

By: Eiland

H.B. No. 4491

A BILL TO BE ENTITLED

AN ACT

relating to a tax credit for eligible costs and expenses incurred during the rehabilitation of a historic structure located in a severely damaged or flooded census tract.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 171, Tax Code, is amended by adding Subchapter [\_\_] to read as follows:

SUBCHAPTER [\_\_]. CREDIT FOR REHABILITATION OF A HISTORIC STRUCTURE

Sec. 171.[\_\_]. DEFINITIONS. In this subchapter:

(1) "Commission" means the Texas Historical Commission.

(2) "Eligible costs and expenses" means qualified rehabilitation expenditures as defined in Section 47(c)(2)(A) of the Internal Revenue Code of 1986, as amended, except that "substantially rehabilitated" shall mean that the qualified rehabilitation expenditures must exceed five thousand dollars.

(3) "FEMA" means the United State Federal Emergency Management Agency.

(4) "Severely damaged or flooded census tract" means any census tract that has been flooded or damaged, as determined by FEMA or the Governor's Division of Emergency Management within the past four years.

Sec. 171.[\_\_]. CREDIT. (a) There shall be allowed a credit

1 against the tax imposed under this Chapter 171, Franchise Tax, in an  
2 amount equal to twenty-five percent (25%) of the eligible costs and  
3 expenses incurred during the rehabilitation of a historic  
4 structure.

5 (b) The credit is earned by the entity that owns the  
6 historic structure in the year in which the property attributable  
7 to the eligible costs and expenses is placed in service.

8 (c) In order to qualify for the credit, the historic  
9 structure must be located in a severely damaged or flooded census  
10 tract and either listed on the National Register of Historic Places  
11 or be certified by the commission as contributing to the historical  
12 significance of the census tract or the state.