

March 7, 2005

H 474. MILL REHABILITATION TAX CREDIT (=S 352). *TO PROVIDE A TAX CREDIT FOR REVITALIZATION OF HISTORIC MILL FACILITIES AND TO ALLOW TAX CREDITS FOR CERTAIN HISTORIC REHABILITATIONS TO BE TRANSFERRED TO LONG-TERM LESSEES.*

Identical to S 352, introduced 3/3/05.

Intro. by Ross, Howard, Brubaker, Goodwin.

Ref. to Finance

GS 105

August 23, 2005

H 474. MILL REHABILITATION TAX CREDIT. Intro. 3/7/05. House committee substitute makes the following changes to 1st edition. Deletes provisions that would have allowed existing historic rehabilitation tax credits and proposed new mill rehabilitation tax credits to be transferred to long-term lessees in certain circumstances. Splits proposed mill rehabilitation tax credit into two separate credits, one for income-producing property, which is eligible for the federal credit, and one for non-income-producing property, which is not eligible for the federal credit. Modifies the credit for non-income-producing property to require the taxpayer to claim it in installments over five years. Modifies allocation provisions for both credits to require that an owner's adjusted basis in the pass-through entity must be at least 40% of the amount of credit allocated to that owner. Adds to both credits provisions requiring partial forfeiture of the credit if the taxpayer disposes of the taxpayer's interest in the pass-through entity in certain circumstances, with specified exceptions. Provides that both credits are repealed effective for expenses incurred on or after January 1, 2011.

June 15, 2006

H 474. MILL REHABILITATION TAX CREDIT. Filed 3/3/05. Senate committee substitute makes the following changes to 2nd edition. (1) Changes title to read *AN ACT TO PROVIDE A TAX CREDIT FOR REVITALIZATION OF HISTORIC MILL FACILITIES AND TO PROVIDE AN ENHANCED HISTORIC REHABILITATION CREDIT FOR REHABILITATION EXPENSES WITH RESPECT TO A FACILITY THAT WAS ONCE A STATE-OWNED TRAINING SCHOOL FOR JUVENILE OFFENDERS*. (2) Restricts proposed tax credit for rehabilitating vacant historic sites to manufacturing facilities, associated warehouse facilities, and warehouses used to sell agricultural products. (2nd edition allowed credits for manufacturing, facilities ancillary to manufacturing, and facilities related to utilities.) (3) Amends GS 105-129.72(a) to reduce the amount of the credit for non-income-producing facilities in enterprise tiers one, two, and three from 50% to 40% and to eliminate the credit for non-income-producing properties located in an enterprise tier four or five. (4) Amends GS 105-129.70(5)d. to increase from \$2 million to \$3 million the threshold level of qualified rehabilitation expenditures necessary to qualify for the tax credit. (5) Amends GS 105-129.35(a) to provide that if a federal income tax credit is allowed and the certified historic structure is a facility that once served as a State training school for juvenile offenders, the amount of the NC historic rehabilitation tax credit is 40% of qualifying expenditures rather than 20%. (6) Amends GS 105-129.36(a) to provide that if no federal income tax credit is allowed and the structure served as a training school for juvenile offenders, the amount of the NC historic rehabilitation tax credit is 40% of qualifying expenditures rather than 30%. (7) Amends GS 105-129.36(b)(1) to delete proposed requirement that in order for a project to be eligible for a credit as a non-income-producing property, the certification by the State Historic Preservation Officer must be made before work begins. (8) Makes act applicable to eligible sites placed into service on or after July 1, 2006, instead of January 1, 2006.

June 20, 2006

H 474. MILL REHABILITATION TAX CREDIT. Filed 3/3/05. Senate amendment makes the following changes to 3rd edition. Modifies proposed GS 105-129.70(5) (definition of eligible site) to include sites used as a public or private utility and sites used for purposes ancillary to manufacturing (2nd edition included sites used as a warehouse for storing manufactured items or new raw materials or component parts used in the manufacturing process).

July 5, 2006

SL 2006-40 (H 474). MILL REHABILITATION TAX CREDIT. *AN ACT TO PROVIDE A TAX CREDIT FOR REVITALIZATION OF HISTORIC MILL FACILITIES AND TO PROVIDE AN ENHANCED HISTORIC REHABILITATION CREDIT FOR REHABILITATION EXPENSES WITH RESPECT TO A FACILITY THAT WAS ONCE A STATE-OWNED TRAINING SCHOOL FOR JUVENILE OFFENDERS.* Summarized in *Daily Bulletin* 3/7/05, 8/23/05, 6/15/06, and 6/20/06. Enacted June 29, 2006. Effective for taxable years beginning on or after January 1, 2006. Applicable to eligible sites placed into service on or after July 1, 2006.