

**NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** House Bill 1359  
**SHORT TITLE:** Historic Preservation Tax Credit  
**SPONSOR(S):** Representative Marie Colton  
**FISCAL IMPACT:** Expenditures: Increase ( ) Decrease ( )  
Revenues: Increase ( ) Decrease (X)  
No Impact ( )  
No Estimate Available ( )

**FUND AFFECTED:** General Fund (X) Highway Fund ( ) Local Govt. ( )  
Other Funds ( )

**BILL SUMMARY:** The bill allows both individual and corporate taxpayers a new credit for expenditures for the rehabilitation of historic structures. The state credit would "piggy-back" the current 20% federal income tax credit, with the state credit equal to 1/4 of the amount claimed on federal tax returns.

**EFFECTIVE DATE:** Taxable years beginning on or after January 1, 1993

**PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:** Department of Revenue; Individual Income, Inheritance & Gift Tax Division, Corporate Income and Franchise Tax Division

**FISCAL IMPACT**

<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
<u>FY98</u>			

**REVENUES**

<b>GENERAL FUND</b>	The revenue loss would range from a low of \$500,000 to a high of \$700,000 each fiscal year.
<b>HIGHWAY FUND</b>	
<b>HIGHWAY TRUST FUND</b>	
<b>LOCAL</b>	

**EXPENDITURES** None

**POSITIONS:** None

**ASSUMPTIONS AND METHODOLOGY:** The National Park Service, the federal agency responsible for certification of historic structures eligible for the tax credit, reports that in FY90, 41 historic rehabilitation projects were approved in North Carolina with an investment of \$13.9 million. The 20% federal tax credit would have amounted to \$2.8 million. If a state tax credit had been in effect equal to 1/4 of this amount, the cost to the General Fund would have been \$700,000.

Investment in historic preservation in North Carolina has fallen in recent years. In FY92, total investment from statistics compiled by the National Park Service was approximately \$10 million.

**SOURCES OF DATA:** North Carolina Department of Revenue

**TECHNICAL CONSIDERATIONS:**  
**FISCAL RESEARCH DIVISION** 733-4910

**PREPARED BY:** Ruth Sappie

**APPROVED BY:** TomC

**DATE:** July 12, 1993



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