



REVITALIZING ECONOMIES, HOUSING, AND BUSINESSES (REHAB) ACT

Congressman Earl Blumenauer ■ Third District of Oregon ■ blumenauer.house.gov

Description: The REHAB Credit is a 15% tax credit that is available for buildings that are more than 50 years old, not certified historic structures, and are within one-half of a mile of a public transportation center. The incentive can also be used for building expansions on the same block, but the credit for expansions can only be allocated for up to 100% of that allocated for the original building. A bonus credit of 25% is available for expenses relating to public infrastructure projects that are required by state or local governments. A bonus credit of 25% is also available for expenses relating to the provision of rent-restricted housing.

Section-by-Section

Section 1. Short Title: “Revitalizing Economies, Housing, and Businesses (REHAB) Act of 2019.”

Section 2. Modernization of Rehabilitation Credit:

- (a) **Reinstatement of Credit for Qualified Rehabilitated Buildings.** Reinstates the 10% rehabilitation credit for non-certified historic buildings placed in service before 1936. Herein referred to as “REHAB credit.”
- (b) **Increase in Credit Rate for Qualified Rehabilitated Buildings Other than Certified Historic Structures.** Increases the newly-reinstated REHAB credit to 15%.
- (c) **Modification of Date Before Which Buildings Other Than Certified Historic Structures Must be Placed in Service.** REHAB credit is only available for any non-historic building placed in service 50 years prior to the current calendar year.
- (d) **Requirement That Buildings Other Than Certified Historic Structures Must Be Close to Public Transportation Centers.** REHAB credit is only available to buildings within a half-mile of fixed guideway transportation stations, commuter rail stations, intercity passenger rail stations, or a planned and funded Capital Investment Grant project.
- (e) **Elimination of Certain Lodging Restrictions on Buildings Other Than Certified Historic Structures.** REHAB credit can be used for residential lodging purposes.
- (f) **Requirement that Buildings that are Not Certified Historic Structures and Not in a Registered Historic District Receive Certification of Status.** Within 30 days, the National Park Service shall endeavor to determine that the building is not a certified historic structure or in a registered historic district.



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(g)(1) Credit for Public Infrastructure in Connection with Buildings Other Than Certified Historic Structures. Qualified rehabilitation expenditures for public infrastructure that are required by state or local governments as a condition of project completion are eligible for a 25% credit. The maximum available credit for public infrastructure-related expenses cannot exceed more than 25% of total project cost. This bonus credit is also available to certified historic structures.

(g)(2) Credit for Expansion of Adjacent Buildings With Respect to Qualified Rehabilitated Buildings Other Than Certified Historic Structures. The REHAB credit is available for expenses related to building expansion on the same block. The maximum available credit for building expansion-related expenses cannot exceed more than 100% of the REHAB credit.

(h) Bonus Credit for Rent Restricted Housing Units. Qualified rehabilitation expenses allocated to the production of rent-restricted housing units are eligible to receive a 25% credit. “Rent-restricted” defined in LIHTC under 26 U.S.C. Sec. 42(g)(2). Also includes 10-year recapture period to ensure that properties remain affordable. This bonus credit is also available to certified historic structures.

(i) Public Reporting. Taxpayers utilizing the REHAB credit are required to publicly report project information to the Internal Revenue Service.

(j) Effective Date. REHAB credit is available to buildings placed in service after the date of enactment.