WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1999

ENROLLED

SENATE BILL NO. 623

(By Senator Tomblin, Mr. President)

PASSED March 10, 1999
In Effect Feeu Passage
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[Passed March 10, 1999; in effect from passage.]

AN ACT to amend article twenty-one, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section, designated section eight-g, relating to providing a tax credit from the personal income tax to encourage preservation of West Virginia's historic houses and neighborhoods.

Be it enacted by the Legislature of West Virginia:

That article twenty-one, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new section, designated section eight-g, to read as follows:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-8g. Credit for qualified rehabilitated residential buildings investment.

1 (a) A credit against the tax imposed by the provisions of this article is allowed for residential certified historic structures. The credit is equal to twenty percent of eligible rehabilitation expenses in the rehabilitation of a certified...
historical structure. The credit is available for residential
5 certified historic structures located in this state that are
6 reviewed by the West Virginia division of culture and
7 history and designated by the national park service,
8 United States department of the interior as “certified
9 historic structures” as defined in 26 U.S.C. §47.
10
11 (b)(1) “Certified historic structure” means any building
12 located in this state that is listed individually in the
13 national register of historic places or located in a regist-
14 ered historic district, reviewed by the West Virginia
15 division of culture and history and certified by the na-
16 tional park service as being of historic significance to the
17 district.
18
19 (2) “Certified rehabilitation” means any rehabilitation of
20 a certified historic structure that is reviewed by the West
21 Virginia division of culture and history, and certified by
22 the national park service as being consistent with the
23 historic character of the property and, where applicable,
24 the district in which it is located.
25
26 (3) “Eligible rehabilitation expenses” means expenses
27 incurred in the material rehabilitation of a certified
28 historic structure and added to the property's basis for
29 income tax purposes.
30
31 (4) “Historic district” means any district that is listed in
32 the national register of historic places or designated under
33 a state or local statute which has been certified as contain-
34 ing criteria which will substantially achieve the purpose of
35 preserving and rehabilitating buildings of significance to
36 the district and which is certified as substantially meeting
37 all of the requirements for listing of districts in the
38 national register of historic places.
39
40 (5) “Historic preservation application” means applica-
41 tion forms published by the national park service, United
42 States department of the interior, Parts 1, 2 and 3, Form
43 No. 1-168, or its successor.
44
45 (6) “Material rehabilitation” means improvements or
46 reconstruction consistent with the “Secretary of the
47 Interior’s Standards for Rehabilitation,” the actual cost of
which amounts to at least twenty percent of the assessed
value of a certified historic structure for ad valorem real
estate tax purposes for the year before such rehabilitation
expenses were incurred, exclusive of the assessed value of
the land.

(7) "Residential certified historic structure" means any
certified historic structure that is:

(A) Classified as Class II property for levy purposes
pursuant to section five, article eight, chapter eleven of
this code for the year in which the rehabilitation expenses
are incurred; or

(B) Not classified as Class II property for levy purposes
for the year in which the rehabilitation expenses are
incurred but will satisfy the requirements for classification
as Class II for real property assessment purposes pursuant
to section five, article eight, chapter eleven of this code as
of the first day of July of the year following the year in
which the rehabilitation expenses are incurred.

(8) "Secretary of the interior standards" means stan-
dards and guidelines adopted and published by the
national park service, United States department of the
interior, for rehabilitation of historic properties.

(9) "State historic preservation office" means the state
official designated by the governor pursuant to provisions
in the National Historic Preservation Act of 1966, as
amended and further defined in section six, article one,
chapter twenty-nine of this code.

(c)(1) Application and processing procedures for provi-
sions of this section shall be the same or substantially
similar as any required under provisions of 36 C.F.R., Part
67, and to the extent applicable, 26 C.F.R., Part 1. Obtaining
historic preservation certification by proper applica-
tion automatically qualifies the applicant to be considered
for tax credits under this section.

(2) The state historic preservation officer's role in the
application procedure shall be identical, or substantially
similar, to that in 36 C.F.R., Part 67 and 26 C.F.R., Part 1,
to the extent applicable.
(d) All standards including the secretary of the interior standards and provisions in 36 C.F.R., Part 67 and 26 C.F.R, Part 1 that apply to tax credits available from the United States government apply to this section, except that the property eligible for the tax credit under this article may not be income producing property or property for which depreciation is allowed under 26 U.S.C. §168.

(e) If the amount of the credit for qualified rehabilitated residential buildings investment exceeds the taxpayer's tax liability for the taxable year to which the credit applies, the amount that exceeds the tax liability for the taxable year may be carried over for credits against the income taxes of the taxpayer in each of the ensuing five tax years or until the full credit is used, whichever occurs first. In no event, may the amount of the credit taken in a taxable year exceed the tax liability due for the taxable year.

(f) The tax commissioner shall require disclosure of information regarding credits granted pursuant to this section in accordance with the provisions of section five-s, article ten of this chapter. The commissioner of the West Virginia division of culture and history may establish by rule the requirements to implement the credit for qualified rehabilitated residential buildings investment, including reasonable fees to defray the necessary expenses of administration of the credit.

(g) The credit authorized by this section shall be available for tax years beginning after the thirty-first day of December, one thousand nine hundred ninety-nine.
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originating in the Senate.

In effect from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within approved this the 24th Day of

Governor

1989