

2010 -- S 2370

LC00544

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO TAXATION - HISTORIC STRUCTURES

Introduced By: Senators Ruggerio, McCaffrey, Goodwin, Jabour, and Pichardo

Date Introduced: February 11, 2010

Referred To: Senate Labor

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-33.2-2 of the General Laws in Chapter 44-33.2 entitled "Historic
2 Structures - Tax Credit" is hereby amended to read as follows:

3 **44-33.2-2. Definitions.** -- As used in this chapter:

4 (1) "Certified historic structure" means a property which is located in the state of Rhode
5 Island and is:

6 (i) Listed individually on the National Register of Historic Places; or

7 (ii) Listed individually in the state register of historic places; or

8 (iii) Located in a registered historic district and certified by either the commission or
9 Secretary of the Interior as being of historic significance to the district.

10 (2) "Certified rehabilitation" means any rehabilitation of a certified historic structure
11 consistent with the historic character of such property or the district in which the property is
12 located as determined by the commission guidelines.

13 (3) "Commission" means the Rhode Island historical preservation and heritage
14 commission created pursuant to section 42-45-2.

15 (4) "Exempt from real property tax" means, with respect to any certified historic
16 structure, that the structure is exempt from taxation pursuant to section 44-3-3.

17 (5) "Holding period" means twenty-four (24) months after the commission issues a
18 certificate of completed work to the owner. In the case of a rehabilitation which may reasonably
19 be expected to be completed in phases as described in subdivision (10) of this section, "holding

1 period" shall be extended to include a period of time beginning on the date of issuance of a
2 certificate of completed work for the first phase or phases for which a certificate of completed
3 work is issued and continuing until the expiration of twenty-four (24) months after the certificate
4 of completed work issued for the last phase.

5 (6) "Placed in service" means that substantial rehabilitation work has been completed
6 which would allow for occupancy of the entire structure or some identifiable portion of the
7 structure, or the owner has commenced depreciation of the qualified rehabilitation expenditures,
8 whichever occurs first.

9 (7) "Principal residence" means the principal residence of the owner within the meaning
10 of section 121 of the Internal Revenue Code [26 U.S.C. section 121] or any successor provision.

11 (8) "Qualified rehabilitation expenditures" means any amounts expended in the
12 rehabilitation of a certified historic structure properly capitalized to the building and either: (i)
13 depreciable under the Internal Revenue Code, 26 U.S.C. section 1 et seq., or (ii) made with
14 respect to property (other than the principal residence of the owner) held for sale by the owner.
15 Fees pursuant to section 44-33.2-4(d) are not qualified rehabilitation expenditures.
16 Notwithstanding the foregoing, except in the case of a nonprofit corporation, there will be
17 deducted from qualified rehabilitation expenditures for the purposes of calculating the tax credit
18 any funds made available to the person (including any entity specified in section 44-33.2-3(a))
19 incurring the qualified rehabilitation expenditures in the form of a direct grant from a federal,
20 state or local governmental entity or agency or instrumentality of government. [Amounts](#)
21 [expended for "qualified rehabilitation expenditures" over one thousand dollars \(\\$1,000\) shall be](#)
22 [subject to the prevailing wage and payments made to or on behalf of the employee as set forth in](#)
23 [section 37-13-7.](#)

24 (9) "Registered historic district" means any district listed in the National Register of
25 Historic Places, or the state register of historic places.

26 (10) "Substantial rehabilitation" means, with respect to a certified historic structure, that
27 the qualified rehabilitation expenses of the building during the twenty-four (24) month period
28 selected by the taxpayer ending with or within the taxable year exceed fifty percent (50%) of the
29 adjusted basis in such building and its structural components as of the beginning of such period.
30 In the case of any rehabilitation, which may reasonably be expected to be completed in phases set
31 forth in architectural plans and specifications completed before the rehabilitation begins, the
32 above definition shall be applied by substituting "sixty (60) month period" for "twenty-four (24)
33 month period".

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
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- 1 This act would make amounts expended for qualified rehabilitation expenditures over
- 2 \$1,000 subject to the prevailing wage and payments on behalf of an employer.
- 3 This act would take effect upon passage.

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