

**2014 Arkansas Code**

**Title 26 - Taxation**

**Subtitle 5 - State Taxes**

**Chapter 51 - Income Taxes**

**Subchapter 22 - Arkansas Historic Rehabilitation Income Tax Credit Act**

**§ 26-51-2204 - Arkansas historic rehabilitation income tax credit.**

**Universal Citation:** AR Code § 26-51-2204 (2014)

**(a)** There is allowed an income tax credit up to the amount of tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., or the premium tax to a holder of an Arkansas historic rehabilitation income tax credit.

**(b)** The Arkansas historic rehabilitation income tax credit shall be in an amount equal to twenty-five percent (25%) of the total qualified rehabilitation expenses incurred by the owner to complete a certified rehabilitation up to the first:

**(1)** Five hundred thousand dollars (\$500,000) of qualified rehabilitation expenses on income-producing property; or

**(2)** One hundred thousand dollars (\$100,000) of qualified rehabilitation expenses on nonincome-producing property.

**(c) (1)** The Department of Arkansas Heritage shall only issue Arkansas historic rehabilitation income tax credits for up to four million dollars (\$4,000,000) in any one (1) fiscal year.

**(2)** Any unused Arkansas historic rehabilitation income tax credits shall not be carried over to the following fiscal year for use by the department.

**(3)** Any certification of completion that would cause the Arkansas historic rehabilitation income tax credit to exceed the amounts listed in subdivision (c)(1) of this section during the fiscal year will be carried forward for consideration during the following fiscal year.

**(d)** The Arkansas historic rehabilitation income tax credit shall be available to an owner of an eligible property that:

**(1)** Completes a certified rehabilitation that is placed in service after January 1, 2009;

**(2)** Has a minimum investment of twenty-five thousand dollars (\$25,000) in qualified rehabilitation expenses; and

**(3)** Is not receiving a tax credit under any other state law for the same eligible property.

**(e)** Upon completion of a rehabilitation, the owner shall submit documentation required by the department to verify that the completed rehabilitation qualifies as a certified rehabilitation.

**(f)** If the department determines that a rehabilitation qualifies as a certified rehabilitation and that the certified rehabilitation is complete, the department shall issue a freely transferable certification of completion specifying the total amount of the qualified rehabilitation expenses and Arkansas historic rehabilitation income tax credit allowed.

**(g) (1)** If the owner requests a review of the department's determination under subsection (f) of this section, the owner shall submit a written request for review of the determination.

**(2)** The owner shall submit the request in writing to the department within thirty (30) days of the date of notification to the owner of the determination.

**(h) (1)** The owner shall certify to the department the validity of costs and expenses claimed as qualified rehabilitation expenses and shall maintain a record supporting the claim for at least five (5) years after the issuance of the certification of completion.

**(2)** An owner's record supporting a claim for qualified rehabilitation expenses may be reviewed by the department, the appropriate tax collection authority, or a holder.