

By: Representative Watson

To: Ways and Means

HOUSE BILL NO. 754
(As Passed the House)

1 AN ACT TO AMEND SECTION 27-7-22.31, MISSISSIPPI CODE OF 1972,
2 WHICH AUTHORIZES AN INCOME TAX CREDIT FOR COSTS AND EXPENSES
3 INCURRED FOR THE REHABILITATION OF CERTAIN HISTORIC STRUCTURES, TO
4 EXTEND THE DATE OF REPEAL ON SUCH SECTION; AND FOR RELATED
5 PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 **SECTION 1.** Section 27-7-22.31, Mississippi Code of 1972, is
8 amended as follows:

9 27-7-22.31. (1) As used in this section:

10 (a) "Certified historic structure" means a property
11 located in Mississippi and listed individually on the National
12 Register of Historic Places or property that has been designated a
13 Mississippi Landmark by the Department of Archives and History
14 pursuant to Section 39-7-3 et seq.

15 (b) "Eligible property" means property located in
16 Mississippi and offered or used for residential or business
17 purposes.

18 (c) "Structure in a certified historic district" means
19 a structure (and its structural components) located in Mississippi
20 which is:

21 (i) Is listed in the National Register of Historic
22 Places; or

23 (ii) Is located in a registered historic district
24 listed on the National Register of Historic Places and is
25 certified by the Secretary of the United States Department of the
26 Interior as being of historic significance to the district; or

27 (iii) Certified by the Mississippi Department of
28 Archives and History as contributing to the historic significance



29 of a certified historic district listed on the National Register
30 of Historic Places or a local district that has been certified by
31 the United States Department of the Interior.

32 (d) "Department" means the Department of Archives and
33 History.

34 (2) Any taxpayer incurring costs and expenses for the
35 rehabilitation of eligible property, which is a certified historic
36 structure or a structure in a certified historic district, shall
37 be entitled to a credit against the taxes imposed pursuant to this
38 chapter in an amount equal to twenty-five percent (25%) of the
39 total costs and expenses of rehabilitation incurred after January
40 1, 2006, which shall include, but not be limited to, qualified
41 rehabilitation expenditures as defined under Section 47(c)(2)(A)
42 of the Internal Revenue Code of 1986, as amended, and the related
43 regulations thereunder:

44 (a) If the costs and expenses associated with
45 rehabilitation exceed:

46 (i) Five Thousand Dollars (\$5,000.00) in the case
47 of an owner-occupied dwelling; or

48 (ii) Fifty percent (50%) of the total basis in the
49 property in the case of all other properties; and

50 (b) The rehabilitation is consistent with the standards
51 of the Secretary of the United States Department of the Interior
52 as determined by the department.

53 (3) (a) If the amount of the tax credit established by this
54 section exceeds the total state income tax liability for the year
55 in which the rehabilitated property is placed in service, the
56 amount that exceeds the total state income tax liability may be
57 carried forward for the ten (10) succeeding tax years.

58 (b) Not-for-profit entities, including, but not limited
59 to, nonprofit corporations organized under Section 79-11-101 et
60 seq. shall be ineligible for the credit authorized by this
61 section. Credits granted to a partnership, a limited liability



62 company taxed as a partnership or multiple owners of property
63 shall be passed through to the partners, members or owners on a
64 pro rata basis or pursuant to an executed agreement among the
65 partners, members or owners documenting an alternative
66 distribution method.

67 (4) To claim the credit authorized pursuant to this section,
68 the taxpayer shall apply to the department which shall determine
69 the amount of eligible rehabilitation costs and expenses and
70 whether the rehabilitation is consistent with the standards of the
71 Secretary of the United States Department of the Interior. The
72 department shall issue a certificate evidencing the eligible
73 credit if the taxpayer is found to be eligible for the tax credit.
74 The taxpayer shall attach the certificate to all income tax
75 returns on which the credit is claimed.

76 (5) (a) The board of trustees of the department shall
77 establish fees to be charged for the services performed by the
78 department under this section and shall publish the fee schedule.
79 The fees contained in the schedule shall be in amounts reasonably
80 calculated to recover the costs incurred by the department for the
81 administration of this section. Any taxpayer desiring to
82 participate in the tax credits authorized by this section shall
83 pay the appropriate fee as contained in the fee schedule to the
84 department, which shall be used by the department, without
85 appropriation, to offset the administrative costs of the
86 department associated with its duties under this section.

87 (b) There is hereby created within the State Treasury a
88 special fund into which shall be deposited all the fees collected
89 by the department pursuant to this section. Money deposited into
90 the fund shall not lapse at the end of any fiscal year and
91 investment earnings on the proceeds in such special fund shall be
92 deposited into such fund. Money from the fund shall be disbursed
93 upon warrants issued by the State Fiscal Officer upon requisitions



94 signed by the executive director of the department to assist the
95 department in carrying out its duties under this section.

96 (6) This section shall stand repealed on December 31, 2013.

97 **SECTION 2.** This act shall take effect and be in force from
98 and after its passage.

