

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 972

H.P. 715

House of Representatives, March 23, 1995

An Act to Provide a Tax Credit for the Rehabilitation of Historic Properties.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative DORE of Auburn.
Cosponsored by Representative ADAMS of Portland and
Representatives: BÉNEDIKT of Brunswick, DAVIDSON of Brunswick, FISHER of Brewer,
JONES of Bar Harbor, LEMAIRE of Lewiston, LOOK of Jonesboro, MERES of
Norridgewock, MORRISON of Bangor, POULIOT of Lewiston, SAXL of Bangor, SAXL of
Portland, TREAT of Gardiner, TUTTLE of Sanford, Senators: CLEVELAND of
Androscoggin, LORD of York, MILLS of Somerset, RAND of Cumberland.

2 Be it enacted by the People of the State of Maine as follows:

4 Sec. 1. 36 MRS §5219-K is enacted to read:

6 **§5219-K. Rehabilitation of historic properties tax credit**

8 **1. Definitions.** As used in this section, unless the
10 context otherwise indicates, the following terms have the
12 following meanings.

14 **A. "Rehabilitation project"** means a project undertaken by
16 the owner or leasee of buildings or other structures located
18 within an historic district or listed on or eligible for
20 listing on the National Register of Historic Places to
22 rehabilitate that building or other structure. The project
24 must be reviewed and approved by the local historic
preservation commission or the Maine Historic Preservation
Commission if there is no local commission to approve the
project. The reviewing commission may charge a fee of not
less than \$250 and not more than \$1,000 based on the cost of
the project. In approving a project, the reviewing
commission must use the Standards for Rehabilitation issued
by the United States Secretary of the Interior and the
Uniform Code for Building Conservation.

26 **2. Credit allowed.** A credit against the tax imposed by
28 this Part for any taxable year beginning on or after January 1,
1996 equal to 20% of the total cost of the rehabilitation project
is allowed to a taxpayer who:

30 **A.** Is the owner or qualified tenant of qualified property
32 and who incurs qualified costs in an amount equaling or
34 exceeding \$5,000 in the qualified rehabilitation of the
qualified property; or

36 **B.** Is allowed a credit for costs incurred in the
38 rehabilitation of property located in this State pursuant to
the Code, Section 38.

40 **3. Limitations.** The amount of credit allowed in subsection
42 2 may not exceed \$100,000. In no case may this credit reduce the
Maine income tax to less than zero.

44 **4. Carry over.** Any unused credit as a result of the
46 limitation imposed by subsection 3 may be carried over to the
following year or years for a period not to exceed 5 years.

48 **5. Recapture.** If a taxpayer disposes of a rehabilitated
50 historic property within 5 years of completion of the
rehabilitation project the tax imposed by this Part for the

2 taxable year in which the disposition occurs is increased by the
3 following amounts:

4 A. If the disposition occurs one year or less from the date
5 the rehabilitation project is completed, an amount equal to
6 100% of the amount allowed as a credit in the year of
7 disposition and all prior years;

8
9 B. If the disposition occurs more than one year but less
10 than 2 years from the date the rehabilitation project is
11 completed, an amount equal to 80% of the amount allowed as a
12 credit in the year of disposition and all prior years;

13
14 C. If the disposition occurs 2 years or more but less than
15 3 years from the date the rehabilitation project is
16 completed, an amount equal to 60% of the amount allowed as a
17 credit in the year of disposition and all prior years;

18
19 D. If the disposition occurs 3 years or more but less than
20 4 years from the date the rehabilitation project is
21 completed, an amount equal to 40% of the amount allowed as a
22 credit in the year of disposition and all prior years; or

23
24 E. If the disposition occurs 4 years or more but less than
25 5 years from the date the rehabilitation project is
26 completed, an amount equal to 20% of the amount allowed as a
27 credit in the year of disposition and all prior years.

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30 **STATEMENT OF FACT**

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32 This bill establishes an income tax credit for
rehabilitation of historic properties.