

Colorado Legislative Council Staff Fiscal Note

**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-0949 **Date:** April 1, 2015
Prime Sponsor(s): Rep. Esgar **Bill Status:** House Business, Affairs and Labor
 Sen. Steadman **Fiscal Analyst:** Larson Silbaugh (303-866-4720)

BILL TOPIC: MOD DEF PRESERVE HISTORIC STRUCTURES TAX CREDIT

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue	See State Revenue section	
State Expenditures		
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill changes the definition of a qualified commercial structure for purposes of the historic preservation tax credit. The new definition matches that for a qualified residential structure and requires that structures be listed on the state register of historic places or be designated as a historic structure by a local government.

Background

House Bill 14-1311 created an income tax credit for the costs incurred to preserve historic buildings. The definition for historic structures in current law is based on the federal Internal Revenue Service definition. This definition has prevented some buildings on the state register of historic places from qualifying for the credit.

The total credit for all taxpayers was capped at \$5 million in 2016 and \$10 million in 2017 through 2019. House Bill 15-1307 does not alter these caps.

State Revenue

Some properties will qualify for the historic preservation tax credit based on the new definition of a qualified commercial structure that would not qualify under current law. Because more properties would qualify, this has the potential to reduce state income tax revenue. However, the fiscal note for House Bill 14-1311 assumed that the cap would be reached with the current law definition of qualifying commercial structure. Because the cap is assumed to be reached with either definition, there is no revenue impact from this bill.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Revenue
Personnel and Administration

OEDIT
Municipalities

Higher Education
Counties