

**R865. Tax Commission, Auditing.**

**R865-91. Income Tax.**

**R865-91-41. Historic Preservation Tax Credits Pursuant to Utah Code Ann. Section 59-10-1006.**

~~[(1) Definitions~~

~~—— (a) "Qualified rehabilitation expenditures" includes architectural, engineering, and permit fees.~~

~~—— (b) "Qualified rehabilitation expenditures" does not include movable furnishings.~~

~~—— (c) "Residential" as used in Section 59-10-1006 applies only to the use of the building after the project is completed.~~

~~—— (2) Taxpayers shall file an application for approval of all proposed rehabilitation work with the Division of State History prior to the completion of restoration or rehabilitation work on the project. The application shall be on a form provided by the Division of State History.~~

~~—— (3) Rehabilitation work must receive a unique certification number from the State Historic Preservation Office in order to be eligible for the tax credit.~~

~~—— (4) In order to receive final certification and be issued a unique certification number for the project, the following conditions must be satisfied:~~

~~—— (a) The project approved under Subsection (2) must be completed.~~

~~—— (b) Upon completion of the project, taxpayers shall notify the State Historic Preservation Office and provide that office an opportunity to review, examine, and audit the project. In order to be certified, a project shall be completed in accordance with the approved plan and the Secretary of the Interior's Standards for Rehabilitation.~~

~~—— (c) Taxpayers restoring buildings not already listed on the National Register of Historic Places shall submit a complete National Register Nomination Form. If the nomination meets National Register criteria, the State Historic Preservation Office shall approve the nomination.~~

~~—— (d) Projects must be completed, and the \$10,000 expenditure threshold required by Section 59-10-1006 must be met, within 36 months of the approval received pursuant to Subsection (2).~~

~~—— (e) During the course of the project and for three years thereafter, all work done on the building shall comply with the Secretary of the Interior's standards for Rehabilitation.~~

~~—— (5) Upon issuing a certification number under Subsection (4), the State Historic Preservation Office shall provide the taxpayer an authorization form containing that certification number.~~

~~—— (6) Credit amounts shall be applied against Utah individual income tax due in the tax year in which the project receives final certification under Subsection (4).~~

~~—— (7) Credit amounts greater than the amount of Utah individual income tax due in a tax year shall be carried forward to the extent provided by Section 59-10-1006.~~

~~—— (8) Carryforward historic preservation tax credits shall be applied against Utah individual income tax due before the application of any historic preservation credits earned in the current year and on a first-earned, first-used basis.~~

~~—— (9) Original records supporting the credit claimed must be maintained for three years following the date the return was filed claiming the credit.]~~

~~(1) To claim a historic preservation individual income tax credit under Section 59-10-1006, a taxpayer shall:~~

~~(a) before rehabilitation work is completed on the taxpayer's building, submit to the State Historic Preservation Office an application for the credit:~~

~~(i) requesting approval of a proposed rehabilitation work plan; and~~

~~(ii) on a form provided by the State Historic Preservation Office;~~

~~(b) within 36 months after the day on which the taxpayer receives approval of the plan from the State Historic Preservation Office:~~

~~(i) complete the project; and~~

~~(ii) meet the \$10,000 expenditure threshold described in Section 59-10-1006 for qualified rehabilitation expenditures that:~~

~~(A) may include architectural, engineering, and permit fees; and~~

~~(B) may not include moveable furnishings;~~

~~(c) upon completion of the project:~~

~~(i) notify the State Historic Preservation Office; and~~

~~(ii) provide the office an opportunity to review, examine, and audit the project; and~~

~~(d) for a building that is not in a National Register Historic District and is not already listed on the National Register of Historic Places, submit a complete National Register nomination form to the State Historic Preservation Office after working with the State Historic Preservation Office to ensure the form meets National Register criteria.~~

~~(2) The State Historic Preservation Office shall:~~

~~(a) review an application under Subsection (1) and approve a plan that meets the standards described in Section 59-10-1006 and this section; and~~

~~(b) if applicable:~~

~~(i) work with an applicant to ensure a nomination form described in (1)(d) meets National Register criteria;~~

~~(ii) forward the nomination form to the National Register Review Committee, in accordance with 36 CFR 60 and applicable policies, for evaluation and action by the National Register Review Committee; and~~

~~(iii) for a building that is located in a National Register Historic District, verify that a building is of significance to the district when the building possesses and retains integrity, consistent with 36 CFR 60.~~

~~(3) If an applicant fulfills the requirements described in Subsection (1) and the State Historic Preservation Office finds the finished project meets the requirements of the approved plan and the Secretary of the Interior's Standards of Rehabilitation, 36 CFR Sec. 68.3(b), the office shall issue a final certification on an authorization form that contains a unique certification number for the applicant to claim the tax credit.~~

~~(4) Subject to Subsection (5), if an applicant receives a final certification from the State Historic Preservation Office, the applicant may claim the tax credit amount associated with the certification number against the applicant's Utah individual income tax due in the tax year for which the applicant completes the project.~~

(5)(a) An applicant may carry forward a credit amount that is greater than the amount of Utah individual income tax due for a tax year, to the extent described in Section 59-10-1006.

(b) A carry forward historic preservation tax credit shall be applied against Utah individual income tax due before the application of a historic preservation credit earned in the current year and on a first-earned, first-used basis.

(6) For three years after the day on which an applicant receives final certification from the State Historic Preservation Office, an applicant shall:

(a) maintain the building for residential use; and

(b) ensure that any work on the building complies with the Secretary of the Interior's Standards of Rehabilitation, 36 CFR Sec. 68.3(b).

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