



General Assembly

January Session, 2001

**Raised Bill No. 6677**

LCO No. 3539

Referred to Committee on Commerce

Introduced by:  
(CE)

**AN ACT CONCERNING INCENTIVES FOR THE RESTORATION OF  
HISTORIC BUILDINGS.**

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 10-320j of the general statutes is repealed and the following  
2 is substituted in lieu thereof:

3 (a) As used in this section, the following terms shall have the  
4 following meanings unless the context clearly indicates another  
5 meaning:

6 (1) "Commission" means the Connecticut Historical Commission  
7 established under section 10-320b;

8 [(2) "Historic home" means a building that: (A) Will contain one-to-  
9 four dwelling units of which at least one unit will be occupied as the  
10 principal residence of the owner for not less than five years following  
11 the completion of rehabilitation work, (B) is]

12 (2) "Historic building" means a building that: (A) is located in a  
13 targeted area, and [(C)] (B) is (i) listed individually on the National or  
14 State Register of Historic Places, or (ii) located in a district listed on the

15 National or State Register of Historic Places, and has been certified by  
16 the commission as contributing to the historic character of such  
17 district;

18 (3) "Nonprofit corporation" means a nonprofit corporation  
19 incorporated pursuant to chapter 602 or any predecessor statutes  
20 thereto, having as one of its purposes the construction, rehabilitation,  
21 ownership or operation of housing and having articles of incorporation  
22 approved by the Commissioner of Economic and Community  
23 Development in accordance with regulations adopted pursuant to  
24 section 8-79a or 8-84;

25 (4) "Owner" means any taxpayer filing a state of Connecticut tax  
26 return who possesses title to an historic [home] building, or  
27 prospective title to an historic [home] building in the form of a  
28 purchase agreement or option to purchase, or a nonprofit corporation  
29 that possesses such title or prospective title;

30 (5) "Targeted area" means: (A) A federally designated "qualified  
31 census tract" in which seventy per cent or more of the families have a  
32 median income of eighty per cent or less of the state-wide median  
33 family income, (B) a state designated and federally approved area of  
34 chronic economic distress, or (C) an urban and regional center as  
35 identified in the Connecticut Conservation and Development Policies  
36 Plan;

37 (6) "Qualified rehabilitation expenditures" means any costs incurred  
38 for the physical construction involved in the rehabilitation of an  
39 historic [home] building, but excludes: (A) The owner's personal labor,  
40 (B) the cost of site improvements, unless to provide building access to  
41 persons with disabilities, (C) the cost of a new addition, except as may  
42 be required to comply with any provision of the State Building Code or  
43 the State Fire Safety Code, (D) any cost associated with the  
44 rehabilitation of an outbuilding, unless such building contributes to  
45 the historical significance of the historic [home] building, and (E) any  
46 nonconstruction cost such as architectural fees, legal fees and financing

47 fees;

48 (7) "Rehabilitation plan" means any construction plans and  
49 specifications for the proposed rehabilitation of an historic [home]  
50 building in sufficient detail to enable the commission to evaluate  
51 compliance with the standards developed under the provisions of  
52 subsections (b) to (d), inclusive, of this section[; and] .

53 [(8) "Occupancy period" means a period of five years during which  
54 one or more owners occupy an historic home as their primary  
55 residence. The occupancy period begins on the date the tax credit  
56 voucher is issued by the commission.]

57 (b) The commission shall administer a system of tax credit vouchers  
58 within the resources, requirements and purposes of this section for  
59 owners rehabilitating historic [homes] buildings or taxpayers making  
60 contributions to qualified rehabilitation expenditures. For tax years  
61 commencing on or after January 1, 2000, any owner shall be eligible for  
62 a tax credit voucher in an amount equal to thirty per cent of the  
63 qualified rehabilitation expenditures.

64 (c) The commission shall develop standards for the approval of  
65 rehabilitation of historic [homes] buildings for which a tax credit  
66 voucher is sought. Such standards shall take into account whether the  
67 rehabilitation of an historic [home] building will preserve the historic  
68 character of the building.

69 (d) The commission shall, in consultation with the Commissioner of  
70 Revenue Services, adopt regulations in accordance with chapter 54 to  
71 carry out the purposes of this section.

72 (e) Prior to beginning any rehabilitation work on an historic [home]  
73 building, the owner shall submit a rehabilitation plan to the  
74 commission for a determination of whether such rehabilitation work  
75 meets the standards developed under the provisions of subsections (b)  
76 to (d), inclusive, of this section and shall also submit to the commission

77 an estimate of the qualified rehabilitation expenditures.

78 (f) If the commission certifies that the rehabilitation plan conforms  
79 to the standards developed under the provisions of subsections (b) to  
80 (d), inclusive, of this section, the commission shall reserve for the  
81 benefit of the owner an allocation for a tax credit equivalent to thirty  
82 per cent of the projected qualified rehabilitation expenditures.

83 (g) Following the completion of rehabilitation of an historic [home]  
84 building, the owner shall notify the commission that such  
85 rehabilitation has been completed. The owner shall provide the  
86 commission with documentation of work performed on the historic  
87 [home] building and shall certify the cost incurred in rehabilitating the  
88 [home] building. The commission shall review such rehabilitation and  
89 verify its compliance with the rehabilitation plan. Following such  
90 verification, the commission shall issue a tax credit voucher to either  
91 the owner rehabilitating the historic [home] building or to the taxpayer  
92 named by the owner as contributing to the rehabilitation. The tax  
93 credit voucher shall be in an amount equivalent to the lesser of the tax  
94 credit reserved upon certification of the rehabilitation plan under the  
95 provisions of subsection (f) of this section or thirty per cent of the  
96 actual qualified rehabilitation expenditures. In order to obtain a credit  
97 against any state tax due that is specified in subsections (j) to (m),  
98 inclusive, of this section, the holder of the tax credit voucher shall file  
99 the voucher with the holder's state tax return.

100 [(h) Before the commission issues a tax credit voucher, the owner  
101 shall deliver a signed statement to the commission which provides  
102 that: (1) The owner shall occupy the historic home as the owner's  
103 primary residence during the occupancy period, or (2) the owner shall  
104 convey the historic home to a new owner who will occupy it as the  
105 new owner's primary residence during the occupancy period, or (3) an  
106 encumbrance shall be recorded, in favor of the local, state or federal  
107 government or other funding source, that will require the owner or the  
108 owner's successors to occupy the historic home as the primary

109 residence of the owner or the owner's successors for a period equal to  
110 or longer than the occupancy period. A copy of any such encumbrance  
111 shall be attached to the signed statement.]

112 [(i)] (h) The owner of an historic [home] building shall not be  
113 eligible for a tax credit voucher under subsections (b) to (d), inclusive,  
114 of this section, unless the owner incurs qualified rehabilitation  
115 expenditures exceeding twenty-five thousand dollars.

116 [(j)] (i) The Commissioner of Revenue Services shall grant a tax  
117 credit to a taxpayer holding the tax credit voucher issued under  
118 subsections (e) to (i), inclusive, of this section against any tax due  
119 under chapter 207, 208, 209, 210, 211 or 212 in the amount specified in  
120 the tax credit voucher. Such taxpayer shall submit the voucher and the  
121 corresponding tax return to the Department of Revenue Services.

122 [(k)] In no event shall a credit allowed under this section exceed  
123 thirty thousand dollars per dwelling unit for an historic home.]

124 [(l)] (j) The tax credit issued under subsection [(j)] (i) of this section  
125 shall be taken by the holder of the tax credit voucher in the same tax  
126 year in which the voucher is issued. Any unused portion of such credit  
127 may be carried forward to any or all of the four taxable years following  
128 the year in which the tax credit voucher is issued.

129 [(m)] (k) The aggregate amount of all tax credits which may be  
130 reserved by the commission upon certification of rehabilitation plans  
131 under subsections (b) to (d), inclusive, of this section shall not exceed  
132 three million dollars in any one fiscal year.

**Statement of Purpose:**

To expand tax credits to all historic buildings.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*