

2019 -- S 0980 SUBSTITUTE A

LC002727/SUB A/2

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

A N A C T

RELATING TO TAXATION -- HISTORIC PRESERVATION TAX CREDITS

Introduced By: Senators Euer, and DiPalma

Date Introduced: June 13, 2019

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-33.6-7 and 44-3.6-11 of the General Laws in Chapter 44-33.6
2 entitled "Historic Preservation Tax Credits 2013" are hereby amended to read as follows:
3 **44-33.6-7. Timing and reapplication.**
4 (a) Taxpayers shall have twelve (12) months from the approval of Part 2 application to
5 commence substantial construction activities related to the subject substantial rehabilitation.
6 Upon commencing substantial construction activities, the taxpayer shall submit an affidavit of
7 commencement of substantial construction to the commission, together with evidence of such
8 requirements having been satisfied. Furthermore, after commencement of substantial construction
9 activities, no project shall remain idle prior to completion for a period of time exceeding six (6)
10 months. In the event that a taxpayer does not commence substantial construction activities within
11 twelve (12) months from the approval of Part 2 application, or in the event that a project remains
12 idle prior to completion for a period of time exceeding six (6) months, the subject taxpayer shall
13 forfeit all fees paid prior to such date and its then-current contract for tax credits shall be deemed
14 null and void, and shall terminate without need for further action or documentation. Upon any
15 such forfeiture and termination, a taxpayer may re-apply for tax credits pursuant to this chapter,
16 however, notwithstanding anything contained herein to the contrary, one hundred percent (100%)
17 of the fees required shall be paid upon reapplication and such fees shall be non-refundable.
18 Additionally, any taxpayer reapplying for tax credits pursuant to this § 44-33.6-7 shall be required
19 to submit evidence with its application establishing the reason for delay in commencement or the

1 project sitting idle, as the case may be, and provide evidence, reasonably satisfactory to the
2 commission, that such condition or event causing same has been resolved. All taxpayers shall
3 submit a reasonably detailed project timeline to the commission together with the Part 2
4 application. The provisions of this section shall be further detailed and incorporated into the form
5 of contract for tax credits used in connection with this chapter.

6 (b) Projects that have been approved for historic preservation tax credits and have been
7 funded through the cultural arts and the economy grant program, as enacted in chapter 145 of the
8 2014 Pub. L., and whose contract for tax credits would expire on December 31, 2019, are not
9 subject to the provisions of § 44-33.6-7 and shall remain in full force and effect until December
10 31, 2022.

11 **44-33.6-11. Sunset.**

12 No credits shall be authorized to be reserved pursuant to this chapter on or after June 30,
13 ~~2019~~ 2020, or upon the exhaustion of the maximum aggregate credits, whichever comes first.

14 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO TAXATION -- HISTORIC PRESERVATION TAX CREDITS

1 This act would extend the use of historic tax credits for three (3) years until December
2 31, 2022, for all projects which have been funded through the cultural arts and the economy grant
3 program, as enacted in chapter 145 of the 2014 Pub. L., and which would have expired on
4 December 31, 2019. The act would also extend the sunset provision of the historic tax credits
5 from June 30, 2019, to June 30, 2020.

6 This act would take effect upon passage.

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