



Sen. Dan Kotowski

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1 AMENDMENT TO SENATE BILL 488

2 AMENDMENT NO. _____. Amend Senate Bill 488 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Historic Rehabilitation Tax Pilot Project Credit Act.

6 Section 5. Definitions.

7 As used in this Act, unless the context requires otherwise:

8 (1) "Certified historic structure" means a property
9 located in Illinois that is listed individually on the National
10 Register of Historic Places or is designated as a historic
11 structure by a unit of local government.

12 (2) "Eligible property" means property located in an
13 approved demonstration area in Illinois that is offered or used
14 for residential, non-profit, local governmental, or business
15 purposes.

16 (3) "Structure in a historic district" means a structure

1 located in an approved demonstration area in Illinois that is
2 certified by the United States Department of the Interior as
3 contributing to the historic significance of a certified
4 historic district listed on the National Register of Historic
5 Places, a local district that has been certified by the United
6 States Department of the Interior, or a local district that has
7 been designated by a local government, either municipal or
8 county.

9 Section 10. Rehabilitation of eligible property. Any
10 person, firm, partnership, trust, estate, corporation, or
11 association incurring costs and expenses for the
12 rehabilitation of eligible property, when that eligible
13 property is a certified historic structure or a structure in a
14 certified historic district, is entitled to a credit against
15 the taxes imposed under the Illinois Income Tax Act (35 ILCS
16 5/), except Article 7 of that Act, and under Section 409 of the
17 Illinois Insurance Code (215 ILCS 5/409) in an amount equal to
18 25% of the total costs and expenses of rehabilitation incurred
19 after July 1, 2009. Expenses of rehabilitation include, but are
20 not limited to, qualified rehabilitation expenditures as
21 defined under Section 47(c)(2)(A) of the Internal Revenue Code
22 of 1986, as amended, and the related regulations thereunder,
23 provided the rehabilitation costs associated with
24 rehabilitation and the expenses exceed 50% of the total basis
25 in the property and the rehabilitation meets standards

1 consistent with the standards of the Secretary of the United
2 States Department of the Interior for rehabilitation as
3 determined by the Department of Commerce and Economic
4 Opportunity in consultation with the State Historic
5 Preservation Officer.

6 Section 15. Use of tax credits, carried forward or carried
7 back, assignment.

8 (a) If the amount of the credit exceeds the total tax
9 liability for the year in which the rehabilitated property is
10 placed in service, the amount that exceeds the tax liability
11 may be carried back to any of the 3 preceding years and carried
12 forward for any of the succeeding 10 years as a credit against
13 the taxes imposed under the Illinois Income Tax Act (except
14 Article 7) and Section 409 of the Illinois Insurance Code, or
15 until the full credit is used, whichever occurs first.
16 Taxpayers eligible for the credits may transfer, sell, or
17 assign all or part of the credits. Not-for-profit entities are
18 eligible to receive, transfer, sell, or assign the credits.
19 Credits granted to a partnership, a limited liability company
20 taxed as a partnership, or multiple owners of property shall be
21 passed through to the partners, members, or owners respectively
22 pro rata or pursuant to an executed agreement among the
23 partners, members, or owners documenting an alternate
24 distribution method.

25 (b) The assignor of the credits may transfer, sell, or

1 assign any or all of the credits to the assignee who may use
2 the acquired credits to offset tax liabilities imposed under
3 the Illinois Income Tax Act (except Article 7) and Section 409
4 of the Illinois Insurance Code. The assignor must perfect the
5 transfer, sale, or assignment by notifying the Department of
6 Commerce and Economic Opportunity in writing within 30 calendar
7 days following the effective date of the transfer, sale, or
8 assignment, and must provide any information that is required
9 by the Department of Commerce and Economic Opportunity to
10 administer and carry out the provisions of this Section. The
11 credits may be transferred more than once.

12 (c) If credits that have been transferred are subsequently
13 reduced, adjusted, or recaptured by the Department of Commerce
14 and Economic Opportunity, Department of Revenue, or any other
15 applicable government agency, only the transferor originally
16 allowed the credits, and not any subsequent transferee of the
17 credits, shall be held liable to repay any amount of that
18 reduction, adjustment, or recapture of the credits.

19 Section 20. Application to claim tax credit; certificates
20 of eligible credits.

21 (a) To obtain the credit, an application must be made to
22 the Department of Commerce and Economic Opportunity. The
23 Department may approve tax credit applications for building
24 rehabilitation projects located in communities selected for
25 participation in the heritage tourism and preservation program

1 of its Bureau of Tourism. The Department may award no more than
2 an aggregate of \$1,000,000 in total tax credits in any single
3 Regional Tourism Development area. Owners of historic
4 properties located within heritage tourism and preservation
5 communities may apply to the Department for a tax credit of up
6 to 25% of approved costs for historic rehabilitation. The
7 Department, in consultation with the Director of Historic Sites
8 and Preservation and the United States Department of the
9 Interior, shall determine the amount of eligible
10 rehabilitation costs and expenses and whether the
11 rehabilitation meets the standards of the Secretary of the
12 United States Department of the Interior for rehabilitation.
13 The Department of Commerce and Economic Opportunity shall issue
14 a certificate in the amount of the eligible credits. The
15 taxpayer must attach the certificate to the tax return on which
16 the credits are to be claimed.

17 (b) The Department of Commerce and Economic Opportunity
18 shall determine, on an annual basis, the overall economic
19 impact to the State from the rehabilitation of eligible
20 property.

21 (c) The Department of Commerce and Economic Opportunity is
22 granted and has all powers necessary or convenient to carry out
23 the provisions of this Act, including, but not limited to, the
24 power to adopt rules for the administration of this Act and the
25 power to establish application forms and other agreements.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".