



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2013 Assembly Bill 147**

**Assembly  
Amendment 1**

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*Contact:* David Moore, Staff Attorney (266-1946)

Current law provides a state income and franchise tax credit as a supplement to the federal historic rehabilitation tax credit. The state credit is for 5% of the qualified rehabilitation expenditures for certified historic structures on property located in this state, if construction begins after December 31, 1988, and the rehabilitated property is placed in service after June 30, 1989. The federal credit is for 20% of these expenses. Both the state and federal credits apply to nonresidential real property and residential rental property.

To claim the state credit, a person must submit evidence that the rehabilitation was recommended by the state historic preservation officer for approval by the Secretary of the Interior before the physical work of construction, or destruction in preparation for construction, began and that the rehabilitation was approved by the Secretary of the Interior.

### **2013 Assembly Bill 147**

2013 Assembly Bill 147 increases the state supplement to the federal historic rehabilitation tax credit. Under the bill, a person may claim a state income or franchise credit for 20% of the qualified rehabilitation expenditures for certified historic structures on property located in this state if the rehabilitated property is placed in service after December 31, 2012 and before January 1, 2023 and the person's qualified rehabilitation expenditures are at least \$50,000.

The bill also provides an income and franchise tax credit equal to 5% of the qualified rehabilitation expenses for qualified rehabilitated buildings, as defined by the federal tax code. Generally, these buildings are certain buildings first placed into service before 1936 that are not certified historic structures. To claim this credit, a person's qualified rehabilitation expenses must be at least \$50,000 and the rehabilitated property must be placed in service after December 31, 2012 and before January 1, 2023.

Under the bill, to claim the supplement to the federal historic rehabilitation credit, a person must submit *either* the evidence, described above required under current law, *or* written certification from the state historic preservation officer that the applicant has satisfied certain specified criteria.

### **Assembly Amendment 1**

Assembly Amendment 1 clarifies that the increase to the state supplement to the federal historic rehabilitation tax credit sunsets in 10 years. It also provides that to claim the credit, a person must submit *both* the evidence required under current law *and* written certification from the state historic preservation officer that the applicant has satisfied specified criteria.

### **Legislative History**

Assembly Amendment 1 was offered by Representative Weininger on May 22, 2013. On May 29, 2013, the Assembly Committee on Tourism recommended adoption of Assembly Amendment 1 and passage of Assembly Bill 147, as amended, both on a vote of Ayes, 14; Noes, 0.

DM:jal