

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 1651**  
**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

DATED: JUNE 6, 2022

**SUMMARY**

**Synopsis:** "Homeowners' Historic Property Reinvestment Act"; allows homeowners to claim credit against gross income tax for certain costs of rehabilitating historic properties.

**Type of Impact:** Revenue loss to State's Property Tax Relief Fund.

**Agencies Affected:** Department of the Treasury

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Lifetime of Tax Credit Program</u></b>
<b>State Revenue Loss</b>	Up to \$15 million

- The Office of Legislative Services (OLS) notes that the bill caps tax credit awards under the program at \$15 million total. In order to reach the \$15 million cap, approximately 600 properties would have to qualify for the maximum tax credit award for an individual property of \$25,000.
- Based on data from the National Register of Historic Places, there are roughly 1,300 historic properties in New Jersey that are categorized as buildings. Of those 1,300 properties, up to about half may be primary residences and qualify for tax credit after rehabilitation.

**BILL DESCRIPTION**

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

The bill requires the State Historic Preservation Officer (SHPO), 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.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

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*Section: Revenue, Finance and Appropriations*  
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*Revenue Analyst*  
*Approved: Thomas Koenig*  
*Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).