

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0743.01 Bob Lackner x4350

HOUSE BILL 14-1311

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A BILL FOR AN ACT

101 **CONCERNING THE CREDIT AGAINST THE STATE INCOME TAX FOR THE**
102 **COSTS INCURRED IN CONNECTION WITH THE PRESERVATION OF**
103 **HISTORIC STRUCTURES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

For income tax years commencing on or after January 1, 2015, but prior to January 1, 2019, **section 1** of the bill creates a new income tax credit to be claimed by an owner of a historic property for recovery of certain costs related to preserving the property. Among the provisions,

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

section 1 also:

- ! Requires the governor's office of economic development and international trade (office), in consultation with the state historical society (society), to develop standards for the approval of the substantial rehabilitation of qualified structures for which the new tax credit is being claimed;
- ! Requires the owner of the structure to submit an application and rehabilitation plan to the office for a qualified commercial structure or to a certified local government or the society (reviewing entity) for a qualified residential structure, along with an estimate of the certified rehabilitation expenditures under the rehabilitation plan. Within 90 days after receipt of the application and rehabilitation plan, the office and the society or reviewing entity, as applicable, are required to notify the owner if the rehabilitation plan will result in a certified rehabilitation.
- ! Authorizes the office or the reviewing entity to impose a reasonable application fee and issuance fee for either a commercial or residential structure and specifies the amount of the particular fee that may be imposed;
- ! In the case of a qualified commercial structure, requires the office and society to review the application and rehabilitation plan to determine that the information contained in the application and plan is complete. If the office and society determine that the documentation is complete, the office is required to reserve for the benefit of the owner an allocation of a tax credit and to notify the owner in writing of the amount of the reservation. The reservation of tax credits does not entitle the owner to an issuance of any tax credits until the owner complies with all of the other requirements specified in the bill for the issuance of the tax credit.
- ! Requires the office to reserve tax credits in the order in which it receives completed applications and rehabilitation plans. The office must issue any such reservation of tax credits within a reasonable time, not to exceed 90 days from the filing of a completed application and rehabilitation plan. The office is required to use a lottery process to determine the order in which it will review applications and plans received on the same day. An owner may resubmit a disapproved application and plan, but the resubmitted application and plan is deemed to be a new submission.
- ! If, for any one state fiscal year, the aggregate amount of reservations for tax credits the office has approved is equal

to the total amount of tax credits available for reservation during that state fiscal year, requires the office to notify all owners who have submitted applications and plans then awaiting approval or submitted for approval after the calculation is made that no additional approvals of applications and plans for reservations of tax credits will be granted during that fiscal year;

- ! Specifies that no reservation of tax credits is necessary in the case of a qualified residential structure;
- ! Requires any owner receiving a reservation of tax credits to commence rehabilitation of the qualified commercial structure, if rehabilitation has not previously begun, within 18 months of the date of issuance of the written notice from the office to the owner granting the reservation of tax credits. Any owner receiving such reservation is required to incur not less than 20% of the estimated costs of rehabilitation not later than 18 months after the date of issuance of the written notice. If the office determines that an owner has failed to comply with this requirement, the office may rescind the issuance of tax credits previously given the owner.
- ! Following the completion of a rehabilitation of a qualified commercial structure, requires the owner to notify the office that the rehabilitation has been completed and to certify the qualified rehabilitation expenditures incurred by the owner under the rehabilitation plan. The bill requires both the office and the society to review the documentation of the rehabilitation and the society to verify that the documentation satisfies the rehabilitation plan. Within 90 days after receipt of this documentation, the office is required to issue a tax credit certificate geared to the amount of qualified rehabilitation costs incurred.
- ! Specifies that the total amount of the tax credit certificate issued for any particular project must not exceed the amount of the tax credit reservation issued for the project. The amount of a tax credit certificate to be issued for any one qualified commercial structure is limited to \$2 million total.
- ! Following the completion of a substantial rehabilitation of a qualified residential structure, requires the owner to notify the reviewing entity that the substantial rehabilitation has been completed and to certify the qualified rehabilitation expenditures incurred in connection with the rehabilitation plan. The owner is also required to provide the reviewing entity with a cost and expense certification.

The reviewing entity is required to review the documentation of the rehabilitation and verify its compliance with the rehabilitation plan. Within 90 days after receipt of the documentation from the owner, the reviewing entity is required to issue a tax credit certificate in an amount equivalent to 20% of the actual qualified rehabilitation expenditures; except that the bill limits the amount of the tax credit certificate to \$50,000 for each qualified residential structure to be calculated over a 10-year rolling period.

- ! Requires the tax credit amount to be increased for a certified commercial or residential structure that is located in a disaster area;
- ! In order to claim the tax credit, requires the owner to file the tax credit certificate with the owner's state income tax return;
- ! Specifies requirements under which a local government is permitted to act as a reviewing entity;
- ! Specifies that the entire tax credit to be awarded may be claimed by the owner in the taxable year in which the certified rehabilitation is placed in service. If the amount of the credit allowed exceeds the amount of income taxes otherwise due in the income tax year for which the credit is being claimed, the bill permits the owner to offset the amount of the credit not used in the income tax year to be carried forward as a credit against subsequent years' income tax liability for a period not to exceed 10 years. Any amount of the credit that is not used after such period is not refunded to the owner.
- ! Specifies certain limits that the aggregate amount of all tax credits in any tax year that may be reserved by the office upon the certification of all rehabilitation plans must not exceed;
- ! Specifies that the commercial tax credits are freely transferable and assignable subject to certain requirements;
- ! Requires the owner to refund to the department of revenue (department) certain amounts if the owner demolishes or makes material changes to the structure;
- ! Permits the owner to appeal any final determination made by the office or the department in connection with the tax credit;
- ! Permits the department to audit any credit obtained, and requires the office, in consultation with the department, to submit an annual report to the general assembly on the impact to the state of the tax credit and to promulgate any

rules necessary to implement the tax credit.

! Creates in the state treasury the tax credit for qualified costs incurred in the preservation of historic structures fund (fund) and specifies that the source of moneys for the fund is moneys transferred from the capital construction fund.

! Requires the department to notify the state treasurer when a tax credit has been claimed and, upon such notification, requires the state treasurer to transfer the amount of the tax credit claimed from the fund.

Section 2 of the bill requires a 4-year annual transfer of \$15 million from the capital construction fund, commencing with the 2015-16 state fiscal year and concluding with the 2018-19 state fiscal year.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-514.5 as
3 follows:

4 **39-22-514.5. Tax credit for qualified costs incurred in**
5 **preservation of historic structures - short title - fund - definitions.**

6 (1) THIS SECTION IS KNOWN AND MAY BE CITED AS THE "COLORADO JOB
7 CREATION AND MAIN STREET REVITALIZATION ACT".

8 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
9 REQUIRES:

10 (a) "CERTIFIED HISTORIC STRUCTURE" MEANS A PROPERTY
11 LOCATED IN COLORADO THAT HAS BEEN CERTIFIED BY THE HISTORICAL
12 SOCIETY OR OTHER REVIEWING ENTITY BECAUSE IT HAS BEEN:

13 (I) LISTED INDIVIDUALLY OR AS A CONTRIBUTING PROPERTY IN A
14 DISTRICT INCLUDED WITHIN THE NATIONAL REGISTER OF HISTORIC PLACES;

15 (II) LISTED INDIVIDUALLY OR AS A CONTRIBUTING PROPERTY IN A
16 DISTRICT THAT IS INCLUDED WITHIN THE STATE REGISTER OF HISTORIC
17 PROPERTIES PURSUANT TO THE PROVISIONS OF ARTICLE 80.1 OF TITLE 24,
18 C.R.S.;

19 (III) DESIGNATED AS A LANDMARK BY A CERTIFIED LOCAL

1 GOVERNMENT; OR

2 (IV) LISTED AS A CONTRIBUTING PROPERTY WITHIN A DESIGNATED
3 HISTORIC DISTRICT OF A CERTIFIED LOCAL GOVERNMENT.

4 (b) "CERTIFIED LOCAL GOVERNMENT" MEANS ANY LOCAL
5 GOVERNMENT THAT HAS BEEN CERTIFIED BY THE HISTORICAL SOCIETY
6 PURSUANT TO 16 U.S.C. SEC. 470a (c) (1), AS AMENDED.

7 (c) "CERTIFIED REHABILITATION" MEANS REPAIRS OR ALTERATIONS
8 TO A CERTIFIED HISTORIC STRUCTURE THAT HAVE BEEN CERTIFIED BY THE
9 HISTORICAL SOCIETY OR OTHER REVIEWING ENTITY AS MEETING THE
10 STANDARDS FOR REHABILITATION OF THE UNITED STATES SECRETARY OF
11 THE INTERIOR.

12 (d) "CONTRIBUTING PROPERTY" MEANS PROPERTY THAT ADDS TO
13 THE SENSE OF TIME, PLACE, AND HISTORICAL DEVELOPMENT OF A HISTORIC
14 DISTRICT AS DETERMINED BY THE HISTORICAL SOCIETY OR OTHER
15 REVIEWING ENTITY.

16 (e) "DEPARTMENT" MEANS THE COLORADO DEPARTMENT OF
17 REVENUE OR ANY SUCCESSOR ENTITY.

18 (f) "DESIGNATED" MEANS ESTABLISHED BY LOCAL PRESERVATION
19 ORDINANCE.

20 (g) "FUND" MEANS THE TAX CREDIT FOR QUALIFIED COSTS
21 INCURRED IN THE PRESERVATION OF HISTORIC STRUCTURES FUND CREATED
22 IN PARAGRAPH (a) OF SUBSECTION (16) OF THIS SECTION.

23 (h) "HISTORICAL SOCIETY" MEANS THE STATE HISTORICAL SOCIETY
24 OF COLORADO, ALSO KNOWN AS HISTORY COLORADO, OR ANY SUCCESSOR
25 ENTITY.

26 (i) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
27 DEVELOPMENT OR ANY SUCCESSOR ENTITY.

1 (j) "OWNER" MEANS ANY TAXPAYER FILING A STATE TAX RETURN
2 OR ANY ENTITY THAT IS EXEMPT FROM FEDERAL INCOME TAXATION
3 PURSUANT TO SECTION 501 (c) OF THE INTERNAL REVENUE CODE, AS
4 AMENDED, THAT OWNS:

5 (I) TITLE TO A QUALIFIED STRUCTURE;

6 (II) PROSPECTIVE TITLE TO A QUALIFIED STRUCTURE IN THE FORM
7 OF A PURCHASE AGREEMENT OR AN OPTION TO PURCHASE;

8 (III) A LEASEHOLD INTEREST IN A QUALIFIED COMMERCIAL
9 STRUCTURE FOR A TERM OF NOT LESS THAN THIRTY-NINE YEARS; OR

10 (IV) A LEASEHOLD INTEREST IN A QUALIFIED RESIDENTIAL
11 STRUCTURE FOR A TERM OF NOT LESS THAN FIVE YEARS.

12 (k) "QUALIFIED COMMERCIAL STRUCTURE" MEANS A CERTIFIED
13 HISTORIC STRUCTURE THAT HAS BEEN CERTIFIED BY THE HISTORICAL
14 SOCIETY AS MEETING THE REQUIREMENTS SPECIFIED IN SECTION 47 (c) (1)
15 (A) AND (B) OF THE INTERNAL REVENUE CODE, AS AMENDED.

16 (l) "QUALIFIED REHABILITATION EXPENDITURES" MEANS:

17 (I) WITH RESPECT TO A QUALIFIED COMMERCIAL STRUCTURE, ANY
18 EXPENDITURE AS DEFINED UNDER SECTION 47 (c) (2) (A) OF THE INTERNAL
19 REVENUE CODE, AS AMENDED, AND THE RELATED REGULATIONS
20 THEREUNDER; AND

21 (II) WITH RESPECT TO A QUALIFIED RESIDENTIAL STRUCTURE,
22 EXTERIOR IMPROVEMENTS AND INTERIOR IMPROVEMENTS UNDERTAKEN TO
23 RESTORE, REHABILITATE, OR PRESERVE THE HISTORIC CHARACTER OF A
24 QUALIFIED PROPERTY THAT MEET THE STANDARDS FOR REHABILITATION
25 OF THE UNITED STATES SECRETARY OF THE INTERIOR AS ADOPTED BY THE
26 HISTORICAL SOCIETY OR THE CERTIFIED LOCAL GOVERNMENT PURSUANT
27 TO FEDERAL LAW. AS USED IN THIS SUBPARAGRAPH (II), "EXTERIOR

1 IMPROVEMENTS" IS LIMITED TO ANY ONE OR MORE OF THE FOLLOWING:
2 ROOF REPLACEMENT OR REPAIR; EXTERIOR SIDING REPLACEMENT OR
3 REPAIR; MASONRY REPAIR, RE-POINTING, OR REPLACEMENT; WINDOW
4 REPAIR OR REPLACEMENT; DOOR REPAIR OR REPLACEMENT; WOODWORK
5 AND TRIM REPAIR OR REPLACEMENT; FOUNDATION REPAIR OR
6 REPLACEMENT; AND EXCAVATION COSTS ASSOCIATED WITH FOUNDATION
7 WORK. AS USED IN THIS SUBPARAGRAPH (II), "INTERIOR IMPROVEMENTS"
8 IS LIMITED TO ONE OR MORE OF THE FOLLOWING: ELECTRICAL REPAIRS AND
9 UPGRADES; PLUMBING REPAIRS AND UPGRADES; HEATING, VENTING, AND
10 AIR CONDITIONING REPAIRS AND UPGRADES; REPAIR OF EXISTING INTERIOR
11 WALLS AND FINISHES; REPAIR OR REPLACEMENT OF EXISTING WOODWORK
12 AND TRIM; INSULATION; REFINISHING OR REPLACING HISTORIC FLOOR
13 MATERIALS IN-KIND, EXCLUDING CARPETING; AND RECONSTRUCTING
14 MISSING HISTORIC ELEMENTS WHEN THERE IS SUFFICIENT HISTORICAL
15 DOCUMENTATION TO GUIDE THE RECONSTRUCTION.

16 (m) "QUALIFIED RESIDENTIAL STRUCTURE" MEANS A NONINCOME
17 PRODUCING AND OWNER-OCCUPIED RESIDENTIAL PROPERTY LOCATED IN
18 COLORADO THAT IS:

- 19 (I) AT LEAST FIFTY YEARS OLD; AND
- 20 (II) (A) LISTED INDIVIDUALLY OR AS A CONTRIBUTING PROPERTY
21 IN A DISTRICT INCLUDED WITHIN THE STATE REGISTER OF HISTORIC
22 PROPERTIES PURSUANT TO ARTICLE 80.1 OF TITLE 24, C.R.S.;
- 23 (B) DESIGNATED AS A LANDMARK BY A CERTIFIED LOCAL
24 GOVERNMENT; OR
- 25 (C) LISTED AS A CONTRIBUTING PROPERTY THAT IS INCLUDED
26 WITHIN A DESIGNATED HISTORIC DISTRICT OF A CERTIFIED LOCAL
27 GOVERNMENT.

1 (n) "QUALIFIED STRUCTURE" MEANS A STRUCTURE THAT SATISFIES
2 THE DEFINITION OF EITHER A QUALIFIED RESIDENTIAL STRUCTURE OR A
3 QUALIFIED COMMERCIAL STRUCTURE.

4 (o) "REHABILITATION PLAN" MEANS CONSTRUCTION PLANS AND
5 SPECIFICATIONS FOR THE PROPOSED REHABILITATION OF A QUALIFIED
6 STRUCTURE THAT IS IN SUFFICIENT DETAIL TO ENABLE THE OFFICE OR THE
7 REVIEWING ENTITY, AS APPLICABLE, TO EVALUATE WHETHER THE
8 STRUCTURE IS IN COMPLIANCE WITH THE STANDARDS DEVELOPED UNDER
9 SUBSECTION (4) OF THIS SECTION.

10 (p) "REVIEWING ENTITY" MEANS:

11 (I) A CERTIFIED LOCAL GOVERNMENT THAT HAS DECIDED
12 PURSUANT TO SUBSECTION (10) OF THIS SECTION TO PERFORM THE DUTIES
13 SPECIFIED UNDER THIS SECTION; OR

14 (II) THE HISTORICAL SOCIETY IF THE QUALIFIED RESIDENTIAL
15 STRUCTURE EITHER IS NOT LOCATED WITHIN THE TERRITORIAL
16 BOUNDARIES OF ANY CERTIFIED LOCAL GOVERNMENT OR IS LOCATED
17 WITHIN THE TERRITORIAL BOUNDARIES OF A CERTIFIED LOCAL
18 GOVERNMENT THAT HAS DECIDED PURSUANT TO SUBSECTION (10) OF THIS
19 SECTION NOT TO PERFORM THE DUTIES SPECIFIED UNDER THIS SECTION.

20 (q) "SUBSTANTIAL REHABILITATION" MEANS:

21 (I) WITH RESPECT TO A QUALIFIED COMMERCIAL STRUCTURE,
22 REHABILITATION FOR WHICH THE QUALIFIED REHABILITATION
23 EXPENDITURES EXCEED TWENTY-FIVE PERCENT OF THE OWNER'S ORIGINAL
24 PURCHASE PRICE OF THE QUALIFIED COMMERCIAL STRUCTURE LESS THE
25 VALUE ATTRIBUTED TO THE LAND; AND

26 (II) WITH RESPECT TO A QUALIFIED RESIDENTIAL STRUCTURE,
27 REHABILITATION FOR WHICH THE QUALIFIED REHABILITATION

1 EXPENDITURES EXCEED FIVE THOUSAND DOLLARS.

2 (3) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
3 1, 2015, BUT PRIOR TO JANUARY 1, 2019, THERE SHALL BE ALLOWED A
4 CREDIT WITH RESPECT TO THE INCOME TAXES IMPOSED PURSUANT TO THIS
5 ARTICLE TO EACH OWNER OF A QUALIFIED STRUCTURE THAT COMPLIES
6 WITH THE REQUIREMENTS OF THIS SECTION.

7 (4) THE OFFICE, IN CONSULTATION WITH THE HISTORICAL SOCIETY,
8 SHALL DEVELOP STANDARDS FOR THE APPROVAL OF THE SUBSTANTIAL
9 REHABILITATION OF QUALIFIED STRUCTURES FOR WHICH A TAX CREDIT
10 UNDER THIS SECTION IS BEING CLAIMED. THE STANDARDS MUST CONSIDER
11 WHETHER THE SUBSTANTIAL REHABILITATION OF A QUALIFIED STRUCTURE
12 IS CONSISTENT WITH THE STANDARDS FOR REHABILITATION ADOPTED BY
13 THE UNITED STATES DEPARTMENT OF THE INTERIOR.

14 (5) (a) THE OWNER SHALL SUBMIT AN APPLICATION AND
15 REHABILITATION PLAN TO THE OFFICE FOR A QUALIFIED COMMERCIAL
16 STRUCTURE OR TO THE REVIEWING ENTITY FOR A QUALIFIED RESIDENTIAL
17 STRUCTURE, ALONG WITH AN ESTIMATE OF THE QUALIFIED
18 REHABILITATION EXPENDITURES UNDER THE REHABILITATION PLAN. THE
19 OWNER, AT THE OWNER'S OWN RISK, MAY INCUR QUALIFIED
20 REHABILITATION EXPENDITURES NO EARLIER THAN TWENTY-FOUR MONTHS
21 PRIOR TO THE SUBMISSION OF THE APPLICATION AND REHABILITATION
22 PLAN BUT ONLY IF SATISFACTORY DOCUMENTATION IS SUBMITTED TO THE
23 OFFICE OR THE REVIEWING ENTITY, AS APPLICABLE, INDICATING THE
24 CONDITION OF THE QUALIFIED STRUCTURE PRIOR TO COMMENCEMENT OF
25 THE REHABILITATION, INCLUDING BUT NOT LIMITED TO PHOTOGRAPHS OF
26 THE QUALIFIED STRUCTURE AND WRITTEN DECLARATIONS FROM PERSONS
27 KNOWLEDGEABLE ABOUT THE QUALIFIED STRUCTURE. IN CONNECTION

1 WITH ANY APPLICATION SUBMITTED ON OR AFTER JANUARY 1, 2015, ANY
2 EXPENSES THE OWNER INCURS BEFORE JANUARY 1, 2015, SHALL NOT BE
3 COUNTED TOWARDS THE OWNER'S QUALIFIED REHABILITATION
4 EXPENDITURES. AN OWNER MAY SUBMIT AN APPLICATION AND
5 REHABILITATION PLAN AND MAY COMMENCE REHABILITATION BEFORE THE
6 PROPERTY:

7 (I) IS LISTED INDIVIDUALLY OR AS A CONTRIBUTING PROPERTY IN
8 A DISTRICT INCLUDED WITHIN THE NATIONAL REGISTER OF HISTORIC
9 PLACES;

10 (II) IS LISTED INDIVIDUALLY OR AS A CONTRIBUTING PROPERTY IN
11 A DISTRICT INCLUDED WITHIN THE STATE REGISTER OF HISTORIC
12 PROPERTIES PURSUANT TO ARTICLE 80.1 OF TITLE 24, C.R.S.;

13 (III) HAS BEEN DESIGNATED AS A LANDMARK BY A CERTIFIED
14 LOCAL GOVERNMENT; OR

15 (IV) IS LISTED AS A CONTRIBUTING PROPERTY WITHIN A
16 DESIGNATED HISTORIC DISTRICT OF A CERTIFIED LOCAL GOVERNMENT.

17 (b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF
18 THIS SUBSECTION (5), AN OWNER MAY INCUR QUALIFIED REHABILITATION
19 EXPENDITURES AT THE OWNER'S OWN RISK.

20 (c) WITHIN NINETY DAYS AFTER RECEIPT OF THE APPLICATION AND
21 REHABILITATION PLAN, THE OFFICE AND THE HISTORICAL SOCIETY, IN THE
22 CASE OF A QUALIFIED COMMERCIAL STRUCTURE, AND THE REVIEWING
23 ENTITY, IN THE CASE OF A QUALIFIED RESIDENTIAL STRUCTURE, SHALL
24 NOTIFY THE OWNER IN WRITING IF THE REHABILITATION PLAN IS
25 PRELIMINARILY DETERMINED TO BE A CERTIFIED REHABILITATION.

26 (6) (a) FOR A QUALIFIED COMMERCIAL STRUCTURE, THE OFFICE
27 MAY IMPOSE A REASONABLE APPLICATION FEE THAT DOES NOT EXCEED:

1 (I) FIVE HUNDRED DOLLARS IN THE CASE OF A PROJECT FOR WHICH
2 THE AMOUNT OF TAX CREDIT REQUESTED UNDER THIS SECTION IS ONE
3 MILLION DOLLARS OR LESS; AND

4 (II) ONE THOUSAND DOLLARS IN THE CASE OF A PROJECT FOR
5 WHICH THE AMOUNT OF TAX CREDIT REQUESTED UNDER THIS SECTION
6 EXCEEDS ONE MILLION DOLLARS.

7 (b) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
8 THE OFFICE SHALL NOT IMPOSE AN APPLICATION FEE UNDER PARAGRAPH
9 (a) OF THIS SUBSECTION (6) FOR A PROJECT FOR WHICH THE AMOUNT OF
10 TAX CREDIT REQUESTED UNDER THIS SECTION IS TWO HUNDRED FIFTY
11 THOUSAND DOLLARS OR LESS.

12 (c) IF AN OWNER CLAIMS A TAX CREDIT UNDER THIS SECTION, THE
13 OFFICE MAY IMPOSE A REASONABLE ISSUANCE FEE OF UP TO TWO PERCENT
14 OF THE QUALIFIED REHABILITATION EXPENDITURES. WITH RESPECT TO
15 BOTH AN APPLICATION FEE AND AN ISSUANCE FEE, THE OFFICE SHALL
16 SHARE ONE HALF OF ANY SUCH FEES COLLECTED WITH THE HISTORICAL
17 SOCIETY.

18 (d) IN THE CASE OF A QUALIFIED RESIDENTIAL STRUCTURE, THE
19 REVIEWING ENTITY MAY IMPOSE A REASONABLE APPLICATION FEE.
20 HOWEVER, THE REVIEWING ENTITY MAY REDUCE OR ELIMINATE THE
21 APPLICATION FEE IF THE QUALIFIED REHABILITATION EXPENDITURES FOR
22 THE PROJECT ARE LESS THAN FIFTEEN THOUSAND DOLLARS.

23 (7) (a) IN THE CASE OF A QUALIFIED COMMERCIAL STRUCTURE, A
24 RESERVATION OF TAX CREDITS IS PERMITTED IN ACCORDANCE WITH THE
25 PROVISIONS OF THIS SUBSECTION (7). THE OFFICE AND THE HISTORICAL
26 SOCIETY SHALL REVIEW THE APPLICATION AND REHABILITATION PLAN FOR
27 A QUALIFIED COMMERCIAL STRUCTURE TO DETERMINE THAT THE

1 INFORMATION CONTAINED IN THE APPLICATION AND PLAN IS COMPLETE. IF
2 THE OFFICE AND THE HISTORICAL SOCIETY DETERMINE THAT THE
3 APPLICATION AND REHABILITATION PLAN ARE COMPLETE, THE OFFICE
4 SHALL RESERVE FOR THE BENEFIT OF THE OWNER AN ALLOCATION OF A
5 TAX CREDIT AS PROVIDED IN PARAGRAPH (a) OF SUBSECTION (12) OF THIS
6 SECTION AND THE OFFICE SHALL NOTIFY THE OWNER IN WRITING OF THE
7 AMOUNT OF THE RESERVATION. THE RESERVATION OF TAX CREDITS DOES
8 NOT ENTITLE THE OWNER TO AN ISSUANCE OF ANY TAX CREDITS UNTIL THE
9 OWNER COMPLIES WITH ALL OF THE OTHER REQUIREMENTS SPECIFIED IN
10 THIS SECTION FOR THE ISSUANCE OF THE TAX CREDIT. THE OFFICE MUST
11 RESERVE TAX CREDITS IN THE ORDER IN WHICH IT RECEIVES COMPLETED
12 APPLICATIONS AND REHABILITATION PLANS. THE OFFICE SHALL ISSUE ANY
13 SUCH RESERVATION OF TAX CREDITS AUTHORIZED BY THIS SUBSECTION (7)
14 WITHIN A REASONABLE TIME, NOT TO EXCEED NINETY DAYS AFTER THE
15 FILING OF A COMPLETED APPLICATION AND REHABILITATION PLAN. THE
16 OFFICE SHALL USE A LOTTERY PROCESS TO DETERMINE THE ORDER IN
17 WHICH IT WILL REVIEW APPLICATIONS AND PLANS RECEIVED BY THE OFFICE
18 ON THE SAME DAY. THE OFFICE SHALL ONLY REVIEW AN APPLICATION AND
19 PLAN SUBMITTED IN CONNECTION WITH A PROPERTY FOR WHICH A
20 PROPERTY ADDRESS, LEGAL DESCRIPTION, OR OTHER SPECIFIC LOCATION
21 IS PROVIDED IN THE APPLICATION AND PLAN. THE OWNER SHALL NOT
22 REQUEST THE REVIEW OF ANOTHER PROPERTY FOR APPROVAL IN THE
23 PLACE OF THE PROPERTY THAT IS THE SUBJECT OF THE APPLICATION AND
24 PLAN. ANY APPLICATION AND PLAN DISAPPROVED BY THE OFFICE WILL BE
25 REMOVED FROM THE REVIEW PROCESS, AND THE OFFICE SHALL NOTIFY THE
26 OWNER IN WRITING OF THE DECISION TO REMOVE THE PROPERTY FROM THE
27 REVIEW PROCESS. DISAPPROVED APPLICATIONS AND PLANS LOSE THEIR

1 PRIORITY IN THE REVIEW PROCESS. AN OWNER MAY RESUBMIT A
2 DISAPPROVED APPLICATION AND PLAN, BUT SUCH RESUBMITTED
3 APPLICATION AND PLAN IS DEEMED TO BE A NEW SUBMISSION FOR
4 PURPOSES OF THE PRIORITY PROCEDURES DESCRIBED IN THIS PARAGRAPH
5 (a). THE OFFICE MAY CHARGE A RESUBMITTED APPLICATION AND PLAN A
6 NEW APPLICATION FEE IN AN AMOUNT SPECIFIED IN ACCORDANCE WITH
7 SUBSECTION (6) OF THIS SECTION.

8 (b) IF, FOR ANY ONE STATE FISCAL YEAR, THE AGGREGATE
9 AMOUNT OF RESERVATIONS FOR TAX CREDITS THE OFFICE HAS APPROVED
10 IS EQUAL TO THE TOTAL AMOUNT OF TAX CREDITS AVAILABLE FOR
11 RESERVATION DURING THAT STATE FISCAL YEAR, THE OFFICE SHALL
12 NOTIFY ALL OWNERS WHO HAVE SUBMITTED APPLICATIONS AND
13 REHABILITATION PLANS THEN AWAITING APPROVAL OR SUBMITTED FOR
14 APPROVAL AFTER THE CALCULATION IS MADE THAT NO ADDITIONAL
15 APPROVALS OF APPLICATIONS AND PLANS FOR RESERVATIONS OF TAX
16 CREDITS WILL BE GRANTED DURING THAT FISCAL YEAR AND THE OFFICE
17 SHALL ADDITIONALLY NOTIFY THE OWNER OF THE PRIORITY NUMBER
18 GIVEN TO THE OWNER'S APPLICATION AND PLAN THEN AWAITING
19 APPROVAL. THE APPLICATIONS AND PLANS WILL REMAIN IN PRIORITY
20 STATUS FOR TWO YEARS FROM THE DATE OF THE ORIGINAL APPLICATION
21 AND PLAN AND WILL BE CONSIDERED FOR RESERVATIONS OF TAX CREDITS
22 IN THE PRIORITY ORDER ESTABLISHED IN THIS SUBSECTION (7) IN THE
23 EVENT THAT ADDITIONAL CREDITS BECOME AVAILABLE RESULTING FROM
24 THE RESCISSION OF APPROVALS UNDER PARAGRAPH (a) OF SUBSECTION (8)
25 OF THIS SECTION OR BECAUSE A NEW ALLOCATION OF TAX CREDITS FOR A
26 NEW STATE FISCAL YEAR BECOMES AVAILABLE.

27 (c) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,

1 THIS SUBSECTION (7) DOES NOT APPLY TO A QUALIFIED RESIDENTIAL
2 STRUCTURE BECAUSE NO RESERVATION OF TAX CREDITS IS NECESSARY IN
3 THE CASE OF A QUALIFIED RESIDENTIAL STRUCTURE.

4 (8) (a) ANY OWNER RECEIVING A RESERVATION OF TAX CREDITS
5 UNDER PARAGRAPH (a) OF SUBSECTION (7) OF THIS SECTION SHALL
6 COMMENCE REHABILITATION OF THE QUALIFIED COMMERCIAL STRUCTURE,
7 IF REHABILITATION HAS NOT PREVIOUSLY BEGUN, WITHIN EIGHTEEN
8 MONTHS AFTER THE DATE OF ISSUANCE OF THE WRITTEN NOTICE FROM THE
9 OFFICE TO THE OWNER GRANTING THE RESERVATION OF TAX CREDITS. ANY
10 OWNER RECEIVING SUCH RESERVATION OF TAX CREDITS SHALL INCUR NOT
11 LESS THAN TWENTY PERCENT OF THE ESTIMATED COSTS OF
12 REHABILITATION CONTAINED IN THE APPLICATION AND REHABILITATION
13 PLAN NOT LATER THAN EIGHTEEN MONTHS AFTER THE DATE OF ISSUANCE
14 OF THE WRITTEN NOTICE FROM THE OFFICE TO THE OWNER GRANTING THE
15 RESERVATION OF TAX CREDITS. ANY OWNER RECEIVING A RESERVATION
16 OF TAX CREDITS SHALL SUBMIT EVIDENCE OF COMPLIANCE WITH THE
17 PROVISIONS OF THIS PARAGRAPH (a). IF THE OFFICE DETERMINES THAT AN
18 OWNER HAS FAILED TO COMPLY WITH THE REQUIREMENTS OF THIS
19 PARAGRAPH (a), THE OFFICE MAY RESCIND THE ISSUANCE IT PREVIOUSLY
20 GAVE THE OWNER APPROVING THE RESERVATION OF TAX CREDITS AND, IF
21 SO, THE TOTAL AMOUNT OF TAX CREDITS MADE AVAILABLE FOR THE STATE
22 FISCAL YEAR FOR WHICH RESERVATIONS MAY BE GRANTED MUST BE
23 INCREASED BY THE AMOUNT OF THE TAX CREDITS RESCINDED. THE OFFICE
24 SHALL PROMPTLY NOTIFY ANY OWNER WHOSE RESERVATION OF TAX
25 CREDITS HAS BEEN RESCINDED AND, UPON RECEIPT OF THE NOTICE, THE
26 OWNER MAY SUBMIT A NEW APPLICATION AND PLAN FOR WHICH THE
27 OFFICE MAY CHARGE A NEW APPLICATION FEE IN ACCORDANCE WITH

1 SUBSECTION (6) OF THIS SECTION.

2 (b) FOLLOWING THE COMPLETION OF A REHABILITATION OF A
3 QUALIFIED COMMERCIAL STRUCTURE, THE OWNER SHALL NOTIFY THE
4 OFFICE THAT THE REHABILITATION HAS BEEN COMPLETED AND SHALL
5 CERTIFY THE QUALIFIED REHABILITATION EXPENDITURES INCURRED BY
6 THE OWNER UNDER THE REHABILITATION PLAN. IN ADDITION, THE OWNER
7 SHALL PROVIDE THE OFFICE WITH A COST AND EXPENSE CERTIFICATION,
8 PREPARED BY A LICENSED CERTIFIED PUBLIC ACCOUNTANT THAT IS NOT
9 AFFILIATED WITH THE OWNER, CERTIFYING THE TOTAL QUALIFIED
10 REHABILITATION EXPENDITURES AND THE TOTAL AMOUNT OF TAX CREDITS
11 FOR WHICH THE OWNER IS ELIGIBLE. IF THE QUALIFIED REHABILITATION
12 EXPENDITURES EXCEED TWO HUNDRED FIFTY THOUSAND DOLLARS, THE
13 COST AND EXPENSE CERTIFICATION MUST BE AUDITED BY A LICENSED
14 CERTIFIED PUBLIC ACCOUNTANT. THE OFFICE AND THE HISTORICAL
15 SOCIETY SHALL REVIEW THE DOCUMENTATION OF THE REHABILITATION
16 AND THE HISTORICAL SOCIETY SHALL VERIFY THAT THE DOCUMENTATION
17 SATISFIES THE REHABILITATION PLAN. WITHIN NINETY DAYS AFTER
18 RECEIPT OF SUCH DOCUMENTATION FROM THE OWNER, THE OFFICE SHALL
19 ISSUE A TAX CREDIT CERTIFICATE IN AN AMOUNT EQUAL TO THE
20 FOLLOWING SUBJECT TO PARAGRAPH (c) OF THIS SUBSECTION (8):

21 (I) THIRTY PERCENT OF THE ACTUAL QUALIFIED REHABILITATION
22 EXPENDITURES THAT ARE LESS THAN TWO MILLION DOLLARS; PLUS

23 (II) TWENTY-FIVE PERCENT OF THE ACTUAL QUALIFIED
24 REHABILITATION EXPENDITURES THAT ARE BETWEEN TWO MILLION AND
25 FOUR MILLION DOLLARS; PLUS

26 (III) TWENTY PERCENT OF THE ACTUAL QUALIFIED
27 REHABILITATION EXPENDITURES IN EXCESS OF FOUR MILLION DOLLARS.

1 (c) NOTWITHSTANDING PARAGRAPH (b) OF THIS SUBSECTION (8):

2 (I) THE TOTAL AMOUNT OF THE TAX CREDIT CERTIFICATE ISSUED
3 FOR ANY PARTICULAR PROJECT MUST NOT EXCEED THE AMOUNT OF THE
4 TAX CREDIT RESERVATION ISSUED FOR THE PROJECT UNDER PARAGRAPH
5 (a) OF SUBSECTION (7) OF THIS SECTION;

6 (II) THE AMOUNT OF A TAX CREDIT CERTIFICATE TO BE ISSUED FOR
7 ANY ONE QUALIFIED COMMERCIAL STRUCTURE SHALL NOT EXCEED TWO
8 MILLION DOLLARS IN ANY ONE STATE FISCAL YEAR; AND

9 (III) WITH RESPECT TO A CERTIFIED HISTORIC STRUCTURE THAT IS
10 LOCATED IN AN AREA THAT THE PRESIDENT OF THE UNITED STATES HAS
11 DETERMINED TO BE A MAJOR DISASTER AREA UNDER SECTION 102 (2) OF
12 THE FEDERAL "ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY
13 ASSISTANCE ACT", 42 U.S.C. SEC. 5121 ET SEQ., OR THAT IS LOCATED IN
14 AN AREA THAT THE GOVERNOR HAS DETERMINED TO BE A DISASTER AREA
15 UNDER THE "COLORADO DISASTER EMERGENCY ACT", PART 7 OF ARTICLE
16 33.5 OF TITLE 24, C.R.S., THE TAX CREDIT AMOUNTS SPECIFIED IN
17 SUBPARAGRAPHS (I) TO (III) OF PARAGRAPH (b) OF THIS SUBSECTION (8)
18 MUST BE INCREASED AS FOLLOWS FOR AN APPLICATION THAT IS FILED
19 WITHIN SIX YEARS AFTER THE DISASTER DETERMINATION:

20 (A) THE THIRTY PERCENT CREDIT AMOUNT SPECIFIED IN
21 SUBPARAGRAPH (I) OF PARAGRAPH (b) OF THIS SUBSECTION (8) IS
22 INCREASED TO THIRTY-FIVE PERCENT;

23 (B) THE TWENTY-FIVE PERCENT CREDIT AMOUNT SPECIFIED IN
24 SUBPARAGRAPH (II) OF PARAGRAPH (b) OF THIS SUBSECTION (8) IS
25 INCREASED TO THIRTY PERCENT; AND

26 (C) THE TWENTY PERCENT CREDIT AMOUNT SPECIFIED IN
27 SUBPARAGRAPH (III) OF PARAGRAPH (b) OF THIS SUBSECTION (8) IS

1 INCREASED TO TWENTY-FIVE PERCENT.

2 (d) IF THE AMOUNT OF QUALIFIED REHABILITATION EXPENDITURES
3 INCURRED BY THE OWNER WOULD RESULT IN AN OWNER BEING ISSUED AN
4 AMOUNT OF TAX CREDITS THAT EXCEEDS THE AMOUNT OF TAX CREDITS
5 RESERVED FOR THE OWNER UNDER PARAGRAPH (a) OF SUBSECTION (7),
6 THE OWNER MAY APPLY TO THE OFFICE FOR THE ISSUANCE OF AN AMOUNT
7 OF TAX CREDITS THAT EQUALS THE EXCESS. THE OWNER MUST SUBMIT ITS
8 APPLICATION FOR ISSUANCE OF SUCH EXCESS TAX CREDITS ON A FORM
9 PRESCRIBED BY THE OFFICE. THE OFFICE SHALL AUTOMATICALLY APPROVE
10 THE APPLICATION, WHICH IT SHALL ISSUE BY MEANS OF A SEPARATE
11 CERTIFICATE, SUBJECT ONLY TO THE AVAILABILITY OF TAX CREDITS AND
12 THE PROVISIONS CONCERNING PRIORITY PROVIDED IN PARAGRAPH (a) OF
13 SUBSECTION (7) OF THIS SECTION.

14 (e) (I) FOLLOWING THE COMPLETION OF A REHABILITATION OF A
15 QUALIFIED RESIDENTIAL STRUCTURE, THE OWNER SHALL NOTIFY THE
16 REVIEWING ENTITY THAT THE REHABILITATION HAS BEEN COMPLETED AND
17 SHALL CERTIFY THAT THE QUALIFIED REHABILITATION EXPENDITURES
18 INCURRED IN CONNECTION WITH THE REHABILITATION PLAN. THE OWNER
19 SHALL ALSO PROVIDE THE REVIEWING ENTITY WITH A COST AND EXPENSE
20 CERTIFICATION CERTIFYING THE TOTAL QUALIFIED REHABILITATION
21 EXPENDITURES AND THE TOTAL AMOUNT OF TAX CREDITS FOR WHICH THE
22 OWNER IS ELIGIBLE. THE REVIEWING ENTITY SHALL REVIEW THE
23 DOCUMENTATION OF THE REHABILITATION AND VERIFY ITS COMPLIANCE
24 WITH THE REHABILITATION PLAN. EXCEPT AS OTHERWISE PROVIDED IN
25 SUBPARAGRAPH (II) OF THIS PARAGRAPH (e), WITHIN NINETY DAYS AFTER
26 RECEIPT OF THE FOREGOING DOCUMENTATION FROM THE OWNER, THE
27 REVIEWING ENTITY SHALL ISSUE A TAX CREDIT CERTIFICATE IN AN

1 AMOUNT EQUAL TO TWENTY PERCENT OF THE ACTUAL QUALIFIED
2 REHABILITATION EXPENDITURES; EXCEPT THAT THE AMOUNT OF THE TAX
3 CREDIT CERTIFICATE SHALL NOT EXCEED FIFTY THOUSAND DOLLARS FOR
4 EACH QUALIFIED RESIDENTIAL STRUCTURE, WHICH AMOUNT IS TO BE
5 CALCULATED OVER A TEN-YEAR ROLLING PERIOD THAT COMMENCES WITH
6 EACH CHANGE IN OWNERSHIP OF THE QUALIFIED RESIDENTIAL STRUCTURE.

7 (II) WITH RESPECT TO A QUALIFIED RESIDENTIAL STRUCTURE
8 LOCATED IN AN AREA THAT THE PRESIDENT OF THE UNITED STATES HAS
9 DETERMINED TO BE A MAJOR DISASTER AREA UNDER SECTION 102 (2) OF
10 THE FEDERAL "ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY
11 ASSISTANCE ACT", 42 U.S.C. SEC. 5121 ET SEQ., OR THAT IS LOCATED IN
12 AN AREA THAT THE GOVERNOR HAS DETERMINED TO BE A DISASTER AREA
13 UNDER THE "COLORADO DISASTER EMERGENCY ACT", PART 7 OF ARTICLE
14 33.5 OF TITLE 24, C.R.S., THE AMOUNT OF THE TAX CREDIT SPECIFIED IN
15 SUBPARAGRAPH (I) OF THIS PARAGRAPH (e) IS INCREASED TO TWENTY-FIVE
16 PERCENT FOR AN APPLICATION THAT IS FILED WITHIN SIX YEARS AFTER THE
17 DISASTER DETERMINATION.

18 (9) IN ORDER TO CLAIM THE CREDIT AUTHORIZED BY THIS SECTION,
19 THE OWNER SHALL FILE THE TAX CREDIT CERTIFICATE WITH THE OWNER'S
20 STATE INCOME TAX RETURN. THE AMOUNT OF THE CREDIT CLAIMED THAT
21 THE OWNER MAY CLAIM UNDER THIS SECTION IS THE AMOUNT STATED ON
22 THE TAX CREDIT CERTIFICATE.

23 (10) FOR THE PURPOSES OF THIS SECTION, A CERTIFIED LOCAL
24 GOVERNMENT MAY ACT AS A REVIEWING ENTITY ONLY FOR A QUALIFIED
25 RESIDENTIAL STRUCTURE. EACH CERTIFIED LOCAL GOVERNMENT SHALL
26 ADOPT A RESOLUTION OR ORDINANCE STATING WHETHER THE
27 GOVERNMENT WILL ACT AS A REVIEWING ENTITY FOR THE PURPOSES OF

1 THIS SECTION. THE LOCAL GOVERNMENT SHALL SEND A COPY OF THE
2 RESOLUTION OR ORDINANCE TO THE HISTORICAL SOCIETY. ANY CERTIFIED
3 LOCAL GOVERNMENT THAT DECIDES TO ACT AS A REVIEWING ENTITY FOR
4 ANY GIVEN YEAR FOR THE PURPOSES OF THIS SECTION SHALL PERFORM ALL
5 DUTIES AND RESPONSIBILITIES IN CONNECTION WITH A CERTIFIED
6 REHABILITATION THAT RECEIVES PRELIMINARY APPROVAL FROM SUCH
7 ENTITY DURING THE YEAR.

8 (11) THE ENTIRE TAX CREDIT TO BE AWARDED UNDER THIS
9 SECTION MAY BE CLAIMED BY THE OWNER IN THE TAXABLE YEAR IN WHICH
10 THE CERTIFIED REHABILITATION IS PLACED IN SERVICE. IF THE AMOUNT OF
11 THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE AMOUNT OF
12 INCOME TAXES OTHERWISE DUE ON THE INCOME OF THE OWNER IN THE
13 INCOME TAX YEAR FOR WHICH THE CREDIT IS BEING CLAIMED, THE
14 AMOUNT OF THE CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES
15 IN SAID INCOME TAX YEAR MAY BE CARRIED FORWARD AS A CREDIT
16 AGAINST SUBSEQUENT YEARS' INCOME TAX LIABILITY FOR A PERIOD NOT
17 TO EXCEED TEN YEARS AND WILL BE APPLIED TO THE EARLIEST INCOME
18 TAX YEARS POSSIBLE. ANY AMOUNT OF THE CREDIT THAT IS NOT USED
19 AFTER SUCH PERIOD SHALL NOT BE REFUNDED TO THE OWNER.

20 (12) (a) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE
21 AGGREGATE AMOUNT OF ALL TAX CREDITS IN ANY TAX YEAR THAT MAY
22 BE RESERVED BY THE OFFICE UPON THE CERTIFICATION OF ALL
23 REHABILITATION PLANS UNDER PARAGRAPH (a) OF SUBSECTION (7) OF THIS
24 SECTION MUST NOT EXCEED:

25 (I) FOR QUALIFIED COMMERCIAL STRUCTURES ESTIMATING
26 QUALIFIED REHABILITATION EXPENDITURES IN THE AMOUNT OF FOUR
27 MILLION DOLLARS OR LESS, SEVEN AND ONE-HALF MILLION DOLLARS IN

1 THE AGGREGATE FOR EACH OF THE 2015, 2016, 2017, AND 2018 CALENDAR
2 YEARS, IN ADDITION TO THE AMOUNT OF ANY PREVIOUSLY RESERVED TAX
3 CREDITS THAT WERE RESCINDED UNDER PARAGRAPH (a) OF SUBSECTION
4 (8) OF THIS SECTION DURING THE APPLICABLE CALENDAR YEAR;

5 (II) FOR QUALIFIED COMMERCIAL STRUCTURES ESTIMATING
6 QUALIFIED REHABILITATION EXPENDITURES IN EXCESS OF FOUR MILLION
7 DOLLARS, SEVEN AND ONE-HALF MILLION DOLLARS IN THE AGGREGATE
8 FOR EACH OF THE 2015, 2016, 2017, AND 2018 CALENDAR YEARS, IN
9 ADDITION TO THE AMOUNT OF ANY PREVIOUSLY RESERVED TAX CREDITS
10 THAT WERE RESCINDED UNDER PARAGRAPH (a) OF SUBSECTION (8) OF THIS
11 SECTION DURING THE APPLICABLE CALENDAR YEAR.

12 (b) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
13 SUBSECTION (12), IF THE ENTIRETY OF THE ALLOWABLE TAX CREDIT
14 AMOUNT FOR ANY TAX YEAR IS NOT REQUESTED AND RESERVED UNDER
15 SUBPARAGRAPHS (I) AND (II) OF PARAGRAPH (a) OF THIS SUBSECTION (12),
16 THE OFFICE MAY USE ANY SUCH UNRESERVED TAX CREDITS IN AWARDING
17 TAX CREDITS IN ANOTHER CATEGORY FOR THAT SAME INCOME TAX YEAR,
18 AND THE OFFICE MAY ALSO USE ANY REMAINING UNRESERVED TAX
19 CREDITS FOR THAT TAX YEAR IN AWARDING TAX CREDITS IN SUBSEQUENT
20 INCOME TAX YEARS.

21 (c) ANY TAX CREDITS GRANTED UNDER THIS SECTION TO A
22 PARTNERSHIP, A LIMITED LIABILITY COMPANY TAXED AS A PARTNERSHIP,
23 OR MULTIPLE OWNERS OF A PROPERTY MUST BE PASSED THROUGH TO THE
24 PARTNERS, MEMBERS, OR OWNERS, INCLUDING ANY NONPROFIT ENTITY
25 THAT IS A PARTNER, MEMBER, OR OWNER, RESPECTIVELY, ON A PRO RATA
26 BASIS OR PURSUANT TO AN EXECUTED AGREEMENT AMONG THE PARTNERS,
27 MEMBERS, OR OWNERS DOCUMENTING AN ALTERNATE DISTRIBUTION

1 METHOD.

2 (d) ANY TAX CREDITS AWARDED UNDER THIS SECTION FOR A
3 QUALIFIED COMMERCIAL STRUCTURE ARE FREELY TRANSFERABLE AND
4 ASSIGNABLE, SUBJECT TO ANY NOTICE AND VERIFICATION REQUIREMENTS
5 TO BE DETERMINED BY THE OFFICE. ANY TRANSFEREE OF A TAX CREDIT
6 AWARDED UNDER THIS SECTION MAY USE THE AMOUNT OF TAX CREDITS
7 TRANSFERRED TO OFFSET AGAINST ANY OTHER TAX DUE UNDER THIS
8 ARTICLE OR THE TRANSFEREE MAY FREELY TRANSFER AND ASSIGN ALL OR
9 ANY PORTION OF THE TAX CREDITS TO ANY OTHER PERSON OR ENTITY,
10 INCLUDING AN ENTITY THAT IS EXEMPT FROM FEDERAL INCOME TAXATION
11 PURSUANT TO SECTION 501 (c) OF THE INTERNAL REVENUE CODE, AS
12 AMENDED, AND THE OTHER PERSON OR ENTITY MAY FREELY TRANSFER
13 AND ASSIGN ALL OR ANY PORTION OF THE TAX CREDITS TO ANY OTHER
14 PERSON OR ENTITY. THE TAX CREDITS MAY BE TRANSFERRED OR ASSIGNED
15 ON MULTIPLE OCCASIONS UNTIL SUCH TIME AS THE CREDIT IS CLAIMED ON
16 A STATE TAX RETURN BY ANY OWNER. THE TRANSFEROR AND THE
17 TRANSFEREE OF THE TAX CREDITS SHALL JOINTLY FILE A COPY OF THE
18 WRITTEN TRANSFER AGREEMENT WITH THE OFFICE WITHIN THIRTY DAYS
19 AFTER THE TRANSFER. ANY FILING OF THE WRITTEN TRANSFER
20 AGREEMENT WITH THE OFFICE PERFECTS THE TRANSFER. THE OFFICE
21 SHALL DEVELOP A SYSTEM TO TRACK THE TRANSFERS OF TAX CREDITS AND
22 TO CERTIFY THE OWNERSHIP OF TAX CREDITS, AND THE OFFICE MAY
23 PROMULGATE RULES TO PERMIT VERIFICATION OF THE OWNERSHIP OF THE
24 TAX CREDITS; EXCEPT THAT, ANY RULES PROMULGATED SHALL NOT
25 UNDULY RESTRICT OR HINDER THE TRANSFER OF THE TAX CREDITS.

26 (e) (I) IF, DURING THE FIVE-YEAR PERIOD AFTER THE TAX CREDITS
27 ARE AWARDED, THE INITIAL OWNER WHO WAS AWARDED THE TAX CREDIT

1 CERTIFICATE DEMOLISHES OR SIGNIFICANTLY ALTERS THE CERTIFIED
2 REHABILITATION UPON WHICH THE CREDIT WAS BASED OR MAKES
3 MATERIAL CHANGES TO THE CERTIFIED REHABILITATION UPON WHICH THE
4 CREDIT WAS BASED THAT ARE INCONSISTENT WITH THE STANDARDS FOR
5 REHABILITATION PROMULGATED BY THE UNITED STATES SECRETARY OF
6 THE INTERIOR, THE INITIAL OWNER SHALL REFUND TO THE DEPARTMENT
7 THE FOLLOWING AMOUNT OF THE TAX CREDIT:

8 (A) IF THE DEMOLITION, ALTERATION, OR CHANGE OCCURS WITHIN
9 THE FIRST YEAR, AN AMOUNT EQUAL TO EIGHTY PERCENT OF THE AMOUNT
10 OF THE TAX CREDIT AWARDED;

11 (B) IF THE DEMOLITION, ALTERATION, OR CHANGE OCCURS WITHIN
12 THE SECOND YEAR, AN AMOUNT EQUAL TO SIXTY PERCENT OF THE
13 AMOUNT OF THE TAX CREDIT AWARDED;

14 (C) IF THE DEMOLITION, ALTERATION, OR CHANGE OCCURS WITHIN
15 THE THIRD YEAR, AN AMOUNT EQUAL TO FORTY PERCENT OF THE AMOUNT
16 OF THE TAX CREDIT AWARDED; AND

17 (D) IF THE DEMOLITION, ALTERATION, OR CHANGE OCCURS WITHIN
18 THE FOURTH YEAR, AN AMOUNT EQUAL TO TWENTY PERCENT OF THE
19 AMOUNT OF THE TAX CREDIT AWARDED.

20 (II) IF THE CHANGES TO THE QUALIFIED STRUCTURE DESCRIBED IN
21 SUBPARAGRAPH (I) OF THIS PARAGRAPH (e) TAKE PLACE IN THE FIFTH
22 YEAR, NO AMOUNT OF THE TAX CREDIT AWARDED MUST BE REFUNDED.

23 (III) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
24 ONLY THE OWNER INITIALLY AWARDED THE TAX CREDIT CERTIFICATE, AND
25 NOT ANY SUBSEQUENT TRANSFEREE OF THE TAX CREDIT CERTIFICATE, IS
26 REQUIRED TO REFUND ANY PORTION OF THE OF TAX CREDIT UNDER
27 SUBPARAGRAPH (I) OF THIS PARAGRAPH (e).

1 (13) ANY OWNER OR ANY DULY AUTHORIZED REPRESENTATIVE OF
2 AN OWNER MAY APPEAL ANY FINAL DETERMINATION MADE BY THE OFFICE
3 OR THE DEPARTMENT, INCLUDING, WITHOUT LIMITATION, ANY
4 PRELIMINARY OR FINAL RESERVATION, OR ANY APPROVAL OR DENIAL, IN
5 ACCORDANCE WITH THE "STATE ADMINISTRATIVE PROCEDURE ACT",
6 ARTICLE 4 OF TITLE 24, C.R.S. THE OWNER OR THE OWNER'S
7 REPRESENTATIVE SHALL SUBMIT ANY SUCH APPEAL WITHIN THIRTY DAYS
8 AFTER RECEIPT BY THE OWNER OR THE OWNER'S REPRESENTATIVE OF THE
9 FINAL DETERMINATION THAT IS THE SUBJECT OF THE APPEAL.

10 (14) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
11 THE TAX CREDITS AUTHORIZED BY THIS SECTION FOR THE SUBSTANTIAL
12 REHABILITATION OF A QUALIFIED STRUCTURE ARE NOT AVAILABLE TO AN
13 OWNER OF A QUALIFIED STRUCTURE THAT SUBMITS AN APPLICATION AND
14 REHABILITATION PLAN AFTER DECEMBER 31, 2018. NO ACTION OR
15 INACTION ON THE PART OF THE GENERAL ASSEMBLY HAS THE EFFECT OF
16 LIMITING OR SUSPENDING THE AWARDING OF TAX CREDITS AUTHORIZED BY
17 THIS SECTION IN ANY PAST OR FUTURE INCOME TAX YEAR WITH RESPECT
18 TO A QUALIFIED STRUCTURE IF THE OWNER OF THE STRUCTURE SUBMITS AN
19 APPLICATION AND REHABILITATION PLAN WITH THE OFFICE ON OR PRIOR TO
20 DECEMBER 31, 2018, EVEN IF THE QUALIFIED STRUCTURE IS PLACED INTO
21 SERVICE AFTER DECEMBER 31, 2018.

22 (15) (a) THE DEPARTMENT MAY AUDIT ANY CREDIT OBTAINED BY
23 THE OWNER; EXCEPT THAT ONLY THE OWNER INITIALLY AWARDED THE
24 TAX CREDIT CERTIFICATE, AND NOT ANY SUBSEQUENT TRANSFEREE OF THE
25 CERTIFICATE, IS LIABLE FOR ANY CREDIT IMPROPERLY OBTAINED BY THE
26 OWNER.

27 (b) THE OFFICE SHALL, IN CONSULTATION WITH THE DEPARTMENT,

1 REPORT TO THE GENERAL ASSEMBLY BY MARCH 1 OF THE THIRD YEAR
2 FOLLOWING THE EFFECTIVE DATE OF THIS SUBSECTION (15), AND BY
3 MARCH 1 OF EACH YEAR THEREAFTER, ON THE OVERALL ECONOMIC
4 ACTIVITY, USAGE, AND IMPACT TO THE STATE FROM THE SUBSTANTIAL
5 REHABILITATION OF QUALIFIED STRUCTURES FOR WHICH TAX CREDITS
6 HAVE BEEN ALLOWED UNDER THIS SECTION.

7 (c) THE OFFICE, IN CONSULTATION WITH THE HISTORICAL SOCIETY,
8 SHALL PROMULGATE ANY AND ALL RULES NECESSARY TO FURTHER
9 IMPLEMENT THIS SECTION. ANY SUCH RULES SHALL BE PROMULGATED IN
10 ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S.

11 (16) (a) THERE IS HEREBY CREATED IN THE STATE TREASURY THE
12 TAX CREDIT FOR QUALIFIED COSTS INCURRED IN THE PRESERVATION OF
13 HISTORIC STRUCTURES FUND. THE FUND IS ADMINISTERED BY THE
14 DEPARTMENT. THE FUND CONSISTS OF ALL MONEYS TRANSFERRED TO THE
15 FUND BY THE GENERAL ASSEMBLY IN ACCORDANCE WITH SECTION
16 24-75-302 (12), C.R.S., FOR THE PURPOSE OF OFFSETTING THE REDUCTION
17 IN GENERAL FUND REVENUE THAT RESULTS FROM AN OWNER CLAIMING
18 THE INCOME TAX CREDIT ALLOWED IN THIS SECTION. ANY MONEYS IN THE
19 FUND NOT TRANSFERRED PURSUANT TO PARAGRAPH (b) OF THIS
20 SUBSECTION (16) AT THE END OF ANY FISCAL YEAR REMAIN IN THE FUND
21 AND REMAIN AVAILABLE FOR FUTURE TRANSFERS PURSUANT TO
22 PARAGRAPH (b) OF THIS SUBSECTION (16) IN THE NEXT FISCAL YEAR FOR
23 THE PURPOSES SPECIFIED IN THIS SECTION.

24 (b) THE DEPARTMENT SHALL NOTIFY THE STATE TREASURER WHEN
25 A TAX CREDIT HAS BEEN CLAIMED UNDER THIS SECTION. UPON SUCH
26 NOTIFICATION, THE STATE TREASURER SHALL TRANSFER THE AMOUNT OF
27 THE TAX CREDIT CLAIMED FROM THE FUND.

1 **SECTION 3. Applicability.** This act applies to costs for the
2 rehabilitation of historic structures incurred on or after January 1, 2015.

3 **SECTION 4. Safety clause.** The general assembly hereby finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, and safety.