

# MAINE STATE LEGISLATURE

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8/11/11  
ROPS

L.D. 260

Date: 5/11/11

(Filing No. H-219)

Minority  
TAXATION

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
125TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 213, L.D. 260, Bill, "An Act To Extend the Historic Preservation Tax Credit"

Amend the bill in section 1 in paragraph B in the first line (page 1, line 4 in L.D.) by striking out the following: "2013 2019" and inserting the following: '2013 and every 2 years thereafter'

Amend the bill in section 1 in paragraph B in the 8th line (page 1, line 11 in L.D.) by inserting after the following: "amended." the following: 'The recommendations must include specific proposals for funding the credit.'

Amend the bill in section 2 in paragraph DD in subparagraph (4) in the first line (page 2, line 39 in L.D.) by striking out the following: "2019" and inserting the following: '2023'

Amend the bill by inserting after section 2 the following:

'**Sec. 3. 36 MRSA §2531** is enacted to read:

**§2531. Credit for rehabilitation of historic properties**

A taxpayer is allowed a credit against the tax otherwise due under this chapter as determined under section 5219-BB.'

Amend the bill in section 3 in paragraph C in the 3rd line (page 3, line 12 in L.D.) by striking out the following: "2019" and inserting the following: '2023'

Amend the bill by adding after section 3 the following:

'**Sec. 4. 36 MRSA §5219-BB, sub-§2**, as amended by PL 2009, c. 361, §28 and affected by §37, is further amended to read:

**2. Credit allowed.** A taxpayer is allowed a credit against the tax imposed under this Part:

1 A. Equal to 25% of the taxpayer's certified qualified rehabilitation expenditures for  
2 which a tax credit is claimed under Section 47 of the Code for a certified historic  
3 structure located in the State; or

4 B. Equal to 25% of the certified qualified rehabilitation expenditures of a taxpayer  
5 who incurs not less than \$50,000 and up to \$250,000 in certified qualified  
6 rehabilitation expenditures in the rehabilitation of a certified historic structure located  
7 in the State and who does not claim the federal credit with regard to those  
8 expenditures. The credit may be claimed for the taxable year in which the certified  
9 historic structure is placed in service.

10 A taxpayer is allowed a credit under paragraph A or B but not both. A credit may not be  
11 claimed for expenditures incurred before January 1, 2008 or after December 31, ~~2013~~  
12 2023.

13 **Sec. 5. 36 MRSA §5219-BB, sub-§4**, as enacted by PL 2007, c. 539, Pt. WW,  
14 §4, is amended to read:

15 **4. Maximum credit.** The credit allowed pursuant to this section and section 2531  
16 may not exceed \$5,000,000 for each certified rehabilitation project under Section 47 of  
17 the Code placed into service in the State during the taxable year for which a credit is  
18 claimed under this section.'

19 Amend the bill by relettering or renumbering any nonconsecutive Part letter or  
20 section number to read consecutively.

21 **SUMMARY**

22 This amendment, which is the minority report, requires the Maine Historic  
23 Preservation Commission to report to the Legislature every 2 years with an analysis on  
24 the use of the historic preservation tax credit and recommendations for funding the credit.  
25 It allows insurance companies investing in historic preservation projects to receive the  
26 credit. It extends the credit for 10 years to 2023.

**FISCAL NOTE REQUIRED**  
(See attached)



# 125th MAINE LEGISLATURE

LD 260

LR 688(02)

## An Act To Extend the Historic Preservation Tax Credit

Fiscal Note for Bill as Amended by Committee Amendment "A"  
 Committee: Taxation  
 Fiscal Note Required: Yes

### Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$0	\$232,902	\$1,785,582
<b>Revenue</b>				
General Fund	\$0	\$0	(\$232,902)	(\$1,785,582)
Other Special Revenue Funds	\$0	\$0	(\$12,258)	(\$93,978)

#### Fiscal Detail and Notes

Extending the sunset date for the Maine Historic Preservation Tax Credit to December 31, 2023 will reduce revenues to the General Fund and reduce revenue sharing starting in fiscal year 2013-14. Revenue reductions will increase over time because each credit will be taken over four years. Extending this credit to insurance companies may result in an additional negligible revenue loss in the next biennium because of projects being moved forward.

Additional administrative and reporting costs to the Maine State Housing Authority and the Maine Historic Preservation Commission associated with extending the tax credit for 10 additional years can be absorbed within existing budgeted resources.