

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

SMC
ROFS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

L.D. 1661

Date: 4/2/14

(Filing No. S-493)

TAXATION

Reproduced and distributed under the direction of the Secretary of the Senate.

**STATE OF MAINE
SENATE
126TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 655, L.D. 1661, Bill, "An Act To Clarify the Provisions of a Historic Preservation Tax Credit"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 36 MRSA §5219-BB, sub-§4, as amended by PL 2011, c. 548, §31, is repealed and the following enacted in its place:

4. Maximum credit. The credit allowed pursuant to this section and section 2534 may not exceed the greater of:

- A. Five million dollars for the portion of a certified rehabilitation as defined by the Code, Section 47(c)(2)(C) placed in service in the State in the taxable year; and
- B. Five million dollars for each building that is a component of a certified historic structure for which a credit is claimed under this section.

Sec. 2. Application. That section of this Act that repeals and replaces the Maine Revised Statutes, Title 36, section 5219-BB, subsection 4 applies to credits for which the first credit installment under Title 36, section 5219-BB, subsection 5 is claimed on a return filed for a tax year beginning on or after January 1, 2014.'

COMMITTEE AMENDMENT

1
2
3
4
5
6
7
8
9
10
11

SUMMARY

Under current law, a person is entitled to a tax credit of not more than \$5,000,000 for each certified rehabilitation project. This amendment provides that the \$5,000,000 cap applies with respect to each certified rehabilitation or to each building that is a component of a certified historic structure, whichever is greater. The amendment also provides that a certified rehabilitation that is placed in service over multiple taxable years is allowed up to \$5,000,000 in credit for the portion of the certified rehabilitation placed in service for each taxable year. This change allows a portion of a building or a single building in a complex to qualify for the \$5,000,000 cap. The change applies to credits for which the first credit installment is claimed on a return filed for a tax year beginning on or after January 1, 2014.

FISCAL NOTE REQUIRED
(See attached)



126th MAINE LEGISLATURE

LD 1661

LR 2668(03)

An Act To Clarify the Provisions of a Historic Preservation Tax Credit

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-493)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$0	\$0	\$0	\$1,425,000
Revenue				
General Fund	\$0	\$0	\$0	(\$1,425,000)
Other Special Revenue Funds	\$0	\$0	\$0	(\$75,000)

Fiscal Detail and Notes

This bill allows for a historic preservation tax credit of \$5,000,000 for each certified rehabilitation project or for each building within the structure, whichever is greater. It also provides that a certified rehabilitation project that is placed in service over multiple taxable years is allowed up to \$5,000,000 in credit for the portion of the certified rehabilitation project placed in service each taxable year. These provisions would result in a reduction in General Fund and Local Government Fund revenue of \$1,425,000 and \$75,000, respectively, in fiscal year 2016-17. The bill has the potential to substantially increase the credit allowed in future years because of the development time needed to put projects into service.