

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997

# A Bill

SENATE BILL 639

4  
5 By: Senator Webb

## For An Act To Be Entitled

9 "TO PROVIDE AN INCOME TAX CREDIT FOR THE REHABILITATION OF  
10 HISTORIC STRUCTURES; AND FOR OTHER PURPOSES."

### Subtitle

13 "TO PROVIDE AN INCOME TAX CREDIT FOR THE  
14 REHABILITATION OF HISTORIC STRUCTURES."

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

18 SECTION 1. (a) For taxable years beginning on or after January 1,  
19 1998, a person shall be allowed an income tax credit against the tax imposed  
20 by the Arkansas Income Tax Act of 1929, as amended, § 26-51-101 et seq. in an  
21 amount equal to twenty-five percent (25%) of the costs for qualified  
22 preservation or rehabilitation of "certified historic structures" located in  
23 this state, including architectural fees and costs incurred in the  
24 preservation or rehabilitation of said property. A "certified historic  
25 structure" is any building that is either individually listed in the National  
26 Register of Historic Places or located in a National Register historic  
27 district and certified as contributing to the significance of that district.  
28 "Qualified preservation or rehabilitation" is any preservation or  
29 rehabilitation of a "certified historic structure" which has been determined  
30 to be consistent with the historic character of the property or the historic  
31 district in which it is located, follows The Secretary of the Interiors  
32 Standards for Rehabilitation and Guidelines for Rehabilitating Historic  
33 Buildings as in effect on January 1, 1997, and has had the proposed  
34 preservation or rehabilitation plans and specifications reviewed and approved  
35 prior to construction by the Arkansas Historic Preservation Program.

36 (b) The Revenue Division of the Department of Finance and

1 Administration shall approve the credit under this subsection if all of the  
2 following conditions are met:

3           (1) The costs are incurred and the claim is submitted by the owner  
4 of the historic property.

5           (2) The proposed preservation or rehabilitation costs in this  
6 claim are five thousand dollars (\$5,000) or more.

7           (3) The costs included in the claim relate only to preservation or  
8 rehabilitation work including, but not limited to, the following:

9                   (A) Preservation, rehabilitation, restoration, repair, or  
10 replication of exterior and interior features and materials that are either  
11 deteriorated or missing on the historic property.

12                   (B) Repair of structural elements on the historic property.

13                   (C) Repair approved replacement of mechanical, plumbing, and  
14 electrical systems on the historic property.

15                   (D) Asbestos and lead paint removal from a historic property.

16                   (E) Americans With Disabilities Act access on the historic  
17 property.

18                   (F) Repair installation of seismic reinforcement in the  
19 historic property.

20           (4) The historic properties are owner occupied personal residences  
21 or historic properties used for business, industrial, or rental residential  
22 purposes.

23           (5) The Arkansas Historic Preservation Program certifies that:

24                   (A) The property is individually listed in the National  
25 Register of Historic Places or located in a National Register historic  
26 district and certified as contributing to the significance of that district.

27                   (B) The proposed preservation or rehabilitation plan complies  
28 with the standards promulgated by the Arkansas Historic Preservation Program  
29 and the Secretary of the Interiors Standards for Rehabilitation and  
30 Guidelines for Rehabilitating Historic Buildings as in effect on January 1,  
31 1997, and is reviewed and approved by the Arkansas Historic Preservation  
32 Program prior to the start of the project.

33                   (C) The Arkansas Historic Preservation Program certifies that  
34 the completed preservation or rehabilitation work complies with the proposed  
35 plan.

36           (6) The preservation or rehabilitation work is completed within

1 two (2) years after the date that the physical work of construction begins,  
 2 except in the case of any preservation or rehabilitation which is initially  
 3 planned for completion in phases, in which case the work shall be completed  
 4 within five (5) years after the date that the physical work of construction  
 5 begins.

6 (7) The expenditures for preservation or rehabilitation of the  
 7 historic property equals or exceeds five thousand dollars (\$5,000).

8 (8) The expenditures are not incurred to acquire any building or  
 9 interest in a building or to enlarge an existing building.

10 (9) The costs were not incurred before the Arkansas Historic  
 11 Preservation Program approved the proposed preservation or rehabilitation plan  
 12 as provided in this act.

13 (c) No person may claim credit under this subsection for rehabilitation  
 14 or historic property if the historic property was acquired by the claimant  
 15 under an agreement requiring the claimant to sell or otherwise dispose of the  
 16 historic property back to the previous owner within five (5) years after the  
 17 date that the historic property was acquired.

18 (d) A person who receives a credit under this act shall add to his or  
 19 her liability for taxes imposed under the Arkansas Income Tax Act of 1929, as  
 20 amended. § 26-51-101 et seq., one of the following percentages of the amount  
 21 of the credits received under this act for rehabilitation or preserving the  
 22 property if, within five (5) years after the date on which the preservation or  
 23 rehabilitation work that was the basis of the credit is completed, the person  
 24 either sells or conveys the property or the Arkansas Historic Preservation  
 25 Program certifies to the Department of Finance and Administration that the  
 26 historic property has been altered to the extent that it does not comply with  
 27 the standards promulgated by the Arkansas Historic Preservation Program.

28 (1) If the sale, conveyance or noncompliance occurs during the  
 29 first (1st) year after the date on which the preservation or rehabilitation is  
 30 completed, one hundred percent (100%).

31 (2) If the sale, conveyance or noncompliance occurs during the  
 32 second (2nd) year after the date on which the preservation or rehabilitation  
 33 is completed, eighty percent (80%).

34 (3) If the sale, conveyance or noncompliance occurs during the  
 35 third (3rd) year after the date on which the preservation or rehabilitation is  
 36 completed, sixty percent (60%).

1           (4) If the sale, conveyance or noncompliance occurs during the  
2 fourth (4th) year after the date on which the preservation or rehabilitation  
3 is completed, forty percent (40%).

4           (5) If the sale, conveyance or noncompliance occurs during the  
5 fifth (5th) year after the date on which the preservation or rehabilitation is  
6 completed, twenty percent (20%).

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8           SECTION 2. (a) The Arkansas Historic Preservation Program shall  
9 promulgate regulations necessary for the administration of this act, except as  
10 provided herein.

11           (b) The Department of Finance and Administration shall promulgate  
12 regulations necessary for the administration of the income tax credit provided  
13 in this act.

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15           SECTION 3. All provisions of this act of a general and permanent nature  
16 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
17 Revision Commission shall incorporate the same in the Code.

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19           SECTION 4. If any provision of this act or the application thereof to  
20 any person or circumstance is held invalid, such invalidity shall not affect  
21 other provisions or applications of the act which can be given effect without  
22 the invalid provision or application, and to this end the provisions of this  
23 act are declared to be severable.

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25           SECTION 5. All laws and parts of laws in conflict with this act are  
26 hereby repealed.

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