

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 399
PROPOSED COMMITTEE SUBSTITUTE H399-PCS30232-TMf-5

Short Title: Historic Preservation Act of 2019.

(Public)

Sponsors:

Referred to:

March 21, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE TAX CREDIT FOR REHABILITATING
3 INCOME-PRODUCING HISTORIC STRUCTURES, TO ALLOW A TAX CREDIT FOR
4 THE REHABILITATION OF BUILDINGS IN DISASTER AREAS, AND TO DELAY
5 THE SUNSET OF THE TAX CREDITS FOR HISTORIC REHABILITATION FOR TEN
6 YEARS.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 105-129.105 reads as rewritten:

9 "Article 3L.

10 "Historic Rehabilitation Tax Credits Investment Program.

11 **"§ 105-129.105. Credit for rehabilitating income-producing historic structure.**

12 (a) Credit. – A taxpayer who is allowed a federal income tax credit under section 47 of
13 the Code for making qualified rehabilitation expenditures for a certified historic structure located
14 in this State is allowed a credit equal to the sum of the following:

15 (1) Base amount. – The percentage of qualified rehabilitation expenditures at the
16 levels provided in the table below:

17 **Expenses**

18 **Over**

19 **Up To**

20 **Rate**

21 0

22 \$10-\$15 million

23 15.00%

24 \$10-\$15 million

25 \$20-\$25 million

26 10.00%

27 (2) Development tier bonus. – An amount equal to five percent (5%) of qualified
28 rehabilitation expenditures not exceeding ~~twenty~~ twenty-five million dollars
29 ~~(\$20,000,000)–(\$25,000,000)~~ if the certified historic structure is located in a
30 development tier one or two area.

31 (3) Targeted investment bonus. – An amount equal to five percent (5%) of
32 qualified rehabilitation expenditures not exceeding ~~twenty~~ twenty-five million
33 dollars ~~(\$20,000,000)–(\$25,000,000)~~ if the certified historic structure is
34 located on an eligible targeted investment site.

35 (4) Disaster relief bonus. – An amount equal to five percent (5%) of qualified
36 rehabilitation expenses not exceeding twenty-five million dollars
(\$25,000,000) if all of the following requirements are met:

37 a. The certified historic structure is located in a disaster area.

38 b. The qualified rehabilitation expenditure is incurred no more than five
39 years after the onset of the natural disaster resulting in the area being
40 declared a disaster area.

41 ...



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1 (c) Definitions. – The following definitions apply in this section:

2 ...

3 (2a) Disaster area. – Any county that is the subject of a Type II or Type III
4 gubernatorial disaster declaration, as provided in G.S. 166A-19.21, as a result
5 of a natural disaster.

6"

7 **SECTION 2.** G.S. 105-129.110 reads as rewritten:

8 "**§ 105-129.110. Sunset.**

9 This Article expires for qualified rehabilitation expenditures and rehabilitation expenses
10 incurred on or after January 1, ~~2020~~2030. For qualified rehabilitation expenditures and
11 rehabilitation expenses incurred prior to January 1, ~~2020~~2030, this Article expires for property
12 not placed in service by January 1, ~~2028~~2038."

13 **SECTION 3.** This act shall be known and cited as the "Historic Preservation Act of
14 2019."

15 **SECTION 4.** Section 1 of this act is effective for taxable years beginning on or after
16 January 1, 2019. The remainder of this act is effective when it becomes law.