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Date: (Filing No. H- )

**TAXATION**

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
131ST LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1155, L.D. 1810, “An Act to Expand the Maine Historic Rehabilitation Credit and Establish a Weatherization Tax Credit”

Amend the bill in section 1 in subsection 1 in the last line (page 1, line 7 in L.D.) by striking out the following: "5219-AAA" and inserting the following: '5219-BBB'

Amend the bill by striking out all of section 2 and inserting the following:

'**Sec. 2. 27 MRSA §511, sub-§2-A** is enacted to read:

**2-A. Certification for the rehabilitation and weatherization of historic homes.**  
The director shall certify information necessary for applicants to demonstrate eligibility for an income tax credit under Title 36, section 5219-BBB, in accordance with this subsection.

A. As used in this subsection the following terms have the following meanings.

- (1) "Certified exterior rehabilitation" has the same meaning as in Title 36, section 5219-BBB, subsection 1, paragraph A.
- (2) "Certified historic home" has the same meaning as in Title 36, section 5219-BBB, subsection 1, paragraph B.
- (3) "Qualified exterior rehabilitation expenditure" has the same meaning as in Title 36, section 5219-BBB, subsection 1, paragraph E.

B. The director may require an applicant to provide information establishing the following:

- (1) That the certified exterior rehabilitation of a certified historic home is consistent with subsection 2, paragraph A;
- (2) That the qualified exterior rehabilitation expenditures meet the requirements for an income tax credit under Title 36, section 5219-BBB;
- (3) That the certified historic home is:
  - (a) A building individually listed in or determined to be eligible for listing in the National Register of Historic Places;

**COMMITTEE AMENDMENT**

1 (b) Classified as contributing to a historic district listed in or eligible for listing  
2 in the National Register of Historic Places;

3 (c) Designated as a local landmark or a contributing resource in a local historic  
4 district that has been certified by the United States Department of the Interior,  
5 National Park Service; or

6 (d) Designated as a local landmark or contributing to a local historic district  
7 that substantially meets the National Register of Historic Places criteria as  
8 determined by the director; and

9 (4) That the eligibility of any dwelling previously determined eligible for listing  
10 in the National Register of Historic Places will be reconfirmed at the time of the  
11 tax credit application.

12 By January 15th of each calendar year, the director shall provide to the Department of  
13 Administrative and Financial Services, Bureau of Revenue Services: a list of all taxpayers  
14 who have applied for and demonstrated eligibility for the credit claimed under Title 36,  
15 section 5219-BBB; a list of all certified historic homes that are the subject of the credit  
16 claimed under Title 36, section 5219-BBB; and verification that those taxpayers who  
17 claimed the tax credit increase under Title 36, section 5219-BBB, subsection 3 the prior  
18 tax year remain eligible for the tax credit increase.

19 For the purposes of the credit claimed under Title 36, section 5219-BBB, buildings and  
20 districts determined to be eligible for listing in the National Register of Historic Places, as  
21 well as locally designated landmarks and districts, do not have to be nominated to the  
22 National Register of Historic Places by the commission.

23 The director shall adopt rules implementing this subsection. Rules adopted pursuant to this  
24 subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.'

25 Amend the bill by striking out all of section 3 and inserting the following:

26 **'Sec. 3. 27 MRSA §511, sub-§5, ¶B,** as amended by PL 2011, c. 453, §1, is further  
27 amended to read:

28 ~~B. By January 15, 2013, the Maine Historic Preservation Commission shall review the~~  
29 ~~tax credit provided under Title 36, section 5219-BB and shall make recommendations~~  
30 ~~to the joint standing committee of the Legislature having jurisdiction over taxation~~  
31 ~~matters regarding specific proposals for funding the credit. By January 15, 2015 2026~~  
32 ~~and every 2 5 years thereafter, the Maine Historic Preservation Commission shall~~  
33 ~~analyze the use of tax credits provided under Title 36, section sections 5219-BB and~~  
34 ~~5219-BBB as an incentive for rehabilitation of historic structures and, economic~~  
35 ~~development and the creation of new housing at the time of project completion, analyze~~  
36 ~~tax and other revenues generated by the rehabilitation to determine in relation to the~~  
37 ~~cost costs of the credit credits if they exceed the costs of the credit credits and report~~  
38 ~~the results of its analysis to the joint standing committee committees of the Legislature~~  
39 ~~having jurisdiction over taxation, housing and economic development matters with~~  
40 ~~recommendations as to whether the credits under Title 36, section sections 5219-BB~~  
41 ~~and 5219-BBB should be extended, repealed or amended. The recommendations must~~  
42 ~~include specific proposals for funding the credit credits after fiscal year 2014-15~~  
43 ~~2030-31 and appropriate transition provisions in order that projects in the development~~

1 or planning states are not adversely affected. The joint standing ~~committee~~ committees  
2 may submit legislation related to the report.'

3 Amend the bill by inserting after section 3 the following:

4 '**Sec. 4. 36 MRSA §191, sub-§2, ¶UUU** is enacted to read:

5 UUU. The disclosure of information to the Maine Historic Preservation Commission  
6 for the purpose of administering the credit for rehabilitation of historic properties after  
7 2007 under section 5219-BB and the credit for rehabilitation and weatherization of  
8 historic homes under section 5219-BBB.'

9 Amend the bill by striking out all of section 6 and inserting the following:

10 '**Sec. 6. 36 MRSA §5219-BBB** is enacted to read:

11 **§5219-BBB. Credit for rehabilitation and weatherization of historic homes after 2024**

12 **1. Definitions.** As used in this section, unless the context otherwise indicates, the  
13 following terms have the following meanings.

14 A. "Certified exterior rehabilitation" means the exterior rehabilitation, including  
15 weatherization, of a certified historic home that the Director of the Maine Historic  
16 Preservation Commission certifies is consistent under Title 27, section 511, subsection  
17 2, paragraph A.

18 B. "Certified historic home" means a structure located in the State that is an eligible  
19 taxpayer's homestead, as defined in section 681, subsection 2, or is used as the eligible  
20 taxpayer's homestead within 60 days of the completion of the certified exterior  
21 rehabilitation, that contains up to 4 dwelling units, that has been certified by the  
22 Director of the Maine Historic Preservation Commission as a certified historic home  
23 under Title 27, section 511, subsection 2 and may include any ancillary buildings that  
24 contribute to the historical significance of the certified historic home, as determined by  
25 the Director of the Maine Historic Preservation Commission.

26 C. "Dwelling unit" means a house or apartment used as a residence for an occupant.

27 D. "Eligible taxpayer" means a taxpayer whose federal adjusted gross income for the  
28 first year in which the credit allowed under this section may be claimed does not exceed  
29 \$120,000.

30 E. "Qualified exterior rehabilitation expenditure" means any amount expended by an  
31 eligible taxpayer on or after January 1, 2025 that is reasonably related to a certified  
32 exterior rehabilitation, as determined by the Director of the Maine Historic  
33 Preservation Commission.

34 F. "Residence" has the same meaning as in Title 21-A, section 112, subsection 1.

35 **2. Credit allowed.** An eligible taxpayer is allowed a credit against the tax imposed  
36 under this Part equal to 25% of the qualified exterior rehabilitation expenditure of an  
37 eligible taxpayer who incurs at least \$5,000 in qualified exterior rehabilitation expenditures  
38 for the certified exterior rehabilitation of a certified historic home, up to a maximum credit  
39 of \$50,000 per certified historic home taken within a 5-year period starting from the first  
40 tax year in which a credit may be claimed. If an eligible taxpayer does not exceed the  
41 maximum credit allowed under this section for a single certified exterior rehabilitation  
42 project, then the eligible taxpayer may claim a credit for subsequent certified exterior

1 rehabilitation projects, up to the maximum credit per certified historic home within the  
2 5-year period. The credit may first be claimed for the taxable year in which the certified  
3 exterior rehabilitation is placed in service.

4 **3. Increased credit for the creation of new housing.** The credit allowed under this  
5 section is increased to 30% of qualified exterior rehabilitation expenditures, up to a  
6 maximum credit of \$60,000 per certified historic home, if:

7 A. For a certified historic home with more than one dwelling unit, the eligible taxpayer  
8 agrees, for a period of 4 years, to rent at least one dwelling unit to a household with  
9 income at or below 100% of the median income for the area as defined by the United  
10 States Department of Housing and Urban Development under the United States  
11 Housing Act of 1937, Public Law 75-412, 50 Stat. 888, Section 8, as amended,  
12 measured at the time of initial occupancy; or

13 B. The certified historic home has not been used as a residence by tenants or property  
14 owners for the 5 years prior to the year in which the credit is first claimed.

15 **4. Timing of credit.** Twenty-five percent of the credit allowed under this section must  
16 be taken in the taxable year the credit may be first claimed and 25% must be taken in each  
17 of the next 3 taxable years.

18 **5. Credit refundable.** The credit allowed under this section is refundable.

19 **6. Transfer upon sale or for financing.** Upon the sale or transfer of a certified  
20 historic home, an eligible taxpayer shall transfer, sell or assign to the subsequent owner the  
21 credit for the year in which the certified historic home is transferred or sold and any  
22 remaining portion of the credit for any subsequent years. An eligible taxpayer may transfer,  
23 sell or assign any portion of the credit to a mortgagor for the purposes of securing financing  
24 for the completion of the certified exterior rehabilitation.

25 **7. Disallowance of future credit; recapture.** The credit allowed under subsection 2  
26 is subject to disallowance and recapture if, before the final taxable year the credit can be  
27 taken, as provided in this subsection.

28 A. Future credits are subject to disallowance if:

29 (1) Any exterior alterations are made to the certified historic home without the  
30 approval of the Director of the Maine Historic Preservation Commission and are  
31 determined by the director to not be consistent with Title 27, section 511,  
32 subsection 2-A, paragraph A; or

33 (2) The certified historic home ceases to be the homestead of the eligible taxpayer  
34 or the successor eligible taxpayer who has been assigned credits pursuant to  
35 subsection 6.

36 The disallowed amount under subparagraph (1) or (2) is equal to the amount of credit  
37 remaining to be claimed for the taxable year in which the disallowance occurred and  
38 all subsequent years.

39 B. If an eligible taxpayer claims the income tax credit increase under subsection 3,  
40 paragraph A, but fails or ceases to rent a dwelling unit to a household with income at  
41 or below 100% of the median income for the area as agreed, the entire income tax credit  
42 increase under subsection 3, paragraph A is subject to disallowance and the assessor  
43 may recapture the tax credit increase allowed under subsection 3. Notwithstanding the



|    |  |                   |                         |
|----|--|-------------------|-------------------------|
| 1  | All Other  | \$0               | \$17,877                |
| 2  |  |                   |                         |
| 3  | GENERAL FUND TOTAL   | <u>\$0</u>        | <u>\$166,232</u>        |
| 4  | <b>Historic Preservation Commission 0036</b>   |                   |                         |
| 5  | Initiative: Provides one-time funds for consulting services to assist in the analysis of the |                   |                         |
| 6  | use of the tax credits provided.   |                   |                         |
| 7  | <b>GENERAL FUND</b>  | <b>2023-24</b>    | <b>2024-25</b>          |
| 8  | All Other  | \$0               | \$50,000                |
| 9  |  |                   |                         |
| 10 | GENERAL FUND TOTAL   | <u>\$0</u>        | <u>\$50,000</u>         |
| 11 |  |                   |                         |
| 12 | <b>HISTORIC PRESERVATION COMMISSION,</b>   |                   |                         |
| 13 | <b>MAINE</b>   |                   |                         |
| 14 | <b>DEPARTMENT TOTALS</b>   | <b>2023-24</b>    | <b>2024-25</b>          |
| 15 |  |                   |                         |
| 16 | <b>GENERAL FUND</b>  | <b>\$0</b>        | <b>\$216,232</b>        |
| 17 |  |                   |                         |
| 18 | <b>DEPARTMENT TOTAL - ALL FUNDS</b>  | <u><b>\$0</b></u> | <u><b>\$216,232</b></u> |
| 19 |  |                   |                         |
| 20 | <b>SECTION TOTALS</b>  | <b>2023-24</b>    | <b>2024-25</b>          |
| 21 |  |                   |                         |
| 22 | <b>GENERAL FUND</b>  | <b>\$0</b>        | <b>\$249,232</b>        |
| 23 |  |                   |                         |
| 24 | <b>SECTION TOTAL - ALL FUNDS</b>   | <u><b>\$0</b></u> | <u><b>\$249,232</b></u> |

25

26 Amend the bill by inserting after section 7 the following:

27 **'Sec. 8. Effective date; application.** Those sections of this Act that amend the  
 28 Maine Revised Statutes, Title 36, section 5219-BB, subsection 2, paragraph B and Title 36,  
 29 section 5219-BB, subsection 3 take effect January 1, 2025 and apply to applications  
 30 received on or after January 1, 2025 for a tax credit for tax years beginning on or after  
 31 January 1, 2025.'

32 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section  
 33 number to read consecutively.

34 **SUMMARY**

35 This amendment makes the following changes to the bill.

36 1. It clarifies provisions for the purposes of administration of the tax credit for  
 37 rehabilitation and weatherization of historic homes.

38 2. It provides that the designation of a local landmark or a contributing resource in a  
 39 local historic district is also made by the United States Department of the Interior, National  
 40 Park Service.

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3. It provides that an eligible taxpayer is a taxpayer that has federal adjusted gross income of no more than \$120,000.

4. Beginning in 2025, it increases the tax credit for rehabilitation and weatherization of historic homes and the increased credit by 5 percentage points of certified qualified rehabilitation expenditures and decreases the maximum credit that may be received from \$62,500 to \$50,000.

**FISCAL NOTE REQUIRED**  
**(See attached)**