

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

SECOND REGULAR SESSION-2006

Legislative Document

No. 1775

S.P. 692

In Senate, December 30, 2005

An Act To Establish a Refundable Historic Rehabilitation Credit

Approved for introduction by a majority of the Legislative Council Pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 28, 2005. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator MITCHELL of Kennebec.
Cosponsored by Representative LERMAN of Augusta and
Senators: GAGNON of Kennebec, PERRY of Penobscot, Representatives: BROWNE of
Vassalboro, DAVIS of Augusta.

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

Sec. 1. 36 MRSA §5219-R, as amended by PL 2001, c. 526, §5 and affected by §6, is repealed and the following enacted in its place:

§5219-R. Credit for rehabilitation of historic properties

1. Credit allowed. A taxpayer is allowed a credit against the tax imposed under this Part equal to the amount of credit claimed by the taxpayer for the taxable year under Section 47 of the Code with respect to expenditures incurred after December 31, 1999 for a certified historic structure as defined in the Code located in the State. The credit is nonrefundable and is limited to \$100,000 annually per taxpayer. A credit received under this section is subject to the same recapture provisions as apply to a credit received under Section 47 of the Code and to any available federal carry-back or carry-forward provisions.

2. Credit refundable in certain cases. A taxpayer that is a National Historic Landmark developer is allowed a refundable credit in an amount equal to the credit determined by the taxpayer under Section 47 of the Code for the taxable year. The refundable credit allowed by this subsection is in lieu of the credit that is allowed to the taxpayer by subsection 1 or that would otherwise be passed through to its partners or shareholders, if any. The credit is allowed only for tax years that begin on or after January 1, 2006 but before January 1, 2010. The credit may not exceed \$500,000 per year, and unused credit amounts may be carried forward only through the 2009 tax year. In the event that more than one National Historic Landmark developer qualifies for the refundable credit allowed by this subsection, the maximum annual credit amount and credit carry-forward limitations established by this subsection apply to all such developers collectively, and if necessary the State Tax Assessor shall prorate the credits between those developers based on their respective shares of qualified expenses incurred. For the purposes of this subsection, "National Historic Landmark developer" means a person that owns 2 or more structures located in the Kennebec Arsenal District National Historic Landmark.

SUMMARY

This bill allows a refundable historic rehabilitation credit to a developer that owns 2 or more structures located in the Kennebec Arsenal District National Historic Landmark. The refundable credit is limited to \$500,000 per year and is allowed only for 4 consecutive tax years beginning in 2006.