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Historic Rehabilitation Tax Credit/92nd Arkansas General Assembly: Act 470 Enacted Reducing Threshold Necessary for Homeowner Qualification

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Governor Hutchinson signed House Bill 1493 which amends the Arkansas Historic Rehabilitation income tax credit.

The bill reduces the investment threshold necessary for homeowners to qualify for the Arkansas Historic Rehabilitation income tax credit.

The intent of the legislation is to enable a greater number of Arkansas homeowners to participate in efforts to restore historic properties. This is accomplished by reducing a \$25,000 threshold for non-income properties to \$5,000.

In 2009 legislation was passed by the Arkansas General Assembly allowing Arkansans to claim a portion of their investment in historic properties as a credit on their state income taxes. The program is administered by the Arkansas Historic Preservation program and encourages the rehabilitation of historic properties and fosters revitalization efforts in Arkansas's historic downtowns and neighborhoods.

Properties that are listed on the National Register of Historic Places or are listed as "contributing" within a historic district on the National Register are eligible. Twenty-five percent of the approved rehabilitation expenses on a historic building may be claimed as a tax credit. See Ark. Code Ann. § 26-51-221 et seq.

Act 470 revises the historic rehabilitation income tax credit to require that a completed certified rehabilitation placed into service after January 1, 2009, have a minimum investment of \$25,000 in qualified rehabilitation expenses on income producing properties or \$5,000 in qualified rehabilitation expenses on non-income producing properties; and is not receiving a tax credit under any state law for the same eligible property.

Arkansas is one of the 33 states in the United States that offer credits against state taxes to provide incentives for the rehabilitation of historic buildings.

The lead sponsors of Act 470 were Representative Joe Jett (Success) and Senator B. Sample (Hot Springs).

A key proponent of Act 470 was the Quapaw Quarter Association ("QQA"). QQA Executive Director Patricia Blick is quoted by that organization as stating that they were:

...pleased to initiate this modification to the State Historic Rehabilitation Tax Credit Act. Not only will it assist our historic homeowners in Greater Little Rock, it will also assist our historic homeowners throughout the state in urban areas, small towns, and rural areas.

Mitchell Williams Law Firm partner Chuck Cliett serves as Secretary of the QQA.

A copy of House Bill 1493 which is now Act 470 can be found [here](#).