

By: Senator(s) Robertson (By Request)

To: Finance

SENATE BILL NO. 2996

1 AN ACT TO AMEND SECTION 27-7-22.31, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE THE TRANSFER, SALE OR ASSIGNMENT OF INCOME TAX
3 CREDITS RECEIVED FOR THE REHABILITATION OF CERTAIN HISTORIC
4 STRUCTURES; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 27-7-22.31, Mississippi Code of 1972, is
7 amended as follows:

8 27-7-22.31. (1) As used in this section:

9 (a) "Certified historic structure" means a property
10 located in Mississippi and listed individually on the National
11 Register of Historic Places or property that has been designated a
12 Mississippi Landmark by the Department of Archives and History
13 pursuant to Section 39-7-3 et seq.

14 (b) "Eligible property" means property located in
15 Mississippi and offered or used for residential or business
16 purposes.

17 (c) "Structure in a certified historic district" means
18 a structure (and its structural components) located in Mississippi
19 which is:

20 (i) Is listed in the National Register of Historic
21 Places; or

22 (ii) Is located in a registered historic district
23 listed on the National Register of Historic Places and is
24 certified by the Secretary of the United States Department of the
25 Interior as being of historic significance to the district; or

26 (iii) Certified by the Mississippi Department of
27 Archives and History as contributing to the historic significance
28 of a certified historic district listed on the National Register

29 of Historic Places or a local district that has been certified by
30 the United States Department of the Interior.

31 (d) "Department" means the Department of Archives and
32 History.

33 (2) Any taxpayer incurring costs and expenses for the
34 rehabilitation of eligible property, which is a certified historic
35 structure or a structure in a certified historic district, shall
36 be entitled to a credit against the taxes imposed pursuant to this
37 chapter in an amount equal to twenty-five percent (25%) of the
38 total costs and expenses of rehabilitation incurred after January
39 1, 2006, which shall include, but not be limited to, qualified
40 rehabilitation expenditures as defined under Section 47(c)(2)(A)
41 of the Internal Revenue Code of 1986, as amended, and the related
42 regulations thereunder:

43 (a) If the costs and expenses associated with
44 rehabilitation exceed:

45 (i) Five Thousand Dollars (\$5,000.00) in the case
46 of an owner-occupied dwelling; or

47 (ii) Fifty percent (50%) of the total basis in the
48 property in the case of all other properties; and

49 (b) The rehabilitation is consistent with the standards
50 of the Secretary of the United States Department of the Interior
51 as determined by the department.

52 (3) (a) If the amount of the tax credit established by this
53 section exceeds the total state income tax liability for the year
54 in which the rehabilitated property is placed in service, the
55 amount that exceeds the total state income tax liability may be
56 carried forward for the ten (10) succeeding tax years.

57 (b) Not-for-profit entities, including, but not limited
58 to, nonprofit corporations organized under Section 79-11-101 et
59 seq. shall be ineligible for the credit authorized by this
60 section. Credits granted to a partnership, a limited liability
61 company taxed as a partnership or multiple owners of property

62 shall be passed through to the partners, members or owners on a
63 pro rata basis or pursuant to an executed agreement among the
64 partners, members or owners documenting an alternative
65 distribution method.

66 (4) To claim the credit authorized pursuant to this section,
67 the taxpayer shall apply to the department which shall determine
68 the amount of eligible rehabilitation costs and expenses and
69 whether the rehabilitation is consistent with the standards of the
70 Secretary of the United States Department of the Interior. The
71 department shall issue a certificate evidencing the eligible
72 credit if the taxpayer is found to be eligible for the tax credit.
73 The taxpayer shall attach the certificate to all income tax
74 returns on which the credit is claimed.

75 (5) Taxpayers who receive the credit may transfer, sell or
76 assign the credit. The transferee, buyer or assignee of a tax
77 credit may use credits that they acquire to offset up to one
78 hundred percent (100%) of the taxes imposed pursuant to this
79 chapter in the same manner and to the same extent as the
80 transferor, seller or assignor or the credit. In order to
81 transfer, sell or assign the credit authorized by this section,
82 the transferor, seller or assignor shall notify the department and
83 the State Tax Commission in writing within thirty (30) calendar
84 days following the effective date of the transfer, sale or
85 assignment, and shall provide any information as may be required
86 by the State Tax Commission to carry out the provisions of this
87 subsection.

88 (6) (a) The board of trustees of the department shall
89 establish fees to be charged for the services performed by the
90 department under this section and shall publish the fee schedule.
91 The fees contained in the schedule shall be in amounts reasonably
92 calculated to recover the costs incurred by the department for the
93 administration of this section. Any taxpayer desiring to
94 participate in the tax credits authorized by this section shall

95 pay the appropriate fee as contained in the fee schedule to the
96 department, which shall be used by the department, without
97 appropriation, to offset the administrative costs of the
98 department associated with its duties under this section.

99 (b) There is hereby created within the State Treasury a
100 special fund into which shall be deposited all the fees collected
101 by the department pursuant to this section. Money deposited into
102 the fund shall not lapse at the end of any fiscal year and
103 investment earnings on the proceeds in such special fund shall be
104 deposited into such fund. Money from the fund shall be disbursed
105 upon warrants issued by the State Fiscal Officer upon requisitions
106 signed by the executive director of the department to assist the
107 department in carrying out its duties under this section.

108 (7) This section shall stand repealed on December 31, 2011.

109 **SECTION 2.** This act shall take effect and be in force from
110 and after July 1, 2007.