

By: Senator(s) Chaney

To: Finance

SENATE BILL NO. 2993

1 AN ACT TO AUTHORIZE AN INCOME TAX CREDIT FOR TAXPAYERS WHO  
2 INCUR COSTS AND EXPENSES FOR THE REHABILITATION OF CERTAIN  
3 ELIGIBLE HISTORIC PROPERTY IN AN AMOUNT EQUAL TO 25% OF THE TOTAL  
4 COSTS AND EXPENSES OF REHABILITATION INCURRED, IF THE COSTS AND  
5 EXPENSES ASSOCIATED WITH REHABILITATION EXCEED 50% OF THE TOTAL  
6 BASIS IN THE PROPERTY AND THE REHABILITATION IS CONSISTENT WITH  
7 THE STANDARDS OF THE SECRETARY OF THE UNITED STATES DEPARTMENT OF  
8 THE INTERIOR AS DETERMINED BY THE MISSISSIPPI DEPARTMENT OF  
9 ARCHIVES AND HISTORY; TO PROVIDE THAT IF THE AMOUNT OF THE TAX  
10 CREDIT EXCEEDS THE TOTAL STATE INCOME TAX LIABILITY FOR THE YEAR  
11 IN WHICH THE REHABILITATED PROPERTY IS PLACED IN SERVICE, THE  
12 AMOUNT THAT EXCEEDS THE TOTAL STATE INCOME TAX LIABILITY MAY BE  
13 CARRIED BACK TO EACH OF THE THREE TAX YEARS PRECEDING THE TAX YEAR  
14 IN WHICH THE ORIGINAL CREDIT IS CLAIMED AND CARRIED FORWARD FOR  
15 THE TEN SUCCEEDING TAX YEARS; TO PROVIDE THE MANNER IN WHICH SUCH  
16 CREDIT MAY BE CLAIMED; TO PROVIDE THAT THE MISSISSIPPI DEVELOPMENT  
17 AUTHORITY SHALL DETERMINE THE AMOUNT OF ELIGIBLE REHABILITATION  
18 COSTS AND EXPENSES AND WHETHER THE REHABILITATION IS CONSISTENT  
19 WITH THE STANDARDS OF THE SECRETARY OF THE UNITED STATES  
20 DEPARTMENT OF THE INTERIOR; TO PROVIDE THAT IF THE MISSISSIPPI  
21 DEVELOPMENT AUTHORITY MAKES A DETERMINATION THAT THE EXPENDITURE  
22 OF ELIGIBLE REHABILITATION COSTS HAS A POSITIVE ECONOMIC, FISCAL  
23 OR TAX IMPACT, EITHER DIRECT OR INDIRECT, THE MISSISSIPPI  
24 DEVELOPMENT AUTHORITY SHALL ISSUE A CERTIFICATE EVIDENCING THE  
25 ELIGIBLE CREDIT IF THE TAXPAYER IS FOUND TO BE ELIGIBLE FOR THE  
26 TAX CREDIT; AND FOR RELATED PURPOSES.

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

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

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

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

35 (c) "Structure in a certified historic district" means  
36 a structure (and its structural components) located in Mississippi  
37 which is:

38 (i) Listed on the National Register of Historic  
39 Places;

40                   (ii) Located in a registered historic district and  
41 certified by the United States Secretary of Interior as being of  
42 historic significance to the district and is certified by the  
43 Secretary of the United States Department of the Interior as being  
44 of historic significance to the district; or

45                   (iii) Certified by the Mississippi Department of  
46 Archives and History as contributing to the historic significance  
47 of a certified historic district listed on the National Register  
48 of Historic Places or a local district that has been certified by  
49 the United States Department of the Interior.

50           (2) Any taxpayer incurring costs and expenses for the  
51 rehabilitation of eligible property, which is a certified historic  
52 structure or a structure in a certified historic district, shall  
53 be entitled to a credit against the taxes imposed pursuant to this  
54 chapter in an amount equal to twenty-five percent (25%) of the  
55 total costs and expenses of rehabilitation incurred after January  
56 1, 2005, which shall include, but not be limited to, qualified  
57 rehabilitation expenditures as defined under Section 47(c)(2)(A)  
58 of the Internal Revenue Code of 1986, as amended, and the related  
59 regulations thereunder, if the costs and expenses associated with  
60 rehabilitation exceed fifty percent (50%) of the total basis in  
61 the property and the rehabilitation is consistent with the  
62 standards of the Secretary of the United States Department of the  
63 Interior as determined by the Mississippi Department of Archives  
64 and History. The Board of Trustees of the Department of Archives  
65 and History is authorized to charge a reasonable nonrefundable fee  
66 for administration of this section; however, the fee shall not  
67 exceed the actual cost of providing these services. Taxpayers  
68 desiring to utilize the tax credit authorized by this section  
69 shall pay the fee to the Department of Archives and History and  
70 any fees so paid may be used by the department without  
71 appropriation from the Legislature to offset its administrative  
72 costs associated with this section.

73           (3) (a) If the amount of the tax credit established by this  
74 section exceeds the total state income tax liability for the year  
75 in which the rehabilitated property is placed in service, the  
76 amount that exceeds the total state income tax liability may be  
77 carried back to each of the three (3) tax years preceding the tax  
78 year in which the original credit is claimed and carried forward  
79 for the ten (10) succeeding tax years.

80           (b) Credit granted to a partnership, a limited  
81 liability company taxed as a partnership or multiple owners of  
82 property, shall be passed through to the partners, members or  
83 owners on a pro rata basis or pursuant to an executed agreement  
84 among the partners, members or owners that documents an  
85 alternative distribution method.

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

99           (5) This section shall be repealed from and after January 1,  
100 2012.

101           **SECTION 2.** The provisions of Section 1 of this act shall be  
102 codified in Chapter 7, Title 27, Mississippi Code of 1972.

103           **SECTION 3.** This act shall take effect and be in force from  
104 and after January 1, 2006.