

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)

Date: 3/8/24

(Filing No. S567)

MAJORITY

TAXATION

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

STATE OF MAINE
SENATE
131ST LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 899, L.D. 2106, "An Act to Accelerate the Production of Affordable Housing and Strengthen the Historic Property Rehabilitation Tax Credit"

Amend the bill by striking out the title and substituting the following:

'An Act to Strengthen the Historic Property Rehabilitation Tax Credit'

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

Sec. 1. 36 MRSA §5219-BB, sub-§4, as repealed and replaced by PL 2013, c. 550, §1 and affected by §2, is amended to read:

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

A. ~~Five million dollars~~ For tax years beginning before January 1, 2024, \$5,000,000 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 or, for tax years beginning on or after January 1, 2024, \$10,000,000 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 tax years beginning before January 1, 2024, \$5,000,000 for each building that is a component of a certified historic structure for which a credit is claimed under this section or, for tax years beginning on or after January 1, 2024, \$10,000,000 for each building that is a component of a certified historic structure for which a credit is claimed under this section.

Sec. 2. 36 MRSA §5219-BB, sub-§5, as amended by PL 2009, c. 361, §28 and affected by §37, is further amended to read:

5. Timing of credit. ~~Twenty-five percent~~ For tax years beginning before January 1, 2024, 25% of the credit allowed pursuant to this section must be taken in the taxable year the credit may be first claimed and 25% must be taken in each of the next 3 taxable years. For tax years beginning on or after January 1, 2024, 34% of the credit allowed pursuant to

COMMITTEE AMENDMENT

ROS

COMMITTEE AMENDMENT "A" to S.P. 899, L.D. 2106 (S. 567)

1 this section must be taken in the taxable year the credit may be first claimed and 33% must
2 be taken in each of the next 2 taxable years.'

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

5 **SUMMARY**

6 This amendment removes the provision in the bill allowing certain nonprofit
7 organizations flexibility in the tax year timing of claiming refundable credits for historic
8 preservation and affordable housing. For tax years beginning on or after January 1, 2024,
9 the amendment also changes the period of time for claiming the credit for historic
10 rehabilitation from 4 years to 3 years. The amendment also makes technical corrections to
11 the bill.

12 **FISCAL NOTE REQUIRED**

13 (See attached)

COMMITTEE AMENDMENT



131st MAINE LEGISLATURE

LD 2106

LR 2772(02)

An Act to Accelerate the Production of Affordable Housing and Strengthen the Historic Property Rehabilitation Tax Credit

Fiscal Note for Bill as Amended by Committee Amendment "A" (S. Slot)

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$0	\$95,000	\$950,000	\$2,826,250
Revenue				
General Fund	\$0	(\$95,000)	(\$950,000)	(\$2,826,250)
Other Special Revenue Funds	\$0	(\$5,000)	(\$50,000)	(\$148,750)

Fiscal Detail and Notes

This bill increases the maximum tax credit allowed for certified historic property rehabilitation projects from \$5 million to \$10 million and changes the time period for claiming the credit from 4 to 3 years for tax years beginning on or after January 1, 2024. These changes will reduce General Fund revenue by \$95,000 and reduce Local Government Fund revenue by \$5,000 in fiscal year 2024-25. Due to the multi-year structure of the tax credit, the full impact of doubling the maximum credit will be realized over several years, resulting in substantially larger decreases in revenue in fiscal years 2025-26 and 2026-27 relative to fiscal year 2024-25.

Administrative costs to the Department of Administrative Services, Bureau of Revenue Services to implement the changes in the tax credit for certified historic property rehabilitation projects are expected to be minor and can be absorbed within existing budgeted resources.