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Historic Rehabilitation/92nd Arkansas General Assembly: House Bill 1493 Reduces Threshold Necessary for Homeowner Qualification

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House Bill 1493 has been introduced to amend the Arkansas historic rehabilitation income tax credit.

The bill would reduce the investment threshold necessary for homeowners to qualify for the Arkansas historic rehabilitation income tax credit.

The intent of the bill is to enable a greater number of Arkansas homeowners to participate in efforts to restore historic properties. This would be accomplished by reducing a \$25,000 threshold for nonincome properties to \$5,000.

In 2009 legislation was passed by the Arkansas General Assembly that allowed 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.*

HB 1493 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 nonincome-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 House Bill 1493 are Representative Joe Jett (Success) and Senator B. Sample (Hot Springs).

The bill was referred to the House Revenue and Tax Committee where it was issued a "Do-Pass."

A copy of HB 1493 can be found [here](#).