SB1801

97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB1801

Introduced 2/9/2011, by Sen. David Koehler

SYNOPSIS AS INTRODUCED:

35 ILCS 30/5
35 ILCS 30/15
35 ILCS 30/25

Amends the Historic Preservation Tax Credit Pilot Program Act. Provides that the program applies to all qualified historic structures (instead of only a hotel in Peoria). Removes the requirement that an application for a credit must be filed within a 6-month period. Effective immediately.

LRB097 07869 HLH 47984 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1   AN ACT concerning revenue.

2   **Be it enacted by the People of the State of Illinois,**

3   **represented in the General Assembly:**

4   Section 5. The Historic Preservation Tax Credit Pilot

5   Program Act is amended by changing Sections 5, 15, and 25 as

6   follows:

7   (35 ILCS 30/5)

8   Sec. 5. Definitions. As used in this Section, unless the

9   context clearly indicates otherwise:

10   (a) "Agency" means the Historic Preservation Agency.

11   (b) "Department" means the Department of Commerce and

12   Economic Opportunity.

13   (c) "Qualified expenditures" means all the costs and

14   expenses defined as qualified rehabilitation expenditures

15   under Section 47 of the federal Internal Revenue Code which

16   were   incurred   in   connection   with   a   qualified   historic

17   structure.

18   (d) "Qualified historic structure" means a building ~~a hotel~~

19   ~~that is located in the City of Peoria and~~ that is defined as a

20   certified historic structure under Section 47 (c)(3) of the

21   federal Internal Revenue Code.

22   (e) "Qualified rehabilitation plan" means a project that is

23   approved by the Agency as being consistent with the standards

1   in effect on the effective date of this Act for rehabilitation

2   as adopted by the federal Secretary of the Interior.

3   (f) "Qualified taxpayer" means the owner of the qualified

4   historic structure or any other person who may qualify for the

5   federal rehabilitation credit allowed by Section 47 of the

6   federal Internal Revenue Code. If the taxpayer is (i) a

7   corporation having an election in effect under Subchapter S of

8   the federal Internal Revenue Code, (ii) a partnership, or (iii)

9   a limited liability company, the credit provided under this Act

10   may be claimed by the shareholders of the corporation, the

11   partners of the partnership, or the members of the limited

12   liability company in the same manner as those shareholders,

13   partners, or members account for their proportionate shares of

14   the income or losses of the corporation, partnership, or

15   limited liability company, or as provided in the by-laws or

16   other executed agreement of the corporation, partnership, or

17   limited liability company. Credits granted to a partnership, a

18   limited liability company taxed as a partnership, or other

19   multiple owners of property shall be passed through to the

20   partners, members, or owners respectively on a pro rata basis

21   or pursuant to an executed agreement among the partners,

22   members, or owners documenting any alternate distribution

23   method.

24   (Source: P.A. 96-933, eff. 6-21-10.)

25   (35 ILCS 30/15)

1   Sec. 15. Allowable credit. To the extent authorized by
2 Section 25 of this Act, for taxable years beginning on or after
3 January 1, 2010 and ending on or before December 31, 2015,
4 there shall be allowed a tax credit against the tax imposed by
5 subsections (a) and (b) of Section 201 of the Illinois Income
6 Tax Act in an amount equal to 25% of qualified expenditures
7 incurred by a qualified taxpayer during the taxable year in the
8 restoration and preservation of a qualified historic structure
9 pursuant to a qualified rehabilitation plan, provided that the
10 total amount of such expenditures (i) must equal $5,000 or
11 more, and (ii) must exceed 50% of the purchase price of the
12 property. If the amount of any tax credit awarded under this
13 Act exceeds the qualified taxpayer's income tax liability for
14 the year in which the qualified rehabilitation plan was placed
15 in service, the excess amount may be carried forward for
16 deduction from the taxpayer's income tax liability in the next
17 succeeding year or years until the total amount of the credit
18 has been used, except that a credit may not be carried forward
19 for deduction after the tenth taxable year after the taxable
20 year in which the qualified rehabilitation plan was placed in
21 service. To obtain a tax credit pursuant to this Act, an
22 application must be made to the Department ~~no later than 6~~
23 ~~months after the effective date of this Act~~. The Department, in
24 consultation with the Agency, shall determine the amount of
25 eligible rehabilitation costs and expenses. The Agency shall
26 determine whether the rehabilitation is consistent with the

1   standards of the Secretary of the United States Department of

2   the Interior for rehabilitation. Upon completion and review of

3   the project, the Department shall issue a certificate in the

4   amount of the eligible credits. At the time the certificate is

5   issued, an issuance fee up to the maximum amount of 2% of the

6   amount of the credits issued by the certificate may be

7   collected from the applicant to administer the Act. If

8   collected, this issuance fee shall be evenly divided between

9   the Department and the Agency. The taxpayer must attach the

10   certificate to the tax return on which the credits are to be

11   claimed.

12   (Source: P.A. 96-933, eff. 6-21-10.)

13   (35 ILCS 30/25)

14   Sec. 25. Pilot program; report. The Department may award no

15   more than an aggregate of $10,000,000 in total tax credits

16   pursuant to ~~one~~ qualified rehabilitation plans ~~plan~~ for ~~one~~

17   qualified historic structures ~~structure~~. On or before December

18   31, 2010 and on or before December 31 of each year thereafter

19   through 2016, the Department must submit a report to the

20   General Assembly evaluating the effectiveness of this Act in

21   stimulating economic revitalization in the pilot program area.

22   (Source: P.A. 96-933, eff. 6-21-10.)

23   Section 99. Effective date. This Act takes effect upon

24   becoming law.