standards of the Secretary of the United States Department of the  
57 Interior as determined by the Department of Archives and History.  
58 The Board of Trustees of the Department of Archives and History is  
59 authorized to charge a reasonable nonrefundable fee for  
60 administration of this section, said fee not to exceed the actual  
61 cost of providing such services. Any taxpayer desiring to  
62 participate in the tax credits authorized by this section shall  
63 pay this fee to the Department of Archives and History, which  
64 shall be used without appropriation from the Legislature, by the  
65 department to offset such administrative costs.

66 (3) (a) If the amount of the tax credit established by this  
67 section exceeds the total state income tax liability for the year  
68 in which the rehabilitated property is placed in service, the  
69 amount that exceeds the total state income tax liability may be  
70 carried back to each of the three (3) tax years preceding the tax

71 year in which the original credit is claimed and carried forward  
72 for the ten (10) succeeding tax years.

73 (b) Not-for-profit entities, including, but not limited  
74 to, nonprofit corporations organized under Section 79-11-101  
75 et seq. shall be ineligible for the credit authorized by this  
76 section. Credits granted to a partnership, a limited liability  
77 company taxed as a partnership or multiple owners of property  
78 shall be passed through to the partners, members or owners on a  
79 pro rata basis or pursuant to an executed agreement among the  
80 partners, members or owners documenting an alternative  
81 distribution method.

82 (4) To claim the credit authorized pursuant to this section,  
83 the taxpayer shall apply to the Mississippi Development Authority  
84 which shall determine the amount of eligible rehabilitation costs  
85 and expenses and whether the rehabilitation is consistent with the  
86 standards of the Secretary of the United States Department of the  
87 Interior. If the Mississippi Development Authority makes a  
88 determination that the expenditure of eligible rehabilitation  
89 costs has a positive economic, fiscal or tax impact, either direct  
90 or indirect, on the state or on local governments, the Mississippi  
91 Development Authority shall issue a certificate evidencing the  
92 eligible credit if the taxpayer is found to be eligible for the  
93 tax credit. The taxpayer shall attach the certificate to all  
94 income tax returns on which the credit is claimed.

95 (5) This section shall stand repealed on December 31, 2011.

96 **SECTION 2.** This act shall take effect and be in force from  
97 and after January 1, 2006.