

Regular Session, 2011

HOUSE BILL NO. 603

BY REPRESENTATIVE BURRELL

TAX CREDITS: Extends applicability of the tax credit for the rehabilitation of certain residential structures and extends the tax credit to rehabilitated residential structures located in a federal designated HUBZone

1 AN ACT

2 To amend and reenact Section 2 of Act No. 479 of the 2005 Regular Session of the

3 Legislature, as amended by Act No. 188 of the 2007 Regular Session of the

4 Legislature and R.S. 47:297.6(A)(1)(introductory paragraph), relative to individual

5 income tax credits; to provide relative to the tax credit for the rehabilitation of

6 residential structures; to extend the tax credit to rehabilitated residential structures

7 located in certain districts; to extend the taxable periods in which the tax credit for

8 the rehabilitation of certain residential structures shall be applicable; to provide for

9 an effective date; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. Section 2 of Act No. 479 of the 2005 Regular Session of the Legislature,

12 as amended by Act No. 188 of the 2007 Regular Session of the Legislature, is hereby

13 amended and reenacted to read as follows:

14 Section 2. This Act shall become effective and credit may be given for all

15 taxable years beginning after December 31, 2005, until and including the tax years

16 beginning ~~on or before December 31, 2012~~ January 1, 2016.

1 Section 2. R.S. 47:297.6(A)(1)(introductory paragraph) is hereby amended and  
2 reenacted to read as follows:

3 §297.6. Reduction to tax due; rehabilitation of residential structures

4 A.(1) There shall be a credit against individual income tax liability due under  
5 this Title for the amount of eligible costs and expenses incurred during the  
6 rehabilitation of an owner-occupied residential or owner-occupied mixed use  
7 structure located in a National Register Historic District, a local historic district, a  
8 Main Street District, a cultural products district, a federal designated HUBZone, or  
9 a downtown development district, or such owner-occupied residential structure  
10 which has been listed or is eligible for listing on the National Register, or such  
11 structure which has been certified by the State Historic Preservation Office as  
12 contributing to the historical significance of the district, or a vacant and blighted  
13 owner-occupied residential structure that is at least fifty years old. The tax credit  
14 authorized pursuant to this Section shall be limited to one credit per structure  
15 rehabilitated. The total credit shall not exceed twenty-five thousand dollars per  
16 structure. In order to qualify for that credit, the rehabilitation costs of the structure  
17 must exceed twenty thousand dollars. The credit shall be calculated using the  
18 following percentages of the eligible costs and expenses of the rehabilitation based  
19 on the adjusted gross income of the owner-occupant. If the residential structure is  
20 owned and occupied by two or more individuals, the applicable percentage shall be  
21 based on the sum of the adjusted gross incomes of all owner-occupants who  
22 contribute to the rehabilitation, and the credit will be divided between the owner-  
23 occupants in proportion to their contribution to the eligible costs and expenses,  
24 unless they agree to an alternate division as follows:

25 \* \* \*

26 Section 3. This Act shall become effective upon signature by the governor or, if not  
27 signed by the governor, upon expiration of the time for bills to become law without signature  
28 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

- 1 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
2 effective on the day following such approval.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Burrell

HB No. 603

**Abstract:** Extends applicability of the tax credit for the rehabilitation of certain residential structures from tax years beginning on or before Dec. 31, 2012, to tax years beginning before Jan. 1, 2016, and extends eligibility of the tax credit for rehabilitated structures located in a federal designated HUBZone.

Present law authorizes an individual income tax credit for the amount of eligible costs and expenses incurred during the rehabilitation of an owner-occupied residential or owner-occupied mixed use structure located in a National Register Historic District, a local historic district, a Main Street District, a cultural products district, or a downtown development district, or such owner-occupied residential structure which has been listed or is eligible for listing on the National Register, or such structure which has been certified as contributing to the historical significance of the district, or a vacant and blighted owner-occupied residential structure that is at least 50 years old.

Proposed law retains present law but extends eligibility of the tax credit for rehabilitated residential structures located in a federal designated HUBZone.

Present law limits taxpayers to one credit per rehabilitated structure. Further provides that the total credit shall not exceed \$25,000 per structure. In order to qualify for the credit, requires rehabilitation costs for the structure to exceed \$20,000.

Proposed law retains present law.

Present law (Section 2 of Act No. 479 of the 2005 R.S., as amended by Act No. 188 of the 2007 R.S.) provides that the provisions of present law shall be applicable until and including the tax years beginning on or before Dec. 31, 2012.

Proposed law extends applicability of this tax credit from tax years beginning on or before Dec. 31, 2012, to tax years beginning before Jan. 1, 2016.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends §2 of Act No. 479 of the 2005 R.S., as amended by Act No. 188 of the 2007 R.S. and R.S. 47:297.6(A)(1)(intro. para))