

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 1651

STATE OF NEW JERSEY

DATED: MAY 19, 2022

The Senate State Government, Wagering, Tourism and Historic Preservation Committee reports favorably Senate Bill No. 1651.

This bill establishes the "Homeowners' Historic Property Reinvestment Act." The bill allows homeowners to claim a refundable credit against gross income tax in an amount equal to 25 percent of the homeowner's outlay for rehabilitating a historic property in this State. The credit is capped at \$25,000 per property during a ten-year period. To qualify for the credit, a property that is to be rehabilitated is required to meet certain criteria, as specified in the bill.

The bill requires a homeowner seeking a tax credit under the bill to spend no more than 60 percent of the cost of rehabilitation on interior rehabilitation and to own and occupy the qualified property as the homeowner's principal residence for twelve consecutive months following the completion of the rehabilitation. The bill requires rehabilitation expenditures to be at least 50 percent of the equalized assessed value of the structure for local real estate tax purposes as indicated on the most recent property tax bill for the property prior to the start of the rehabilitation.

The bill provides that the cumulative amount of tax credits approved cannot exceed \$15 million.

The bill requires the State Historic Preservation Officer, in consultation with the director of the Division of Taxation, to prepare and submit a written report to the Governor and the Legislature on or before December 31st of the fourth year following the bill's effective date. The report would detail the number and total monetary amount of tax credits granted for the rehabilitation of qualified properties, the geographical distribution of the credits granted, an evaluation of the effectiveness of the tax credits in promoting the rehabilitation of historic properties, recommendations for administrative or legislative changes to increase the effectiveness of the program, and any other information that the officer or the director may deem useful or appropriate.