

SB 364-FN - AS INTRODUCED

2024 SESSION

24-2850  
05/10

SENATE BILL **364-FN**

AN ACT relative to establishing a historic housing preservation tax credit and making an appropriation to the Invest NH fund.

SPONSORS: Sen. Innis, Dist 7; Sen. Ward, Dist 8; Sen. Watters, Dist 4; Sen. Carson, Dist 14; Sen. Gendreau, Dist 1; Sen. Fenton, Dist 10; Sen. Perkins Kwoka, Dist 21; Sen. Chandley, Dist 11; Rep. Mooney, Hills. 12; Rep. D. Paige, Carr. 1; Rep. Emerick, Rock. 29

COMMITTEE: Ways and Means

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ANALYSIS

This bill establishes a historic housing preservation tax credit administered by the housing finance authority. The bill also makes an appropriation to the Invest NH fund in the department of business and economic affairs for the purpose of developing affordable housing in the state.

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Explanation: Matter added to current law appears in **bold italics**.  
Matter removed from current law appears ~~in brackets and struck through~~.  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

24-2850  
05/10

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty Four*

AN ACT relative to establishing a historic housing preservation tax credit and making an appropriation to the Invest NH fund.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 New Subdivision; Housing Finance Authority; Historic Housing Preservation Tax Credit. Amend RSA 204-C by inserting after section 92 the following new subdivision:

Historic Housing Preservation Tax Credit

204-C:93 Definitions. For the purposes of this subdivision:

I. "Contributor" means an investor providing cash or a pledge to the authority for a project in exchange for a tax credit.

II. "Eligible applicant" means any owner of a historical structure that is a for-profit or nonprofit organization licensed to do business in the state, is a political subdivision of the state, or is a public corporation established under the laws of the state.

III. "Eligible structure" means any historical structure that is intended for residential use and is intended to be income-generating. It includes those currently used as residences and those intended to be converted to residential use. It also includes properties that are or will be primarily used for residential purposes, but that may have other uses that are non-residential. It does not include any property that is or is intended solely to be the private residence of the owner.

IV. "Historical structure" means that a structure that:

- (a) Is listed on the National Register of Historic Places or the state register of historic places;
- (b) Has been determined by the National Park Service to be a certified historic structure;
- (c) Possesses characteristics that make it eligible for listing on either the National Register of Historic Places or the state register of historic places; or
- (d) Possesses other historical characteristics that make it worthy of preservation.

V. "Pledge" means a written agreement between the authority and a contributor for the contributor to provide cash contributions in the future.

VI. "Project" means a plan to rehabilitate a historical structure.

204-C:94 Historic Housing Preservation Tax Credit Established.

I. The authority shall adopt rules establishing a competitive process for eligible applicants seeking investor contributions for projects.

II. Contributions may be made to the authority by investors for specific projects.

III. An investment tax credit equal to 65 percent of the contribution made to the authority during the contributor's tax year shall be allowed against any of the following individually or in combination:

- (a) Taxes imposed by RSA 77-A.
- (b) Taxes imposed by RSA 77-E.
- (c) Taxes imposed by RSA 400-A.

IV. Credits provided by this section applied against the liabilities imposed by RSA 400-A and RSA 77-E shall be deemed to be taxes paid for the purpose of RSA 77-A:5, III and X, respectively.

V. The credit or any unused portion thereof may be carried forward for no more than 5 succeeding years, but shall not exceed \$1,000,000 in any given tax year.

VI.(a) The credit provided by this section shall be available to contributors on or after contributions for which credit is to be taken are actually received by the authority.

(b) Contributions received by the authority for which credit is to be taken shall not exceed \$10,000,000 in any state fiscal year. Contributions received by the authority in excess of \$10,000,000 in any state fiscal year shall not be eligible for credit in such fiscal year, but may be carried forward to the next succeeding fiscal year or years and shall be given priority in determining the total contributions eligible for credit in such fiscal year.

VII. Estimated tax payments under RSA 400-A:32 due and payable after the date of contribution to the authority may be reduced by the credit allowable under this section.

2 New Paragraph; Business Profits Tax; Credits. Amend RSA 77-A:5 by inserting after paragraph XVI the following new paragraph:

XVII. The historic housing preservation tax credit as computed in RSA 204-C:94.

3 New Section; Business Enterprise Tax; Credits. Amend RSA 77-E by inserting after section 3-e the following new section:

77-E:3-f Historic Housing Preservation Tax Credit. The historic housing preservation tax credit as computed in RSA 204-C:94 shall be allowed against the tax due under this chapter.

4 Appropriation; Department of Business and Economic Affairs; InvestNH Fund. The sum of \$15,000,000 for the for the fiscal year ending June 30, 2024, is hereby appropriated to the InvestNH fund established in RSA 12-O:69 for the purposes set forth in RSA 12-O:70. The sum appropriated shall be nonlapsing. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

5 Effective Date. This act shall take effect June 30, 2024.

LBA

24-2850

12/3/23

**SB 364-FN- FISCAL NOTE  
AS INTRODUCED**

AN ACT relative to establishing a historic housing preservation tax credit and making an appropriation to the Invest NH fund.

**FISCAL IMPACT:**     State                     County                     Local                     None

Estimated State Impact - Increase / (Decrease)				
	FY 2024	FY 2025	FY 2026	FY 2027
<b>Revenue</b>	\$0	Up to \$3.25 million Decrease	Indeterminable Decrease	Indeterminable Decrease
<i>Revenue Fund(s)</i>	General Fund and Education Trust Fund			
<b>Expenditures</b>	\$0	Indeterminable Increase up to \$15,000,000		
<i>Funding Source(s)</i>	General Fund			
<b>Appropriations</b>	\$15,000,000	\$0	\$0	\$0
<i>Funding Source(s)</i>	General Fund			

- Does this bill provide sufficient funding to cover estimated expenditures?  N/A
- Does this bill authorize new positions to implement this bill?  N/A

**METHODOLOGY:**

This bill establishes a Historic Housing Preservation Tax Credit administered by the Housing Finance Authority. Any contribution made is allowed an investment tax credit against the Business Profits Tax, Business Enterprise Tax and/or the Insurance Premium Tax. The maximum credit taken in any state fiscal year shall not exceed 65% of the contributions which are capped at \$5 million each year. Any unused credit may be carried forward for up to 5 years. It is not known if the historic housing tax credit will be used or, if used, how much will be contributed to determine the fiscal impact. However, the maximum impact in FY 2025 will be no more than a \$3.25 million decrease and an indeterminable decrease in FY 2026 and each year thereafter in General Fund and Education Trust Fund revenue, depending on the tax to which the credit is applied.

Lastly, the bill makes a nonlapsing general fund appropriation of \$15,000,000 for fiscal year ending June 30, 2024 to the Invest NH fund in the Department of Business and Economic Affairs for the purpose of developing affordable housing in the State.

**AGENCIES CONTACTED:**

None