



michigan municipal league

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<b>to</b>	Interested Parties	<b>from</b>	Andy Schor, Legislative Associate
<b>subject</b>	Historic Preservation Tax Credit Legislation Summary	<b>date</b>	June 26, 2008

HISTORIC PRESERVATION TAX CREDITS SUMMARY  
SB 973 (S1)

As Passed by the Senate on June 26<sup>th</sup>, 2008

- Assignability of Credits- Starting in 2009, a taxpayer may assign all or a portion of the credit.
- Refundability of Credits - Credits less than \$250,000 may have 90% of the unused portion of the credit refunded to the taxpayer
- Recapture of Credits - Starting in 2009, unless the sale of the historic resource is done in compliance with the state historic preservation office as specified in this legislation, if a certificate of completed rehab is revoked or sold or disposed of less than 5 years after the historic resource is placed in service, the credit amount shall be added back to the tax liability of the taxpayer that received the credit (not the assignee) on a sliding scale:
  - o If revocation is less than 1 year after historic resource is placed, then 100% is added back
  - o Between 1 year and 2 years, 80%
  - o Between 2 year and 3 years, 60%
  - o Between 3 year and 4 years, 40%
  - o Between 4 year and 5 years, 20%
  - o 5 years or more, add back not required
- Stackability of Credits - For 2009 through 2013, an additional credit can be claimed of 10-15% of expenditures to rehab the historic resource or the actual amount of the expenditures incurred during the completion of the rehab, whichever is less. The total amount of all additional credits are capped on a sliding scale by year as follows:
  - o \$8 million in 2009
  - o \$9 million in 2010
  - o \$10 million in 2011
  - o \$11 million in 2012
  - o \$12 million in 2013

At least 25% of the credits each year must go towards rehab plans with \$1 million or less in expenditures.

- Stackability of Credits for Big Projects – The legislation reserves spots for big projects that have high community impact, and have significantly greater historic, social, and economic impact. In 2009, one additional project of more than \$1 million can be approved by the State Treasurer. In 2010, 2011, 2012, and 2013, two additional projects can be approved.