

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

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**SENATE BILL 856**

Short Title: Historic Preservation Credit Limitation. (Public)

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Sponsors: Senators Kerr, Horton; Clodfelter, Dannelly, and Odom.

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Referred to: Finance.

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April 4, 2001

A BILL TO BE ENTITLED

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2 AN ACT TO CLARIFY THAT THE TAX CREDIT FOR REHABILITATING A  
3 NONINCOME-PRODUCING HISTORIC STRUCTURE APPLIES ONLY TO  
4 RESIDENTIAL BUILDINGS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-129.36 reads as rewritten:

7 "**§ 105-129.36. Credit for rehabilitating ~~nonincome-producing~~**  
8 **nonincome-producing, residential historic structure.**

9 (a) Credit. – A taxpayer who is not allowed a federal income tax credit under  
10 section 47 of the Code and who makes rehabilitation expenses for a State-certified  
11 historic structure located in this State is allowed a credit equal to thirty percent (30%) of  
12 the rehabilitation expenses. To qualify for the credit, the structure must be used  
13 exclusively as a residence for a period of five years following the rehabilitation and the  
14 taxpayer's rehabilitation expenses must exceed twenty-five thousand dollars (\$25,000)  
15 within a 24-month period. To claim the credit allowed by this subsection, the taxpayer  
16 must attach to the return a copy of the certification obtained from the State Historic  
17 Preservation Officer verifying that the historic structure has been rehabilitated in  
18 accordance with this subsection.

19 (b) Definitions. – The following definitions apply in this section:

20 (1) Certified rehabilitation. – Repairs or alterations consistent with the  
21 Secretary of the Interior's Standards for Rehabilitation and certified as  
22 such by the State Historic Preservation Officer prior to the  
23 commencement of the work.

24 (2) Rehabilitation expenses. – Expenses incurred in the certified  
25 rehabilitation of a certified historic structure and added to the  
26 property's basis. The term does not include the cost of acquiring the  
27 property, the cost attributable to the enlargement of an existing

1 building, the cost of sitework expenditures, or the cost of personal  
2 property.

3 (3) State-certified historic structure. – A structure that is individually  
4 listed in the National Register of Historic Places or is certified by the  
5 State Historic Preservation Officer as contributing to the historic  
6 significance of a National Register Historic District or a locally  
7 designated historic district certified by the United States Department of  
8 the Interior.

9 (4) State Historic Preservation Officer. – The Director of the Division of  
10 Archives and History or the Director's designee who acts to administer  
11 the historic preservation programs within the State.

12 (c) Rules. – The North Carolina Historical Commission, in consultation with the  
13 State Historic Preservation Officer, may adopt rules needed to administer the  
14 certification process required by this section."

15 **SECTION 2.** This act is effective for taxable years beginning on or after  
16 January 1, 2001.