

AMENDED IN SENATE MAY 21, 2019
AMENDED IN SENATE APRIL 08, 2019

CALIFORNIA LEGISLATURE— 2019–2020 REGULAR SESSION

SENATE BILL

No. 451

Introduced by Senator Atkins

February 21, 2019

An act to add and repeal Sections 38.10, 17053.91, and 23691 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 451, as amended, Atkins. Personal income and corporation taxes: credits: rehabilitation of certified historic ~~structures~~ *structures*.

The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws.

This bill would allow to a taxpayer that receives a tax credit allocation a credit against those taxes for each taxable year beginning on or after January 1, 2021, and before January 1, 2026, in an amount, determined in modified conformity with a specified section of the Internal Revenue Code, for rehabilitation of certified historic structures and, under the Personal Income Tax Law, for a qualified residence. This bill would provide for a 20% credit, or 25% credit, of qualified rehabilitation expenditures if the structure meets specified criteria, for rehabilitation of a certified historic structure or a qualified residence, as provided, within the state to be allocated on a first-come-first-served basis by the California Tax Credit Allocation Committee, which shall consult

with the Office of Historic Preservation, as provided, and which may charge a reasonable fee not to exceed a specified amount. The aggregate amount of credit would be \$50,000,000 per calendar year, plus unused allocation tax credit for the preceding year, \$10,000,000 of which would be set aside for rehabilitation projects *for qualified residences and for rehabilitation projects* with qualified rehabilitation expenditures of less than \$1,000,000, as specified. This bill would require the Legislative Analyst to, on an annual basis, collaborate with the California Tax Credit Allocation Committee to review the effectiveness of the tax credit, as provided. *The bill would also provide that the credit amount is \$0 for each taxable year beginning on or after January 1, 2021, and before January 1, 2026, unless otherwise specified in a bill providing for appropriations related to the Budget Act.*

This bill would make specified findings detailing the goals, purposes, and objectives of the above-described tax credits, performance indicators for determining whether the credits meet those goals, purposes, and objectives, and data collection requirements.

This bill would take effect immediately as a tax levy.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1.

(a) The Legislature finds and declares that California's historic buildings are an important asset to communities throughout the state, and that the preservation and restoration of these buildings is vital to economic development, to enhancing civic pride, increasing tourism, and maintaining vibrant and inclusive neighborhoods.

(b) The Legislature further finds and declares all of the following:

(1) The federal Historic Preservation Tax Incentives program, enacted by Congress in 1986, established a 20-percent tax credit for the rehabilitation of historic structures, which remains in effect today. Program activity in the amount of investment dollars reached record highs in the 1990s, before declining during the recent recession. With

the economy in general, and the real estate market in particular, rebounding over the last several years, the amount of rehabilitation investment in proposed projects exceeded \$6.5 billion for the second time in the program's history. The average investment in completed projects in the 2018 fiscal year was \$6.8 million, the highest amount in the program's history. The program is currently available to California's income producing historic properties, and has generated nearly \$1.6 billion in investment during the last 10 years.

(2) While 35 states have similar state tax credits or incentives for historic preservation, no such incentive exists in California.

(3) When used with federal historic preservation tax credits, state historic rehabilitation tax credits provide an important financial incentive for reinvestment in the historic cores of communities in the post-redevelopment economy. Historic preservation tax incentives generate jobs, enhance property values, create affordable housing, and augment revenues for federal, state, and local governments. Through the federal program, vacant or underutilized schools, warehouses, factories, apartments, churches, retail stores, hotels, houses, farms, and offices throughout the country have been restored to life in a manner that maintains their historic character.

(4) States that have partnered a state incentive with the federal Historic Preservation Tax Incentives program have reaped significant economic development benefits, including construction and building industry job creation, increased state tax revenues through increased employment and wages, increased local property tax revenues through increased property values, and increased local tax revenues through sales taxes and heritage tourism.

(5) The federal rehabilitation tax credit applies specifically to income-producing historic properties, and throughout its history has leveraged many times its cost in private expenditures on historic preservation. This program is the largest federal program specifically supporting historic preservation, generating over \$144.6 billion in historic preservation activity since 1976. During the 2018 fiscal year, the National Park Service approved 1,013 proposed projects, representing an estimated \$6.89 billion of investment to restore and rehabilitate historic buildings.

(6) The federal Historic Preservation Tax Incentives program remains an outstanding means of leveraging private investment in the adaptive reuse and preservation of historic buildings. The program continues to help stimulate economic recovery in older communities, both large and small, throughout the nation, and created an estimated 108,861 jobs in 2017.

(7) Over the last 10 years, California has had 127 projects qualify for the federal Historic Preservation Tax Incentives program. These projects have been located in 20 different counties.

(8) As California communities continue to adjust and adapt to the dissolution of redevelopment agencies, proven tools are still needed to incentivize economic development and revitalize economically distressed areas.

SEC. 2.

Section 38.10 is added to the Revenue and Taxation Code, to read:

38.10.

(a) The Legislative Analyst shall, on an annual basis beginning January 1, 2021, collaborate with the California Tax Credit Allocation Committee to review the effectiveness of the tax credits allowed by Sections 17053.91 and 23691. The review shall include, but is not limited to, an analysis of the demand for the tax credit, the types and uses of projects receiving the tax credit, the jobs created by the use of the tax credits, and the economic impact of the tax credits.

(b) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 3.

Section 17053.91 is added to the Revenue and Taxation Code, to read:

17053.91.

For each taxable year beginning on or after January 1, 2021, and before January 1, 2026, there shall be allowed to a taxpayer that receives a tax credit allocation a credit against the "net tax," as defined in Section 17039, an amount determined in accordance with Section 47 of the Internal Revenue Code, except as follows:

(a) (1) In lieu of the percentage specified in Section 47(a) of the Internal Revenue Code, except as provided in paragraph (2), the applicable percentage shall be 20 percent of the qualified rehabilitation expenditures with respect to a certified historic structure.

(2) The applicable percentage shall be 25 percent of the qualified rehabilitation expenditures with respect to a certified historic structure if that certified historic structure meets one of the following criteria:

(A) The rehabilitated structure is located on federal surplus property, if obtained by a local agency under Section 54142 of the Government Code, on surplus state real property, as defined by Section 11011.1 of the Government Code, or on surplus land, as defined by subdivision (b) of Section 54221 of the Government Code.

(B) The rehabilitated structure includes affordable housing for lower-income households, as defined by Section 50079.5 of the Health and Safety Code.

(C) The structure is located in a designated census tract, as defined in paragraph (7) of subdivision (b) of Section 17053.73.

(D) The structure is a part of a military base reuse authority established pursuant to Title 7.86 (commencing with Section 67800) of the Government Code.

(E) The structure is a transit-oriented development that is a higher density, mixed-use development within a walking distance of one-half mile of a transit station.

(3) (A) The credit shall be allowed for qualified rehabilitation expenditures for a qualified residence determined by the California Tax Credit Allocation Committee and the Office of Historic Preservation to have a public benefit in the year of completion in the percentages specified in paragraphs (1) and (2), as applicable, except that the credit shall only be allowed in an amount equal to or more than five thousand dollars (\$5,000) but not exceeding twenty-five thousand dollars (\$25,000). A taxpayer shall only be allowed a credit pursuant to this paragraph once every 10 taxable years.

(B) Section 47(c)(1)(B)(ii) of the Internal Revenue Code, relating to special rule for phased rehabilitation, shall not apply.

(b) For purposes of this section, the following definitions shall apply:

(1) “Certified historic structure” has the same meaning as defined in Section 47(c)(3) of the Internal Revenue Code, that is a structure in this state and is listed on the California Register of Historical Resources.

(2) “Qualified residence” has the same meaning as that term is defined in Section 163(h)(4) of the Internal Revenue Code, that will be owned and occupied by an individual taxpayer who has a modified adjusted gross income, as defined by Section 86(b)(2) of the Internal Revenue Code, of two hundred thousand dollars (\$200,000) or less, as the taxpayer’s principal residence or what will be the taxpayer’s principal residence within two years after the rehabilitation of the residence.

(3) (A) “Qualified rehabilitation expenditure” has the same meaning as that term is defined in Section 47(c)(2) of the Internal Revenue Code, except that qualified rehabilitation expenditures may include expenditures in connection with the rehabilitation of a building without regard to whether any portion of the building is or is reasonably expected to be tax-exempt use property.

(B) “Qualified rehabilitation expenditure” has the same meaning as that term is defined in Section 47(c)(2) of the Internal Revenue Code and also means rehabilitation expenditures incurred by the taxpayer with respect to a qualified residence for the rehabilitation of the exterior of the building or rehabilitation necessary for the

functioning of the home, including, but not limited to, rehabilitation of the electrical, plumbing, or foundation of the qualified residence.

(c) (1) To be eligible for the credit allowed by this section, a taxpayer shall request a tax credit allocation from the California Tax Credit Allocation Committee, in the form and manner prescribed by the California Tax Credit Allocation Committee.

(2) To obtain a tax credit allocation, the taxpayer shall provide necessary information, as determined by the California Tax Credit Allocation Committee.

(3) A tax credit allocation provided to a taxpayer shall not constitute a determination by the California Tax Credit Allocation Committee with respect to any of the requirements of this section regarding a taxpayer's eligibility for the credit authorized by this section.

(4) If a taxpayer receives a tax credit allocation but rehabilitation has not commenced within 18 months of the issuance of the tax credit allocation, the tax credit allocation shall be forfeited and the credit amount associated with the tax credit allocation shall be treated as an unused allocation tax credit amount.

(d) A deduction shall not be allowed under this part for any expense for which a credit for that expense is allowed by this section.

(e) If a credit is allowed under this section with respect to any property, the basis of that property shall be reduced by the amount of the credit allowed.

(f) (1) A credit allowed under this section shall be claimed in the first taxable year in which the structure is placed in service.

(2) In the case where the credit allowed by this section exceeds the "net tax," the excess may be carried over to reduce the "net tax" in the following year, and the seven succeeding years, if necessary, until the credit is exhausted.

(g) For purposes of this section, the California Tax Credit Allocation Committee shall do the following:

(1) On and after January 1, 2021, and before January 1, 2026, allocate tax credits to applicants.

(2) Establish a procedure for applicants to file with the California Tax Credit Allocation Committee a written application, on a form jointly prescribed by the committee and the Office of Historic Preservation for the allocation of the tax credit.

(3) Establish criteria consistent with the requirements of this section, for allocating tax credits. A taxpayer shall not receive a tax credit allocation unless the following criteria are met. Criteria shall include, but are not limited to, the following:

(A) The number of jobs created by the rehabilitation project, both during and after the rehabilitation of the structure.

(B) The expected increase in state and local tax revenues derived from the rehabilitation project, including those from increased wages and property taxes.

(C) Any additional incentives or contributions included in the rehabilitation project from federal, state, or local governments.

(D) For the qualified rehabilitation expenditures with respect to a qualified residence, the rehabilitation has a public benefit, as determined jointly with the Office of Historic Preservation.

(4) Determine and designate, in consultation with the Office of Historic Preservation, applicants that meet the requirements of this section to ensure that the rehabilitation project meets the Secretary of the Interior's Standards for Rehabilitation, as found in Part 67 of Title 36 of the Code of Federal Regulations.

(5) Process and approve, or reject, all tax credit allocation applications.

(6) (A) Subject to the annual cap established as provided in subdivision (h), allocate on a first-come-first-served basis an aggregate amount of credits under this section and Section 23691, and allocate any carryover of unallocated credits from prior years.

(B) A taxpayer shall be allocated a tax credit pursuant to the taxpayer's tax credit allocation upon receipt by the California Tax Credit Allocation Committee of a cost certification for the qualified rehabilitation expenditures. For projects with qualified rehabilitation expenditures in excess of two hundred fifty thousand dollars (\$250,000), the cost certification shall be issued by a licensed certified public accountant.

(7) Certify tax credits allocated to taxpayers.

(8) Provide the Franchise Tax Board an annual list of the taxpayers that were allocated a credit pursuant to this section and Section 23691, including each taxpayer's taxpayer identification number, and the amount allocated to each taxpayer.

(9) Establish procedures for the recapture of amounts allocated for a tax credit allowed to a taxpayer for the rehabilitation of a qualified residence if the taxpayer does not use the qualified residence as their principal residence within two years after the rehabilitation of the residence.

(h) (1) The aggregate amount of credits that may be allocated in any calendar year pursuant to this section and Section 23691 shall be an amount equal to the sum of all of the following:

(A) Fifty million dollars (\$50,000,000) in tax credits for the 2021 calendar year and each calendar year thereafter, through and including the 2026 calendar year.

(B) The unused allocation tax credit amount, if any, for the preceding calendar year.

(2) Notwithstanding the foregoing, the California Tax Credit Allocation Committee shall set aside ten million dollars (\$10,000,000) of tax credits that may be allocated each calendar year for taxpayers in the aggregate, pursuant to this paragraph and paragraph (2) of subdivision (h) of Section ~~23691, with qualified rehabilitation expenditures of less than one million dollars (\$1,000,000). To the extent that this amount is not fully allocated in any calendar year, the unused portion shall become available for allocation to other taxpayers.~~ 23691, as follows:

(A) Two million dollars (\$2,000,000) of tax credits, in the aggregate, for taxpayers with qualified rehabilitation expenditures for a certified historic structure that is a qualified residence. To the extent that this amount is not fully allocated in any calendar year, the unused portion shall become available in subsequent calendar years for allocation to other taxpayers with qualified rehabilitation expenditures for a certified historic structure that is a qualified residence.

(B) Eight million dollars (\$8,000,000) of tax credits, in the aggregate, for taxpayers with qualified rehabilitation expenditures of less than one million dollars (\$1,000,000) for any other certified historic building that is not a qualified residence. To the extent that this amount is not fully allocated in any calendar year, the unused portion shall become available in subsequent calendar years for allocation to other taxpayers, except those taxpayers subject to subparagraph (A).

(i) In the case of any application for tax credits by an entity treated as a partnership for income tax purposes:

(1) Credits awarded to a partnership shall be allocated to the partners of that partnership in accordance with the partnership agreement, regardless of how the federal historic rehabilitation tax credit with respect to the project is allocated to the partners, or whether the allocation of the credit under the terms of the partnership agreement has substantial economic effect, within the meaning of Section 704(b) of the Internal Revenue Code.

(2) To the extent the allocation of the credit to a partner under this section lacks substantial economic effect, any loss or deduction otherwise allowable under this part that is attributable to the sale or other disposition of that partner's partnership interest made prior to the expiration of the tax credit recapture period for the project described in paragraph (1) shall not be allowed in the taxable year in which the sale or other disposition occurs, but shall instead be deferred until, and treated as if, it occurred in the first taxable year immediately following the taxable year in which the tax credit recapture period expires for the project described in paragraph (1). The credits awarded to a partnership shall be allocated to the partners of that partnership in accordance with the partnership agreement.

(j) For purposes of this section, the provisions of subsection (a) of Section 50 of the Internal Revenue Code shall apply.

(k) Notwithstanding any other provision of this part, a credit allowed pursuant to this section may reduce the tax imposed under Section 17041 or 17048 plus the tax imposed under Section 17504, relating to the separate tax on lump-sum distributions, below the tentative minimum tax.

(l) This section shall remain in effect regardless of the expiration or repeal of Section 47 of the Internal Revenue Code, relating to rehabilitation credit.

(m) The California Tax Credit Allocation Committee may charge a reasonable fee in an amount that does not exceed the reasonable costs incurred by the California Tax Credit Allocation Committee and the Office of Historic Preservation in fulfilling the responsibilities described in paragraphs (4) and (5) of subdivision (g) and paragraphs (4) and (5) of subdivision (g) of Section 23691.

(n) (1) This section shall remain in effect only until December 1, 2026, and as of that date is repealed.

(2) Unless otherwise specified in any bill providing for appropriations related to the Budget Act, for taxable years beginning on or after January 1, 2021, and before January 1, 2026, the amount of credit allowed pursuant to this section shall be zero dollars (\$0).

SEC. 4.

Section 23691 is added to the Revenue and Taxation Code, to read:

23691.

For each taxable year beginning on or after January 1, 2021, and before January 1, 2026, there shall be allowed to a taxpayer that receives a tax credit allocation a credit against the "tax," as defined in Section 23036, an amount determined in accordance with Section 47 of the Internal Revenue Code, except as follows:

(a) (1) In lieu of the percentage specified in Section 47(a) of the Internal Revenue Code, except as provided in paragraph (2), the applicable percentage shall be 20 percent of the qualified rehabilitation expenditures with respect to a certified historic structure.

(2) The applicable percentage shall be 25 percent of the qualified rehabilitation expenditures with respect to a certified historic structure if that certified historic structure meets one of the following criteria:

(A) The rehabilitated structure is located on federal surplus property, if obtained by a local agency under Section 54142 of the Government Code, on surplus state real property, as defined by Section 11011.1 of the Government Code, or on surplus land, as defined by subdivision (b) of Section 54221 of the Government Code.

(B) The rehabilitated structure includes affordable housing for lower-income households, as defined by Section 50079.5 of the Health and Safety Code.

(C) The structure is located in a designated census tract, as defined in paragraph (7) of subdivision (b) of Section 17053.73.

(D) The structure is a part of a military base reuse authority established pursuant to Title 7.86 (commencing with Section 67800) of the Government Code.

(E) The structure is a transit-oriented development that is a higher density, mixed-use development within a walking distance of one-half mile of a transit station.

(b) For purposes of this section, the following definitions shall apply:

(1) "Certified historic structure" has the same meaning as defined in Section 47(c)(3) of the Internal Revenue Code, that is a structure in this state and is listed on the California Register of Historical Resources.

(2) "Qualified rehabilitation expenditure" has the same meaning as that term is defined in Section 47(c)(2) of the Internal Revenue Code, except that qualified rehabilitation expenditures may include expenditures in connection with the rehabilitation of a building without regard to whether any portion of the building is or is reasonably expected to be tax exempt use property.

(c) (1) To be eligible for the credit allowed by this section, a taxpayer shall request a tax credit allocation from the California Tax Credit Allocation Committee, in the form and manner prescribed by the California Tax Credit Allocation Committee.

(2) To obtain a tax credit allocation, the taxpayer shall provide necessary information, as determined by the California Tax Credit Allocation Committee.

(3) A tax credit allocation provided to a taxpayer shall not constitute a determination by the California Tax Credit Allocation Committee with respect to any of the requirements of this section regarding a taxpayer's eligibility for the credit authorized by this section.

(4) If a taxpayer receives a tax credit allocation but rehabilitation has not commenced within 18 months of the issuance of the tax credit allocation, the tax credit allocation shall be forfeited and the credit amount associated with the tax credit allocation shall be treated as an unused allocation tax credit amount.

(d) A deduction shall not be allowed under this part for any expense for which a credit for that expense is allowed by this section.

(e) If a credit is allowed under this section with respect to any property, the basis of that property shall be reduced by the amount of the credit allowed.

(f) (1) A credit allowed under this section shall be claimed in the first taxable year in which the structure is placed in service.

(2) In the case where the credit allowed by this section exceeds the “tax,” the excess may be carried over to reduce the “tax” in the following year, and the seven succeeding years, if necessary, until the credit is exhausted.

(g) For purposes of this section, the California Tax Credit Allocation Committee shall do the following:

(1) On and after January 1, 2021, and before January 1, 2026, allocate tax credits to applicants.

(2) Establish a procedure for applicants to file with the California Tax Credit Allocation Committee a written application, on a form jointly prescribed by the committee and the Office of Historic Preservation for the allocation of the tax credit.

(3) Establish criteria consistent with the requirements of this section, for allocating tax credits. A taxpayer shall not receive a tax credit allocation unless the following criteria are met. Criteria shall include, but are not limited to, the following:

(A) The number of jobs created by the rehabilitation project, both during and after the rehabilitation of the structure.

(B) The expected increase in state and local tax revenues derived from the rehabilitation project, including those from increased wages and property taxes.

(C) Any additional incentives or contributions included in the rehabilitation project from federal, state, or local governments.

(4) Determine and designate, in consultation with the Office of Historic Preservation, applicants that meet the requirements of this section to ensure that the rehabilitation project meets the Secretary of the Interior’s Standards for Rehabilitation, as found in Part 67 of Title 36 of the Code of Federal Regulations.

(5) Process and approve, or reject, all tax credit allocation applications.

(6) (A) Subject to the annual cap established as provided in subdivision (h), allocate on a first-come-first-served basis an aggregate amount of credits under this section and Section 17053.91, and allocate any carryover of unallocated credits from prior years.

(B) A taxpayer shall be allocated a tax credit pursuant to the taxpayer’s tax credit allocation upon receipt by the California Tax Credit Allocation Committee of a cost certification for the qualified rehabilitation expenditures. For projects with qualified rehabilitation expenditures in excess of two hundred fifty thousand dollars (\$250,000), the cost certification shall be issued by a licensed certified public accountant.

(7) Certify tax credits allocated to taxpayers.

(8) Provide the Franchise Tax Board an annual list of the taxpayers that were allocated a credit pursuant to this section and Section 17053.91 including each taxpayer's taxpayer identification number, and the amount allocated to each taxpayer.

(h) (1) The aggregate amount of credits that may be allocated in any calendar year pursuant to this section and Section 17053.91 shall be an amount equal to the sum of all of the following:

(A) Fifty million dollars (\$50,000,000) in tax credits for the 2021 calendar year and each calendar year thereafter, through and including the 2026 calendar year.

(B) The unused allocation tax credit amount, if any, for the preceding calendar year.

(2) Notwithstanding the foregoing, the California Tax Credit Allocation Committee shall set aside ~~ten~~ *eight* million dollars ~~(\$10,000,000)~~ *(\$8,000,000)* of tax credits that may be allocated each calendar year for taxpayers in the aggregate, pursuant to this paragraph and *subparagraph (B) of* paragraph (2) of subdivision (h) of Section 17053.91, with qualified rehabilitation expenditures of less than one million dollars (\$1,000,000). To the extent that this amount is not fully allocated in any calendar year, the unused portion shall become available *in subsequent calendar years* for allocation to other ~~taxpayers.~~ *taxpayers, except those taxpayers subject to subparagraph (A) of paragraph (2) of subdivision (h) of Section 17053.91.*

(i) In the case of any application for tax credits by an entity treated as a partnership for income tax purposes:

(1) Credits awarded to a partnership shall be allocated to the partners of that partnership in accordance with the partnership agreement, regardless of how the federal historic rehabilitation tax credit with respect to the project is allocated to the partners, or whether the allocation of the credit under the terms of the partnership agreement has substantial economic effect, within the meaning of Section 704(b) of the Internal Revenue Code.

(2) To the extent the allocation of the credit to a partner under this section lacks substantial economic effect, any loss or deduction otherwise allowable under this part that is attributable to the sale or other disposition of that partner's partnership interest made prior to the expiration of the tax credit recapture period for the project described in paragraph (1) shall not be allowed in the taxable year in which the sale or other disposition occurs, but shall instead be deferred until, and treated as if, it occurred in the first taxable year immediately following the taxable year in which the tax credit recapture period expires for the project described in paragraph (1). The credits awarded to a partnership shall be allocated to the partners of that partnership in accordance with the partnership agreement.

(j) For purposes of this section, the provisions of subsection (a) of Section 50 of the Internal Revenue Code shall apply.

(k) Notwithstanding any other provision of this part, a credit allowed pursuant to this section may reduce the “tax” below the tentative minimum tax, as defined by paragraph (1) of subdivision (a) of Section 23455.

(l) This section shall remain in effect regardless of the expiration or repeal of Section 47 of the Internal Revenue Code, relating to rehabilitation credit.

(m) The California Tax Credit Allocation Committee may charge a reasonable fee in an amount that does not exceed the reasonable costs incurred by the California Tax Credit Allocation Committee and the Office of Historic Preservation in fulfilling the responsibilities described in paragraphs (4) and (5) of subdivision (g) and paragraphs (4) and (5) of subdivision (g) of Section 17053.91.

(n) (1) This section shall remain in effect only until December 1, 2026, and as of that date is repealed.

(2) Unless otherwise specified in any bill providing for appropriations related to the Budget Act, for taxable years beginning on or after January 1, 2021, and before January 1, 2026, the amount of credit allowed pursuant to this section shall be zero dollars (\$0).

SEC. 5.

For the purposes of complying with Section 41 of the Revenue and Taxation Code, the Legislature finds and declares the following with respect to Sections 17053.91 and 23691 of the Revenue and Taxation Code:

(a) The specific goals, purposes, and objectives that the tax credits allowed by this act will achieve are as follows:

(1) Leveraging two hundred eighty-seven million dollars (\$287,000,000) in private investment.

(2) Creating 1,300 construction jobs and an additional 2,140 ongoing jobs.

(3) Creating eight hundred million dollars (\$800,000,000) in economic activity.

(b) Detailed performance indicators for the Legislature to use in determining whether the tax credits allowed by this act meet those goals, purposes, and objectives:

(1) The amount of private sector investment enabled by allocation of the credits allowed by this act.

(2) The number of construction jobs created as a result of this investment.

(3) The projected number of long-term jobs associated with the use of rehabilitated historic buildings and the overall economic activity associated with the rehabilitation of historic buildings facilitated by the credits allowed by this act.

(c) The data collection requirements for determining whether the tax credit is meeting, failing to meet, or exceeding those specific goals, purposes, and objectives are as follows:

(1) To assist the Legislature in measuring the determining whether the tax credits allowed by this act meet the goals, purposes, and objectives specified in subdivision (a), and in carrying out their duties under Section 38.10 of the Revenue and Taxation Code, the Legislative Analyst may request information from the California Tax Credit Allocation Committee and the Office of Historic Preservation relating to projects approved for the tax credits allowed by this act.

(2) The California Tax Credit Allocation Committee and the Office of Historic Preservation shall provide any data requested by the Legislative Analyst pursuant to this subdivision.

SEC. 6.

This act provides for a tax levy within the meaning of Article IV of the California Constitution and shall go into immediate effect.