

HB3109



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3109

by Rep. Steven Andersson

SYNOPSIS AS INTRODUCED:

35 ILCS 5/221

Amends the Illinois Income Tax Act. Provides that the credit awarded for the restoration and preservation of a qualified historic structure applies on a permanent basis. Removes a requirement that the historic structure must be located in a River Edge Redevelopment Zone. Effective immediately.

LRB099 09218 HLH 29421 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 Illinois Income Tax Act is amended by
5 changing Section 221 as follows:

6 (35 ILCS 5/221)

7 Sec. 221. Rehabilitation costs; qualified historic
8 properties; ~~River Edge Redevelopment Zone.~~

9 (a) For taxable years beginning on or after January 1, 2012
10 ~~and ending prior to January 1, 2017,~~ there shall be allowed a
11 tax credit against the tax imposed by subsections (a) and (b)
12 of Section 201 in an amount equal to 25% of qualified
13 expenditures incurred by a qualified taxpayer during the
14 taxable year in the restoration and preservation of a qualified
15 historic structure ~~located in a River Edge Redevelopment Zone~~
16 pursuant to a qualified rehabilitation plan, provided that the
17 total amount of such expenditures (i) must equal \$5,000 or more
18 and (ii) must exceed 50% of the purchase price of the property.
19 The credit under this Section is exempt from the provisions of
20 Section 250.

21 (b) To obtain a tax credit pursuant to this Section, the
22 taxpayer must apply with the Department of Commerce and
23 Economic Opportunity. The Department of Commerce and Economic

1 Opportunity, in consultation with the Historic Preservation
2 Agency, shall determine the amount of eligible rehabilitation
3 costs and expenses. The Historic Preservation Agency shall
4 determine whether the rehabilitation is consistent with the
5 standards of the Secretary of the United States Department of
6 the Interior for rehabilitation. Upon completion and review of
7 the project, the Department of Commerce and Economic
8 Opportunity shall issue a certificate in the amount of the
9 eligible credits. At the time the certificate is issued, an
10 issuance fee up to the maximum amount of 2% of the amount of
11 the credits issued by the certificate may be collected from the
12 applicant to administer the provisions of this Section. If
13 collected, this issuance fee shall be deposited into the
14 Historic Property Administrative Fund, a special fund created
15 in the State treasury. Subject to appropriation, moneys in the
16 Historic Property Administrative Fund shall be evenly divided
17 between the Department of Commerce and Economic Opportunity and
18 the Historic Preservation Agency to reimburse the Department of
19 Commerce and Economic Opportunity and the Historic
20 Preservation Agency for the costs associated with
21 administering this Section. The taxpayer must attach the
22 certificate to the tax return on which the credits are to be
23 claimed. The Department of Commerce and Economic Opportunity
24 may adopt rules to implement this Section.

25 (c) The tax credit under this Section may not reduce the
26 taxpayer's liability to less than zero.

1 (d) As used in this Section, the following terms have the
2 following meanings.

3 "Qualified expenditure" means all the costs and expenses
4 defined as qualified rehabilitation expenditures under Section
5 47 of the federal Internal Revenue Code that were incurred in
6 connection with a qualified historic structure.

7 "Qualified historic structure" means a certified historic
8 structure as defined under Section 47 (c) (3) of the federal
9 Internal Revenue Code.

10 "Qualified rehabilitation plan" means a project that is
11 approved by the Historic Preservation Agency as being
12 consistent with the standards in effect on the effective date
13 of this amendatory Act of the 97th General Assembly for
14 rehabilitation as adopted by the federal Secretary of the
15 Interior.

16 "Qualified taxpayer" means the owner of the qualified
17 historic structure or any other person who qualifies for the
18 federal rehabilitation credit allowed by Section 47 of the
19 federal Internal Revenue Code with respect to that qualified
20 historic structure. Partners, shareholders of subchapter S
21 corporations, and owners of limited liability companies (if the
22 limited liability company is treated as a partnership for
23 purposes of federal and State income taxation) are entitled to
24 a credit under this Section to be determined in accordance with
25 the determination of income and distributive share of income
26 under Sections 702 and 703 and subchapter S of the Internal

1 Revenue Code, provided that credits granted to a partnership, a
2 limited liability company taxed as a partnership, or other
3 multiple owners of property shall be passed through to the
4 partners, members, or owners respectively on a pro rata basis
5 or pursuant to an executed agreement among the partners,
6 members, or owners documenting any alternate distribution
7 method.

8 (Source: P.A. 97-203, eff. 7-28-11.)

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.