

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Finance Act is amended by adding
5 Section 5.786 as follows:

6 (30 ILCS 105/5.786 new)

7 Sec. 5.786. The Historic Property Administrative Fund.

8 Section 10. The Illinois Income Tax Act is amended by
9 adding Section 221 as follows:

10 (35 ILCS 5/221 new)

11 Sec. 221. Rehabilitation costs; qualified historic
12 properties; River Edge Redevelopment Zone.

13 (a) For taxable years beginning on or after January 1,
14 2012, there shall be allowed a tax credit against the tax
15 imposed by subsections (a) and (b) of Section 201 in an amount
16 equal to 25% of qualified expenditures incurred by a qualified
17 taxpayer during the taxable year in the restoration and
18 preservation of a qualified historic structure located in a
19 River Edge Redevelopment Zone that exists on the effective date
20 of this amendatory Act of the 97th General Assembly pursuant to
21 a qualified rehabilitation plan, provided that the total amount

1 of such expenditures (i) must equal \$5,000 or more and (ii)
2 must exceed 50% of the purchase price of the property.

3 (b) To obtain a tax credit pursuant to this Section, the
4 taxpayer must apply with the Department of Commerce and
5 Economic Opportunity no later than 6 months after the effective
6 date of this amendatory Act of the 97th General Assembly. The
7 Department of Commerce and Economic Opportunity, in
8 consultation with the Historic Preservation Agency, shall
9 determine the amount of eligible rehabilitation costs and
10 expenses. The Historic Preservation Agency shall determine
11 whether the rehabilitation is consistent with the standards of
12 the Secretary of the United States Department of the Interior
13 for rehabilitation. Upon completion and review of the project,
14 the Department of Commerce and Economic Opportunity shall issue
15 a certificate in the amount of the eligible credits. At the
16 time the certificate is issued, an issuance fee up to the
17 maximum amount of 2% of the amount of the credits issued by the
18 certificate may be collected from the applicant to administer
19 the provisions of this Section. If collected, this issuance fee
20 shall be deposited into the Historic Property Administrative
21 Fund, a special fund created in the State treasury. Subject to
22 appropriation, moneys in the Historic Property Administrative
23 Fund shall be evenly divided between the Department of Commerce
24 and Economic Opportunity and the Historic Preservation Agency
25 to reimburse the Department of Commerce and Economic
26 Opportunity and the Historic Preservation Agency for the costs

1 associated with administering this Section. The taxpayer must
2 attach the certificate to the tax return on which the credits
3 are to be claimed.

4 (c) The tax credit under this Section may not reduce the
5 taxpayer's liability to less than zero. If the amount of any
6 tax credit awarded under this Section exceeds the qualified
7 taxpayer's income tax liability for the year in which the
8 qualified rehabilitation plan was placed in service, the excess
9 amount may be carried forward for deduction from the taxpayer's
10 income tax liability in the next succeeding year or years until
11 the total amount of the credit has been used, except that a
12 credit may not be carried forward for deduction after the tenth
13 taxable year after the taxable year in which the qualified
14 rehabilitation plan was placed in service.

15 (d) As used in this Section, the following terms have the
16 following meanings.

17 "Qualified expenditure" means all the costs and expenses
18 defined as qualified rehabilitation expenditures under Section
19 47 of the federal Internal Revenue Code that were incurred in
20 connection with a qualified historic structure.

21 "Qualified historic structure" means a certified historic
22 structure as defined under Section 47 (c)(3) of the federal
23 Internal Revenue Code.

24 "Qualified rehabilitation plan" means a project that is
25 approved by the Historic Preservation Agency as being
26 consistent with the standards in effect on the effective date

1 of this amendatory Act of the 97th General Assembly for
2 rehabilitation as adopted by the federal Secretary of the
3 Interior.

4 "Qualified taxpayer" means the owner of the qualified
5 historic structure or any other person who qualifies for the
6 federal rehabilitation credit allowed by Section 47 of the
7 federal Internal Revenue Code with respect to that qualified
8 historic structure. If the taxpayer is (i) a corporation having
9 an election in effect under Subchapter S of the federal
10 Internal Revenue Code, (ii) a partnership, or (iii) a limited
11 liability company, the credit provided under this Act may be
12 claimed by the shareholders of the corporation, the partners of
13 the partnership, or the members of the limited liability
14 company in the same manner as those shareholders, partners, or
15 members account for their proportionate shares of the income or
16 losses of the corporation, partnership, or limited liability
17 company, or as provided in the by-laws or other executed
18 agreement of the corporation, partnership, or limited
19 liability company. Credits granted to a partnership, a limited
20 liability company taxed as a partnership, or other multiple
21 owners of property shall be passed through to the partners,
22 members, or owners respectively on a pro rata basis or pursuant
23 to an executed agreement among the partners, members, or owners
24 documenting any alternate distribution method.

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.