

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-1007.01 Pierce Lively x2059

HOUSE BILL 24-1314

HOUSE SPONSORSHIP

Lukens and Martinez,

SENATE SPONSORSHIP

Gonzales,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING EXPANDING THE INCOME TAX CREDIT FOR QUALIFIED
102 COSTS INCURRED IN PRESERVATION OF HISTORIC STRUCTURES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill modifies the income tax credit for qualified costs incurred in preservation of historic structures (credit) by:

- Modifying the requirement that a qualified commercial or residential structure be at least 50 years old to instead require a qualified commercial or residential structure to be 30 years old;

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

- Extending the period for which a taxpayer may claim the credit through income tax years commencing prior to January 1, 2037;
- Extending the period for which the Colorado office of economic development may reserve the credit through December 31, 2032;
- Limiting the credit to apply to past rehabilitation expenditures that occurred 12, rather than 24, months prior to the submission of an application for the credit on or after January 1, 2026;
- Preventing a person from submitting an application for the credit on or after January 1, 2025, in connection with an already completed rehabilitation project;
- Increasing the amount of the credit that may be awarded for residential rehabilitation expenditures from \$50,000 to \$100,000, beginning with credits that are awarded on or after January 1, 2025;
- Removing the 5% increase in the percentage of applicable rehabilitation expenses incurred in a rehabilitation in a disaster area under the credit for rehabilitations made in connection with an application for the credit submitted on or after January 1, 2025;
- For tax years commencing on or after January 1, 2027, allowing the credit for qualified residential structures to be refundable rather than able to be carried forward; and
- For calendar years commencing on or after January 1, 2025, but before January 1, 2030, establishing a second income tax credit pool of \$5 million annually that is reserved for an owner of a qualified commercial structure that is rehabilitated so that at least 50% of the square footage of the qualified commercial structure will be net new housing rental units, and, if the qualified commercial structure is subject to a deed restriction that requires the owner to lease rental housing to individuals with an income below a certain amount, the taxpayer claiming the credit may claim 5% more of the qualified expenditures.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-514.5, **amend**
3 (2)(j)(I), (2)(l)(I), (2)(n), (3), (5)(a) introductory portion, (5.5)(a)(I),
4 (5.5)(a)(II), (7)(a), (7)(a.5), (7)(b), (8)(a), (8)(b) introductory portion,

1 (8)(c)(II), (8)(c)(IV)(B), (11), (12)(a) introductory portion, (12)(a)(III),
2 (12)(b), and (14); **repeal** (5.5)(b) and (8)(f); and **add** (5)(b.5), (8)(c)(V),
3 (12)(a.5), and (16) as follows:

4 **39-22-514.5. Tax credit for qualified costs incurred in**
5 **preservation of historic structures - short title - definitions.**

6 (2) **Definitions.** As used in this section, unless the context otherwise
7 requires:

8 (j) "Qualified commercial structure" means an income producing
9 or commercial property located in Colorado that is:

10 (I) At least ~~fifty~~ THIRTY years old; and

11 (l) "Qualified residential structure" means a nonincome producing
12 and owner-occupied residential property located in Colorado that is:

13 (I) At least ~~fifty~~ THIRTY years old; and

14 (n) "Rehabilitation plan" OR "PLAN" means construction plans and
15 specifications for the proposed rehabilitation of a qualified structure that
16 ~~is~~ ARE in sufficient detail to enable the office or the reviewing entity, as
17 applicable, to evaluate whether the structure is in compliance with the
18 standards developed under subsection (4) of this section.

19 (3) **General provisions.** For income tax years commencing on or
20 after January 1, 2016, but prior to ~~January 1, 2030~~ JANUARY 1, 2037, there
21 shall be allowed a credit with respect to the income taxes imposed
22 pursuant to this article 22 to each owner of a qualified structure that
23 complies with the requirements of this section.

24 (5) **Submission by owner of application and rehabilitation**
25 **plan.** (a) The owner shall submit an application and rehabilitation plan
26 to either the office for a qualified commercial structure or to the
27 reviewing entity for a qualified residential structure, along with an

1 estimate of the qualified rehabilitation expenditures under the
2 rehabilitation plan. ~~The~~ IF AN APPLICATION AND REHABILITATION PLAN IS
3 FOR A QUALIFIED COMMERCIAL STRUCTURE, THE OWNER SHALL SPECIFY
4 WHETHER THE OWNER IS SEEKING TO RESERVE A CREDIT ALLOWED
5 PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION OR A CREDIT ALLOWED
6 PURSUANT TO SUBSECTION (12)(a.5) OF THIS SECTION, AND AN OWNER
7 MAY ONLY APPLY FOR ONE OF THESE TWO CREDITS FOR A SINGLE
8 QUALIFIED REHABILITATION PLAN AS DESCRIBED IN SUBSECTION (7) OF
9 THIS SECTION. AN owner, at the owner's own risk, may incur qualified
10 rehabilitation expenditures no earlier than twenty-four months prior to the
11 submission of the application and rehabilitation plan THAT AN OWNER
12 SUBMITS PRIOR TO JANUARY 1, 2026, AND NO EARLIER THAN TWELVE
13 MONTHS PRIOR TO THE SUBMISSION OF THE APPLICATION AND
14 REHABILITATION PLAN THAT AN OWNER SUBMITS ON OR AFTER JANUARY
15 1, 2026, but only if satisfactory documentation is submitted to the office
16 or the reviewing entity, as applicable, indicating the condition of the
17 qualified structure prior to commencement of the rehabilitation, including
18 but not limited to photographs of the qualified structure and written
19 declarations from persons knowledgeable about the qualified structure.
20 An owner may submit an application and rehabilitation plan and may
21 commence rehabilitation before the property:

22 (b.5) ON OR AFTER JANUARY 1, 2025, AN OWNER SHALL NOT
23 SUBMIT AN APPLICATION AND REHABILITATION PLAN FOR AN ALREADY
24 COMPLETED REHABILITATION PROJECT.

25 (5.5) **Issuance of tax credit certificate for qualified residential**
26 **structures - rules.** (a) (I) Following the completion of a rehabilitation of
27 a qualified residential structure, the owner shall notify the reviewing

1 entity that the rehabilitation has been completed and shall certify that the
2 qualified rehabilitation expenditures incurred in connection with the
3 rehabilitation plan. The owner shall also provide the reviewing entity with
4 a cost and expense certification for the total qualified rehabilitation
5 expenditures and the total amount of tax credits for which the owner is
6 eligible. The reviewing entity shall review the documentation of the
7 rehabilitation and verify its compliance with the rehabilitation plan.
8 Except as otherwise provided in ~~subsection (5.5)(a)(H)~~ SUBSECTIONS
9 (5.5)(a)(II) AND (5.5)(a)(III) of this section, within ninety days after
10 receipt of the foregoing documentation from the owner the reviewing
11 entity shall issue a tax credit certificate in an amount equal to twenty
12 percent of the actual qualified rehabilitation expenditures; except that the
13 amount of the tax credit certificate AWARDED FOR TAX YEARS
14 COMMENCING BEFORE JANUARY 1, 2025, shall not exceed fifty thousand
15 dollars for each qualified residential structure, ~~which amount is~~ THE
16 AMOUNT OF THE TAX CREDIT CERTIFICATE AWARDED FOR TAX YEARS
17 COMMENCING ON OR AFTER JANUARY 1, 2025, SHALL NOT EXCEED ONE
18 HUNDRED THOUSAND DOLLARS FOR EACH QUALIFIED RESIDENTIAL
19 STRUCTURE, AND BOTH THE FIFTY THOUSAND DOLLAR AND ONE HUNDRED
20 THOUSAND DOLLAR AMOUNTS ARE to be calculated over a ten-year rolling
21 period that commences with each change in ownership of the qualified
22 residential structure.

23 (II) For income tax years commencing prior to January 1, 2030,
24 AND FOR APPLICATIONS SUBMITTED PURSUANT TO SUBSECTION (5) OF THIS
25 SECTION PRIOR TO JANUARY 1, 2025, with respect to a qualified residential
26 structure located in an area that the president of the United States has
27 determined to be a major disaster area under section 102 (2) of the federal

1 "Robert T. Stafford Disaster Relief and Emergency Assistance Act", 42
2 U.S.C. sec. 5121 et seq., or that is located in an area that the governor has
3 determined to be a disaster area under the "Colorado Disaster Emergency
4 Act", part 7 of article 33.5 of title 24, the amount of the tax credit
5 specified in subsection (5.5)(a)(I) of this section is increased to
6 twenty-five percent for an application that is filed within six years after
7 the disaster determination.

8 (b) ~~Notwithstanding any other provision of law, a taxpayer may~~
9 ~~claim the benefits offered by either subsection (5.5)(a)(II) or (5.5)(a)(III)~~
10 ~~of this section but shall not claim the benefits offered by both subsections~~
11 ~~(5.5)(a)(II) and (5.5)(a)(III) of this section.~~

12 **(7) Reservation of tax credits for qualified rehabilitation plans**
13 **for qualified commercial structures.** (a) In the case of a qualified
14 commercial structure, a reservation of tax credits is permitted in
15 accordance with the provisions of this subsection (7). The office and the
16 historical society shall review the application and rehabilitation plan for
17 a qualified commercial structure to determine that the information
18 contained in the application and plan is complete. If the office and the
19 historical society determine that the application and rehabilitation plan are
20 complete, the office shall reserve for the benefit of the owner an
21 allocation of a tax credit as provided in subsection (12)(a) OR (12)(a.5) of
22 this section AND SUBSECTION (8)(c)(II) OF THIS SECTION, and the office
23 shall notify the owner in writing of the amount of the reservation. The
24 reservation of tax credits does not entitle the owner to an issuance of ~~any~~
25 A tax ~~credits~~ CREDIT until the owner complies with all ~~of~~ the other
26 requirements specified in this section for the issuance of the tax credit.
27 The office ~~must~~ SHALL SEPARATELY reserve tax credits ALLOWED

1 PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION AND TAX CREDITS
2 ALLOWED PURSUANT TO SUBSECTION (12)(a.5) OF THIS SECTION in the
3 order in which it receives completed applications and rehabilitation plans
4 FOR EACH OF THOSE TWO CATEGORIES OF CREDITS. The office shall issue
5 ~~any such~~ A reservation of tax credits authorized by this subsection (7)
6 within a reasonable time, not to exceed ninety days after the filing of a
7 completed application and rehabilitation plan. The office shall stamp each
8 completed application and plan with the date and time it receives the
9 application and plan and shall review a plan and application on the basis
10 of the order in which ~~such~~ THE documents were submitted by date and
11 time. The office shall only review an application and plan submitted in
12 connection with a property for which a property address, legal
13 description, or other specific location is provided in the application and
14 plan AND FOR WHICH THE OWNER HAS SPECIFIED THE CATEGORY OF CREDIT
15 SOUGHT AS REQUIRED BY SUBSECTION (5)(a) OF THIS SECTION. The owner
16 shall not request the review of another property for approval in the place
17 of the property that is the subject of the application and plan. Any
18 application and plan disapproved by the office will be removed from the
19 review process, and the office shall notify the owner in writing of the
20 decision to remove the property from the review process. Disapproved
21 applications and plans lose their priority in the review process. An owner
22 may resubmit a ~~disapproved~~ MODIFIED application and plan, but ~~such~~ A
23 resubmitted application and plan is ~~deemed to be~~ a new submission for
24 purposes of the priority procedures described in this subsection (7)(a). If
25 a resubmitted application and plan are submitted, the office may charge
26 a new application fee in an amount specified in accordance with
27 subsection (6) of this section.

1 (a.5) In the case of any project for a qualified commercial
2 structure the qualified rehabilitation expenditures for which amount to
3 less than fifty thousand dollars, if the total number of applications for
4 such projects that are received but not reserved ~~reach~~ FOR CREDITS
5 ALLOWED PURSUANT TO EITHER SUBSECTION (12)(a) OR (12)(b) OF THIS
6 SECTION REACHES fifteen, ~~in number~~ the office may suspend the
7 submission of additional applications FOR THAT CREDIT FOR such projects
8 until such time as ~~these~~ THE fifteen projects have been duly reserved or
9 disapproved. The notification period that is specified in subsection (5)(c)
10 of this section is extended to one hundred twenty days after receipt of the
11 application and rehabilitation plan for ~~these~~ THE fifteen projects. Any
12 application for a qualified commercial structure the qualified
13 rehabilitation expenditures for which amount to fifty thousand or more
14 dollars is not subject to this subsection (7)(a.5).

15 (b) If, for any calendar year, the aggregate amount of reservations
16 for tax credits ALLOWED PURSUANT TO EITHER SUBSECTION (12)(a) OR
17 (12)(a.5) OF THIS SECTION THAT the office has approved is equal to the
18 total amount of tax credits available for reservation PURSUANT TO THE
19 APPLICABLE SUBSECTION (12)(a) OR (12)(a.5) OF THIS SECTION during that
20 calendar year, the office shall notify all owners who have submitted
21 applications and rehabilitation plans FOR RESERVATION OF A TAX CREDIT
22 ALLOWED PURSUANT TO THE APPLICABLE SUBSECTION (12)(a) OR (12)(a.5)
23 OF THIS SECTION then awaiting approval or submitted for approval after
24 the calculation is made that no additional approvals of applications and
25 plans for reservations of tax credits will be granted during that calendar
26 year. ~~and~~ The office shall additionally notify the owner of the priority
27 number given to the owner's application and plan then awaiting approval.

1 The applications and plans ~~will~~ remain in priority status for two years
2 from the date of the original application and plan and ~~will be~~ ARE
3 considered for reservations of tax credits in the priority order established
4 in this subsection (7) ~~in the event that~~ IF additional credits become
5 available resulting from the rescission of approvals under subsection
6 (8)(a) of this section or because a new allocation of tax credits for a
7 calendar year becomes available.

8 **(8) Deadline for incurring specified amount of estimated costs**
9 **of rehabilitation - proof of compliance - audit of cost and expense**
10 **certification - issuance of tax credit certificate - commercial**
11 **structures.** (a) ~~Any~~ AN owner receiving a reservation of tax credits
12 under subsection (7)(a) of this section shall incur not less than twenty
13 percent of the estimated costs of rehabilitation contained in the
14 application and rehabilitation plan not later than eighteen months after the
15 date of issuance of the written notice from the office to the owner
16 granting the reservation of tax credits. ~~Any~~ AN owner receiving a
17 reservation of tax credits shall submit evidence of compliance with the
18 provisions of this subsection (8)(a). If the office determines that an owner
19 has failed to comply with the requirements of this subsection (8)(a), the
20 office may rescind the issuance it previously gave the owner approving
21 the reservation of tax credits and, if so, the total amount of tax credits
22 made available PURSUANT TO SUBSECTION (12)(a) OR (12)(a.5) OF THIS
23 SECTION, AS APPLICABLE, for the calendar year for which reservations may
24 be granted must be increased by the amount of the tax credits rescinded.
25 The office shall promptly notify any owner whose reservation of tax
26 credits has been rescinded and, upon receipt of the notice, the owner may
27 submit a new application and plan for which the office may charge a new

1 application fee in accordance with subsection (6) of this section.

2 (b) Following the completion of a rehabilitation of a qualified
3 commercial structure, the owner shall notify the office that the
4 rehabilitation has been completed and shall certify the qualified
5 rehabilitation costs and expenses. ~~The cost and expense certification must
6 be audited by a licensed certified public accountant that is not affiliated
7 with the owner.~~ THE APPLICANT SHALL INCLUDE A REVIEW OF THE
8 CERTIFICATION BY A LICENSED CERTIFIED PUBLIC ACCOUNTANT THAT IS
9 NOT AFFILIATED WITH THE QUALIFIED APPLICANT, AND THE REVIEW OF THE
10 CERTIFICATION MUST ALIGN WITH OFFICE POLICIES FOR CERTIFICATION OF
11 QUALIFIED REHABILITATION EXPENDITURES. The office and the historical
12 society shall review the documentation of the rehabilitation and the
13 historical society shall verify that the documentation satisfies the
14 rehabilitation plan. Within ninety days after receipt of such
15 documentation from the owner, the office shall issue a tax credit
16 certificate in an amount equal to the following subject to subsection (8)(c)
17 of this section:

18 (c) Notwithstanding subsection (8)(b) of this section:

19 (II) The amount of a tax credit certificate to be issued PURSUANT
20 TO SUBSECTION (12)(a) OF THIS SECTION for any one qualified commercial
21 structure shall not exceed one million dollars, ~~in any one calendar year,~~
22 and THE AMOUNT OF A TAX CREDIT CERTIFICATE TO BE ISSUED PURSUANT
23 TO SUBSECTION (12)(a.5) OF THIS SECTION FOR ANY ONE QUALIFIED
24 REHABILITATION PLAN SHALL NOT EXCEED ONE MILLION FIVE HUNDRED
25 THOUSAND DOLLARS IN ANY ONE CALENDAR YEAR;

26 (IV) For income tax years commencing on or after January 1,
27 2020, with respect to a certified historic structure that is a qualified

1 commercial structure that is located in a rural community, the tax credit
2 amounts specified in subsections (8)(b)(I) and (8)(b)(II) of this section
3 must be increased as follows for an application that is properly filed in
4 accordance with this section:

5 (B) The twenty percent credit amount specified in subsection
6 (8)(b)(II) of this section is increased to thirty percent; AND

7 (V) FOR A TAX CREDIT ALLOWED PURSUANT TO SUBSECTION
8 (12)(a.5) OF THIS SECTION ONLY, IF, DUE TO A REGULATORY REQUIREMENT
9 OR CONDITION OF FINANCING, THE QUALIFIED COMMERCIAL STRUCTURE
10 FOR WHICH THE TAX CREDIT IS CLAIMED IS SUBJECT TO A DEED
11 RESTRICTION THAT REQUIRES THE OWNER TO LEASE RENTAL HOUSING
12 UNITS IN THE QUALIFIED COMMERCIAL STRUCTURE ONLY TO INDIVIDUALS
13 OR HOUSEHOLDS WHOSE INCOME IS BELOW A SPECIFIED AMOUNT, THEN
14 THE AMOUNT OF THE TAX CREDIT SPECIFIED IN SUBSECTION (8)(b) OF THIS
15 SECTION, AS INCREASED PURSUANT TO SUBSECTION (8)(c)(III) OR
16 (8)(c)(IV) OF THIS SECTION, IF APPLICABLE, IS INCREASED BY AN
17 ADDITIONAL FIVE PERCENT.

18 ~~(f) Notwithstanding any other provision of law, a taxpayer may~~
19 ~~claim the benefits offered by either subsection (8)(c)(III) or (8)(c)(IV) of~~
20 ~~this section but shall not claim the benefits offered by both subsections~~
21 ~~(8)(c)(III) and (8)(c)(IV) of this section.~~

22 (11) **Residential and commercial.** (a) FOR TAX YEARS
23 COMMENCING PRIOR TO JANUARY 1, 2027, the entire tax credit to be issued
24 under this section for either a qualified residential structure or a qualified
25 commercial structure may be claimed by the owner in the taxable year in
26 which the certified rehabilitation is placed in service. If the amount of the
27 credit allowed under this section exceeds the amount of income taxes

1 otherwise due on the income of the owner in the income tax year for
2 which the credit is being claimed, the amount of the credit not used as an
3 offset against income taxes in said income tax year may be carried
4 forward as a credit against subsequent years' income tax liability for a
5 period not to exceed ten years and will be applied to the earliest income
6 tax years possible. Any amount of the credit that is not used after such
7 period shall not be refunded to the owner.

8 (b) (I) FOR TAX YEARS COMMENCING ON OR AFTER JANUARY 1,
9 2027, THE ENTIRE TAX CREDIT TO BE ISSUED UNDER THIS SECTION FOR
10 EITHER A QUALIFIED RESIDENTIAL STRUCTURE OR A QUALIFIED
11 COMMERCIAL STRUCTURE MAY BE CLAIMED BY THE OWNER IN THE TAX
12 YEAR IN WHICH THE CERTIFIED REHABILITATION IS PLACED IN SERVICE.

13 (II) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION
14 FOR A QUALIFIED COMMERCIAL STRUCTURE, BUT NOT A QUALIFIED
15 RESIDENTIAL STRUCTURE, EXCEEDS THE AMOUNT OF INCOME TAXES
16 OTHERWISE DUE ON THE INCOME OF THE OWNER IN THE INCOME TAX YEAR
17 FOR WHICH THE CREDIT IS BEING CLAIMED, THE AMOUNT OF THE CREDIT
18 NOT USED AS AN OFFSET AGAINST INCOME TAXES IN SAID INCOME TAX
19 YEAR MAY BE CARRIED FORWARD AS A CREDIT AGAINST SUBSEQUENT
20 YEARS' INCOME TAX LIABILITY FOR A PERIOD NOT TO EXCEED TEN YEARS
21 AND SHALL BE APPLIED TO THE EARLIEST INCOME TAX YEARS POSSIBLE.
22 ANY AMOUNT OF THE CREDIT THAT IS NOT USED AFTER SUCH PERIOD
23 SHALL NOT BE REFUNDED TO THE OWNER.

24 (III) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS
25 SECTION FOR A QUALIFIED RESIDENTIAL STRUCTURE, BUT NOT A QUALIFIED
26 COMMERCIAL STRUCTURE, EXCEEDS THE AMOUNT OF INCOME TAXES
27 OTHERWISE DUE ON THE INCOME OF THE QUALIFIED APPLICANT IN THE

1 INCOME TAX YEAR FOR WHICH THE CREDIT IS BEING CLAIMED, THE
2 AMOUNT OF THE CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES
3 IN THE INCOME TAX YEAR IS REFUNDED TO THE QUALIFIED APPLICANT.

4 (12) **Limit on aggregate amount of all tax credits that may be**
5 **reserved for qualified commercial structures - assignability and**
6 **transferability of tax credits for qualified commercial structures - tax**
7 **preference performance statement - legislative declaration.**

8 (a) Except as otherwise provided in ~~this subsection (12)~~ SUBSECTIONS
9 (12)(a.5) AND (12)(b) OF THIS SECTION, the aggregate amount of all tax
10 credits in any ~~tax~~ CALENDAR year that may be reserved for qualified
11 commercial structures by the office upon the certification of all
12 rehabilitation plans under subsection (7)(a) of this section for such
13 structures must not exceed:

14 (III) For qualified commercial structures estimating qualified
15 rehabilitation expenditures in any amount, ten million dollars in the
16 aggregate for each of the 2020 through ~~2029~~ 2032 calendar years, in
17 addition to the amount of any previously reserved tax credits that were
18 rescinded under subsection (8)(a) of this section during the applicable
19 calendar year; except that the aggregate amount of the ten million dollars
20 in tax credits in any tax year that may be reserved by the office must be
21 equally split between qualified commercial structures for which the
22 estimated qualified rehabilitation expenditures are equal to or less than
23 two million dollars and qualified commercial structures for which the
24 estimated qualified rehabilitation expenditures are in excess of two
25 million dollars.

26 (a.5) FOR CALENDAR YEARS COMMENCING ON OR AFTER JANUARY
27 1, 2025, BUT BEFORE JANUARY 1, 2030, IN ADDITION TO THE TAX CREDITS

1 ALLOWED TO BE RESERVED BY THE OFFICE PURSUANT TO SUBSECTION
2 (12)(a) OF THIS SECTION, THE OFFICE SHALL SEPARATELY RESERVE
3 CREDITS PURSUANT TO THIS SUBSECTION (12)(a.5) FOR AN OWNER OF A
4 QUALIFIED COMMERCIAL STRUCTURE THAT SUBMITS AN APPLICATION AND
5 REHABILITATION PLAN FOR REHABILITATION OF THE QUALIFIED
6 COMMERCIAL STRUCTURE SO THAT AT LEAST FIFTY PERCENT OF THE
7 SQUARE FOOTAGE OF THE QUALIFIED COMMERCIAL STRUCTURE WILL BE
8 NET NEW RENTAL HOUSING UNITS, AS DEFINED BY THE OFFICE. EXCEPT AS
9 OTHERWISE PROVIDED IN SUBSECTION (12)(b) OF THIS SECTION, THE
10 AGGREGATE AMOUNT OF ALL TAX CREDITS IN ANY CALENDAR YEAR THAT
11 MAY BE RESERVED PURSUANT TO THIS SUBSECTION (12)(a.5) FOR
12 QUALIFIED COMMERCIAL STRUCTURES BY THE OFFICE UPON THE
13 CERTIFICATION OF ALL REHABILITATION PLANS UNDER SUBSECTION (7)(a)
14 OF THIS SECTION FOR SUCH STRUCTURES MUST NOT EXCEED FIVE MILLION
15 DOLLARS PER YEAR IN THE AGGREGATE, IN ADDITION TO THE AMOUNT OF
16 ANY PREVIOUSLY RESERVED TAX CREDITS THAT WERE RESCINDED UNDER
17 SUBSECTION (8)(a) OF THIS SECTION DURING THE APPLICABLE CALENDAR
18 YEAR.

19 (b) Notwithstanding any other provision of this subsection (12),
20 if the entirety of the allowable tax credit amount for any ~~tax~~ CALENDAR
21 year is not requested and reserved under:

22 (I) Subsection (12)(a) of this section, the office may use any such
23 unreserved tax credits in reserving tax credits in another category for that
24 same income ~~tax~~ CALENDAR year, and the office may also use any
25 remaining unreserved tax credits for that ~~tax~~ CALENDAR year in reserving
26 tax credits in subsequent ~~income tax~~ CALENDAR years; OR

27 (II) SUBSECTION (12)(a.5) OF THIS SECTION, THE OFFICE SHALL USE

1 ANY REMAINING UNRESERVED TAX CREDITS FOR THAT CALENDAR YEAR IN
2 RESERVING TAX CREDITS IN SUBSEQUENT CALENDAR YEARS.

3 (14) **Deadline for submitting application and rehabilitation**
4 **plan.** Notwithstanding any other provision of this section, the tax credits
5 authorized by this section for the substantial rehabilitation of a qualified
6 structure are not available to an owner of a qualified structure that
7 submits an application and rehabilitation plan after ~~December 31, 2029~~.
8 DECEMBER 31, 2032. No action or inaction on the part of the general
9 assembly has the effect of limiting or suspending the issuing of tax credits
10 authorized by this section in any past or future income tax year with
11 respect to a qualified structure if the owner of the structure submits an
12 application and rehabilitation plan with the office on or prior to ~~December~~
13 ~~31, 2029~~ DECEMBER 31, 2032, even if the qualified structure is placed
14 into service after ~~December 31, 2029~~, DECEMBER 31, 2032. Any tax
15 credits that have been reserved for a qualified commercial structure in
16 accordance with subsection (7)(a) of this section and any applicable rules
17 promulgated under this section prior to ~~December 31, 2029~~ DECEMBER
18 31, 2032, may still be issued by the office through and including
19 ~~December 31, 2032~~ DECEMBER 31, 2036.

20 (16) **Tax preference performance statement.** (a) IN
21 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL
22 THAT CREATES A NEW TAX EXPENDITURE OR EXTENDS AN EXPIRING TAX
23 EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT
24 AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL
25 ASSEMBLY DECLARES THAT THE GENERAL PURPOSES OF THE TAX CREDIT
26 CREATED IN THIS SECTION ARE TO INDUCE CERTAIN DESIGNATED BEHAVIOR
27 BY TAXPAYERS AND TO PROVIDE TAX RELIEF FOR CERTAIN BUSINESSES OR

1 INDIVIDUALS. THE SPECIFIC PURPOSES OF THE TAX CREDIT ARE TO PROVIDE
2 AN INCENTIVE TO TAXPAYERS TO REHABILITATE QUALIFIED STRUCTURES
3 IN A WAY THAT INCREASES THE NUMBER OF NET NEW RENTAL HOUSING
4 UNITS IN THE STATE AND TO PROVIDE A GREATER INCENTIVE FOR
5 TAXPAYERS WHO DEVELOP SUCH UNITS FOR RENTAL TO LOW- AND
6 MODERATE-INCOME RENTERS WHO NEED AFFORDABLE AND
7 MIDDLE-INCOME HOUSING.

8 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
9 MEASURE THE EFFECTIVENESS OF THE TAX CREDIT IN ACHIEVING THE
10 PURPOSES SPECIFIED IN SUBSECTION (16)(a) OF THIS SECTION BASED ON
11 THE INFORMATION REQUIRED TO BE MAINTAINED AND REPORTED BY THE
12 OFFICE TO THE STATE AUDITOR PURSUANT TO SUBSECTION (16)(c) OF THIS
13 SECTION.

14 (c) THE OFFICE SHALL MAINTAIN A DATABASE OF ANY
15 INFORMATION DETERMINED NECESSARY BY THE OFFICE TO EVALUATE THE
16 EFFECTIVENESS OF THE INCOME TAX CREDIT ALLOWED IN THIS SECTION IN
17 MEETING THE PURPOSES SET FORTH IN SUBSECTION (16)(a) OF THIS
18 SECTION AND SHALL PROVIDE SUCH INFORMATION, WHICH MUST INCLUDE
19 THE NUMBER AND VALUE OF TAX CREDITS CLAIMED PURSUANT TO THIS
20 SECTION, THE NUMBER OF NET NEW RENTAL UNITS DEVELOPED, INCLUDING
21 THE NUMBER OF SUCH UNITS DEVELOPED FOR RENTAL ONLY TO LOW- AND
22 MODERATE-INCOME RENTERS, THROUGH THE REHABILITATION OF
23 QUALIFIED COMMERCIAL OR RESIDENTIAL STRUCTURES FOR WHICH TAX
24 CREDITS WERE ALLOWED PURSUANT TO THIS SECTION, AND, IF AVAILABLE,
25 ANY OTHER INFORMATION THAT MAY BE NEEDED, TO THE STATE AUDITOR
26 AS PART OF THE STATE AUDITOR'S EVALUATION OF THE TAX CREDIT
27 REQUIRED BY SECTION 39-21-305.

1 **SECTION 2. Act subject to petition - effective date.** This act
2 takes effect at 12:01 a.m. on the day following the expiration of the
3 ninety-day period after final adjournment of the general assembly; except
4 that, if a referendum petition is filed pursuant to section 1 (3) of article V
5 of the state constitution against this act or an item, section, or part of this
6 act within such period, then the act, item, section, or part will not take
7 effect unless approved by the people at the general election to be held in
8 November 2024 and, in such case, will take effect on the date of the
9 official declaration of the vote thereon by the governor.