

HB 1498 -- A TAX CREDIT FOR CRITICAL REVITALIZATION PROPERTY

SPONSOR: Wellenkamp

This bill defines "critical revitalization area", "critical revitalization property", "eligible costs for critical revitalization properties" and "historic district".

The bill provides that any taxpayer who incurs eligible costs for renovation of a critical revitalization property must receive a tax credit equal to thirty-five percent of the costs against his or her tax liability. This bill also sets \$5,000 as the minimum eligible costs for renovation of a critical revitalization property and \$100,000 as the maximum tax credit over any 10 year period.

Currently, no tax credit is allowed to be issued for the construction or rehabilitation of rental property. This bill provides an exception for the renovation of rental property that qualifies as a critical revitalization property.

Currently, tax credits are not allowed in an amount greater than \$16 million each year. This bill provides that tax credits will be allowed to be in an amount greater than \$16 million each year.

This bill provides that the Department of Economic Development must establish a tax credit application process for taxpayers who incurred eligible costs for the renovation of eligible critical revitalization property.