

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Historic Preservation Tax Credit Act.

6 Section 5. Definitions. As used in this Act, unless the
7 context clearly indicates otherwise:

8 "Division" means the State Historic Preservation Office
9 within the Department of Natural Resources.

10 "Phased rehabilitation" means a project that is completed
11 in phases, as defined under Section 47 of the federal Internal
12 Revenue Code and pursuant to National Park Service regulations
13 at 36 C.F.R. 67.

14 "Placed in service" means the date when the property is
15 placed in a condition or state of readiness and availability
16 for a specifically assigned function as defined under Section
17 47 of the federal Internal Revenue Code and federal Treasury
18 Regulation Sections 1.46 and 1.48.

19 "Qualified expenditures" means all the costs and expenses
20 defined as qualified rehabilitation expenditures under Section
21 47 of the federal Internal Revenue Code that were incurred in
22 connection with a qualified historic structure.

23 "Qualified historic structure" means any structure that is

1 located in Illinois and is defined as a certified historic
2 structure under Section 47 (c)(3) of the federal Internal
3 Revenue Code.

4 "Qualified rehabilitation plan" means a project that is
5 approved by the Department of Natural Resources and the
6 National Park Service as being consistent with the United
7 States Secretary of the Interior's Standards for
8 Rehabilitation.

9 "Qualified taxpayer" means the owner of the qualified
10 historic structure or any other person who may qualify for the
11 federal rehabilitation credit allowed by Section 47 of the
12 federal Internal Revenue Code.

13 "Recapture event" means any of the following events
14 occurring during the recapture period:

15 (1) failure to place in service the rehabilitated
16 portions of the qualified historic structure, or failure to
17 maintain the rehabilitated portions of the qualified
18 historic structure in service after they are placed in
19 service; provided that a recapture event under this
20 paragraph (1) shall not include a removal from service for
21 a reasonable period of time to conduct maintenance and
22 repairs that are reasonably necessary to protect the health
23 and safety of the public or to protect the structural
24 integrity of the qualified historic structure or a
25 neighboring structure;

26 (2) demolition or other alteration of the qualified

1 historic structure in a manner that is inconsistent with
2 the qualified rehabilitation plan or the Secretary of the
3 Interior's Standards for Rehabilitation;

4 (3) disposition of the rehabilitated qualified
5 historic structure in whole or a proportional disposition
6 of a partnership interest therein, except as otherwise
7 permitted by this Section; or

8 (4) use of the qualified historic structure in a manner
9 that is inconsistent with the qualified rehabilitation
10 plan or that is otherwise inconsistent with the provisions
11 and intent of this Section.

12 A recapture event occurring in one taxable year shall be
13 deemed continuing to subsequent taxable years unless and until
14 corrected.

15 The following dispositions of a qualified historic
16 structure shall not be deemed to be a recapture event for
17 purposes of this Section:

18 (1) a transfer by reason of death;

19 (2) a transfer between spouses incident to divorce;

20 (3) a sale by and leaseback to an entity that, when the
21 rehabilitated portions of the qualified historic structure
22 are placed in service, will be a lessee of the qualified
23 historic structure, but only for so long as the entity
24 continues to be a lessee; and

25 (4) a mere change in the form of conducting the trade
26 or business by the owner (or, if applicable, the lessee) of

1 the qualified historic structure, so long as the property
2 interest in such qualified historic structure is retained
3 in such trade or business and the owner or lessee retains a
4 substantial interest in such trade or business.

5 "Recapture period" means the 5-year period beginning on the
6 date that the qualified historic structure or rehabilitated
7 portions of the qualified historic structure are placed in
8 service.

9 "Substantial rehabilitation" means that the qualified
10 rehabilitation expenditures during the 24-month period
11 selected by the taxpayer at the time and in the manner
12 prescribed by rule and ending with or within the taxable year
13 exceed the greater of (i) the adjusted basis of the building
14 and its structural components or (ii) \$5,000. The adjusted
15 basis of the building and its structural components shall be
16 determined as of the beginning of the first day of such
17 24-month period or as of the beginning of the first day of the
18 holding period of the building, whichever is later. For
19 purposes of determining the adjusted basis, the determination
20 of the beginning of the holding period shall be made without
21 regard to any reconstruction by the taxpayer in connection with
22 the rehabilitation. In the case of any phased rehabilitation,
23 with phases set forth in architectural plans and specifications
24 completed before the rehabilitation begins, this definition
25 shall be applied by substituting "60-month period" for
26 "24-month period" wherever that term occurs in the definition.

1 Section 10. Allowable credit.

2 (a) To the extent authorized by this Act, for taxable years
3 beginning on or after January 1, 2019 and ending on or before
4 December 31, 2023, there shall be allowed a tax credit against
5 the tax imposed by subsections (a) and (b) of Section 201 of
6 the Illinois Income Tax Act in an aggregate amount equal to 25%
7 of qualified expenditures incurred by a qualified taxpayer
8 undertaking a qualified rehabilitation plan of a qualified
9 historic structure, provided that the total amount of such
10 expenditures must (i) equal \$5,000 or more or (ii) exceed the
11 adjusted basis of the qualified historic structure on the first
12 day the qualified rehabilitation plan commenced. If the
13 qualified rehabilitation plan spans multiple years, the
14 aggregate credit for the entire project shall be allowed in the
15 last taxable year.

16 (b) To obtain a tax credit pursuant to this Section, the
17 taxpayer must apply with the Division. The Division shall
18 determine the amount of eligible rehabilitation expenditures
19 within 45 days after receipt of a complete application. The
20 taxpayer must provide to the Division a third-party cost
21 certification conducted by a certified public accountant
22 verifying (i) the qualified and non-qualified rehabilitation
23 expenses and (ii) that the qualified expenditures exceed the
24 adjusted basis of the qualified historic structure on the first
25 day the qualified rehabilitation plan commenced. The

1 accountant shall provide appropriate review and testing of
2 invoices. The Division is authorized, but not required, to
3 accept this third-party cost certification to determine the
4 amount of qualified expenditures. The Division and the National
5 Park Service shall determine whether the rehabilitation is
6 consistent with the Standards of the Secretary of the United
7 States Department of the Interior.

8 (c) If the amount of any tax credit awarded under this Act
9 exceeds the qualified taxpayer's income tax liability for the
10 year in which the qualified rehabilitation plan was placed in
11 service, the excess amount may be carried forward for deduction
12 from the taxpayer's income tax liability in the next succeeding
13 year or years until the total amount of the credit has been
14 used, except that a credit may not be carried forward for
15 deduction after the tenth taxable year after the taxable year
16 in which the qualified rehabilitation plan was placed in
17 service. Upon completion and review of the project, the
18 Division shall issue a single certificate in the amount of the
19 eligible credits equal to 25% of the qualified expenditures
20 incurred during the eligible taxable years. At the time the
21 certificate is issued, an issuance fee up to the maximum amount
22 of 2% of the amount of the credits issued by the certificate
23 may be collected from the applicant to administer the Act. If
24 collected, this issuance fee shall be directed to the Division
25 Historic Property Administrative Fund or other such fund as
26 appropriate for use of the Division in the administration of

1 the Historic Preservation Tax Credit Program. The taxpayer must
2 attach the certificate or legal documentation of her or his
3 proportional share of the certificate to the tax return on
4 which the credits are to be claimed. The tax credit under this
5 Section may not reduce the taxpayer's liability to less than
6 zero. If the amount of the credit exceeds the tax liability for
7 the year, the excess credit may be carried forward and applied
8 to the tax liability of the 10 taxable years following the
9 excess credit year.

10 (d) If the taxpayer is (i) a corporation having an election
11 in effect under Subchapter S of the federal Internal Revenue
12 Code, (ii) a partnership, or (iii) a limited liability company,
13 the credit provided under this Act may be claimed by the
14 shareholders of the corporation, the partners of the
15 partnership, or the members of the limited liability company in
16 the same manner as those shareholders, partners, or members
17 account for their proportionate shares of the income or losses
18 of the corporation, partnership, or limited liability company,
19 or as provided in the bylaws or other executed agreement of the
20 corporation, partnership, or limited liability company.
21 Credits granted to a partnership, a limited liability company
22 taxed as a partnership, or other multiple owners of property
23 shall be passed through to the partners, members, or owners
24 respectively on a pro rata basis or pursuant to an executed
25 agreement among the partners, members, or owners documenting
26 any alternate distribution method.

1 (e) If a recapture event occurs during the recapture period
2 with respect to a qualified historic structure, then for any
3 taxable year in which the credits are allowed as specified in
4 this Act, the tax under the applicable Section of this Act
5 shall be increased by applying the recapture percentage set
6 forth below to the tax decrease resulting from the application
7 of credits allowed under this Act to the taxable year in
8 question.

9 For the purposes of this subsection, the recapture
10 percentage shall be determined as follows:

11 (1) if the recapture event occurs within the first year
12 after commencement of the recapture period, then the
13 recapture percentage is 100%;

14 (2) if the recapture event occurs within the second
15 year after commencement of the recapture period, then the
16 recapture percentage is 80%;

17 (3) if the recapture event occurs within the third year
18 after commencement of the recapture period, then the
19 recapture percentage is 60%;

20 (4) if the recapture event occurs within the fourth
21 year after commencement of the recapture period, then the
22 recapture percentage is 40%; and

23 (5) if the recapture event occurs within the fifth year
24 after commencement of the recapture period, then the
25 recapture percentage is 20%.

26 In the case of any recapture event, the carryforwards under

1 this Act shall be adjusted by reason of such event.

2 (d) The Division may adopt rules to implement this Section
3 in addition to the rules expressly authorized herein.

4 Section 20. Limitations, reporting, and monitoring.

5 (a) The Division shall award not more than an aggregate of
6 \$15,000,000 in total annual tax credits pursuant to qualified
7 rehabilitation plans for qualified historic structures. The
8 Division shall award not more than \$3,000,000 in tax credits
9 with regard to a single qualified rehabilitation plan. In
10 awarding tax credits under this Act, the Division must
11 prioritize projects that meet one or more of the following:

12 (1) the qualified historic structure is located in a
13 county that borders a State with a historic property
14 rehabilitation credit;

15 (2) the qualified historic structure was previously
16 owned by a federal, state, or local governmental entity;

17 (3) the qualified historic structure is located in a
18 census tract that has a median family income at or below
19 the State median family income; data from the most recent
20 5-year estimate from the American Community Survey (ACS),
21 published by the U.S. Census Bureau, shall be used to
22 determine eligibility;

23 (4) the qualified rehabilitation plan includes in the
24 development partnership a Community Development Entity or
25 a low-profit (B Corporation) or not-for-profit

1 organization, as defined by Section 501(c)(3) of the
2 Internal Revenue Code; or

3 (5) the qualified historic structure is located in an
4 area declared under an Emergency Declaration or Major
5 Disaster Declaration under the federal Robert T. Stafford
6 Disaster Relief and Emergency Assistance Act.

7 (b) The annual aggregate program allocation of \$15,000,000
8 set forth in subsection (a) shall be allocated by the Division,
9 in such proportion as determined by the Department, on a per
10 calendar basis twice in each year that the program is in
11 effect, provided that: (i) the amount initially allocated by
12 the Division for any one calendar application period shall not
13 exceed 65% of the total allowable amount and (ii) any portion
14 of the allocated allowable amount remaining unused as of the
15 end of any of the second calendar application period of a given
16 calendar year shall be rolled into and added to the total
17 allocated amount for the next available calendar year. The
18 qualified rehabilitation plan must meet a readiness test, as
19 defined in the rules created by the Division, in order for the
20 Applicant to qualify. Applicants that qualify under this Act
21 will be placed in a queue based on the date and time the
22 application is received until such time as the application
23 period total allowable amount is reached. Applicants must
24 reapply for each application period.

25 (c) On or before December 31, 2019, and on or before
26 December 31 of each odd-numbered year thereafter through 2023,

1 subject to appropriation and prior to equal disbursement to the
2 Division, moneys in the Historic Property Administrative Fund
3 shall be used, beginning at the end of the first fiscal year
4 after the effective date of this Act, to hire a qualified third
5 party to prepare a biennial report to assess the overall
6 effectiveness of this Act from the qualified rehabilitation
7 projects under this Act completed in that year and in previous
8 years. Baseline data of the metrics in the report shall be
9 collected at the initiation of a qualified rehabilitation
10 project. The overall economic impact shall include at least:

11 (1) the number of applications, project locations, and
12 proposed use of qualified historic structures;

13 (2) the amount of credits awarded and the number and
14 location of projects receiving credit allocations;

15 (3) the status of ongoing projects and projected
16 qualifying expenditures for ongoing projects;

17 (4) for completed projects, the total amount of
18 qualifying rehabilitation expenditures and non-qualifying
19 expenditures, the number of housing units created and the
20 number of housing units that qualify as affordable, and the
21 total square footage rehabilitated and developed;

22 (5) direct, indirect, and induced economic impacts;

23 (6) temporary, permanent, and construction jobs
24 created; and

25 (7) sales, income, and property tax generation before
26 construction, during construction, and after completion.

1 The report to the General Assembly shall be filed with the
2 Clerk of the House of Representatives and the Secretary of the
3 Senate in electronic form only, in the manner that the Clerk
4 and the Secretary shall direct.

5 (d) Any time prior to issuance of a tax credit certificate,
6 the Director of the Division, the State Historic Preservation
7 Officer, or staff of the Division may, upon reasonable notice
8 to the project owner of not less than 3 business days, conduct
9 a site visit to the project to inspect and evaluate the
10 project.

11 (e) Any time prior to the issuance of a tax credit
12 certificate and for a period of 4 years following the effective
13 date of a project tax credit certificate, the Director may,
14 upon reasonable notice of not less than 30 calendar days,
15 request a status report from the Applicant consisting of
16 information and updates relevant to the status of the project.
17 Status reports shall not be requested more than twice yearly.

18 (f) In order to demonstrate sufficient evidence of
19 reviewable progress within 12 months after the date the
20 Applicant received notification of approval from the Division,
21 the Applicant shall provide all of the following:

22 (1) a viable financial plan which demonstrates by way
23 of an executed agreement that all financing has been
24 secured for the project; such financing shall include, but
25 not be limited to, equity investment as demonstrated by
26 letters of commitment from the owner of the property,

1 investment partners, and equity investors;

2 (2) final construction drawings or approved building
3 permits that demonstrate the complete rehabilitation of
4 the full scope of the application; and

5 (3) all historic approvals, including all federal and
6 State rehabilitation documents required by the Division.

7 The Director shall review the submitted evidence and may
8 request additional documentation from the Applicant if
9 necessary. The Applicant will have 30 calendar days to provide
10 the information requested, otherwise the approval may be
11 rescinded at the discretion of the Director.

12 (g) In order to demonstrate sufficient evidence of
13 reviewable progress within 18 months after the date the
14 application received notification of approval from the
15 Division, the Applicant is required to provide detailed
16 evidence that the Applicant has secured and closed on financing
17 for the complete scope of rehabilitation for the project. To
18 demonstrate evidence that the Applicant has secured and closed
19 on financing, the Applicant will need to provide signed and
20 processed loan agreements, bank financing documents or other
21 legal and contractual evidence to demonstrate that adequate
22 financing is available to complete the project. The Director
23 shall review the submitted evidence and may request additional
24 documentation from the Applicant if necessary. The Applicant
25 will have 30 calendar days to provide the information
26 requested, otherwise the approval may be rescinded at the

1 discretion of the Director.

2 If the Applicant fails to document reviewable progress
3 within 18 months of approval, the Director may notify the
4 Applicant that the application is rescinded. However, should
5 financing and construction be imminent, the Director may elect
6 to grant the Applicant no more than 5 months to close on
7 financing and commence construction. If the Applicant fails to
8 meet these conditions in the required timeframe, the Director
9 shall notify the Applicant that the application is rescinded.
10 Any such rescinded allocation shall be added to the aggregate
11 amount of credits available for allocation for the year in
12 which the forfeiture occurred.

13 The amount of the qualified expenditures identified in the
14 Applicant's certification of completion and reflected on the
15 Historic Preservation Tax Credit certificate issued by the
16 Director is subject to inspection, examination, and audit by
17 the Department of Revenue.

18 The Applicant shall establish and maintain for a period of
19 4 years following the effective date on a project tax credit
20 certificate such records as required by the Director. Such
21 records include, but are not limited to, records documenting
22 project expenditures and compliance with the U.S. Secretary of
23 the Interior's Standards. The Applicant shall make such records
24 available for review and verification by the Director, the
25 State Historic Preservation Officer, the Department of
26 Revenue, or appropriate staff, as well as other appropriate

1 State agencies. In the event the Director determines an
2 Applicant has submitted an annual report containing erroneous
3 information or data not supported by records established and
4 maintained under this Act, the Director may, after providing
5 notice, require the Applicant to resubmit corrected reports.

6 Section 25. Powers. The Division shall adopt rules for the
7 administration of this Act. The Division may enter into an
8 intergovernmental agreement with the Department of Commerce
9 and Economic Opportunity, the Department of Revenue, or both,
10 for the administration of this Act. Such intergovernmental
11 agreement may allow for the distribution of all or a portion of
12 the issuance fee imposed under Section 10 to the Department of
13 Commerce and Economic Opportunity or the Department of Revenue,
14 as applicable.

15 Section 900. The Illinois Income Tax Act is amended by
16 changing Section 221 and by adding Section 227 as follows:

17 (35 ILCS 5/221)

18 Sec. 221. Rehabilitation costs; qualified historic
19 properties; River Edge Redevelopment Zone.

20 (a) For taxable years that begin ~~beginning~~ on or after
21 January 1, 2012 and begin ~~ending~~ prior to January 1, 2018
22 ~~January 1, 2022~~, there shall be allowed a tax credit against
23 the tax imposed by subsections (a) and (b) of Section 201 of

1 this Act in an amount equal to 25% of qualified expenditures
2 incurred by a qualified taxpayer during the taxable year in the
3 restoration and preservation of a qualified historic structure
4 located in a River Edge Redevelopment Zone pursuant to a
5 qualified rehabilitation plan, provided that the total amount
6 of such expenditures (i) must equal \$5,000 or more and (ii)
7 must exceed 50% of the purchase price of the property.

8 (a-1) For taxable years that begin on or after January 1,
9 2018 and end prior to January 1, 2022, there shall be allowed a
10 tax credit against the tax imposed by subsections (a) and (b)
11 of Section 201 of this Act in an aggregate amount equal to 25%
12 of qualified expenditures incurred by a qualified taxpayer in
13 the restoration and preservation of a qualified historic
14 structure located in a River Edge Redevelopment Zone pursuant
15 to a qualified rehabilitation plan, provided that the total
16 amount of such expenditures must (i) equal \$5,000 or more and
17 (ii) exceed the adjusted basis of the qualified historic
18 structure on the first day the qualified rehabilitation plan
19 begins. For any rehabilitation project, regardless of duration
20 or number of phases, the project's compliance with the
21 foregoing provisions (i) and (ii) shall be determined based on
22 the aggregate amount of qualified expenditures for the entire
23 project and may include expenditures incurred under subsection
24 (a), this subsection, or both subsection (a) and this
25 subsection. If the qualified rehabilitation plan spans
26 multiple years, the aggregate credit for the entire project

1 shall be allowed in the last taxable year, except for phased
2 rehabilitation projects, which may receive credits upon
3 completion of each phase. Before obtaining the first phased
4 credit: (A) the total amount of such expenditures must meet the
5 requirements of provisions (i) and (ii) of this subsection; (B)
6 the rehabilitated portion of the qualified historic structure
7 must be placed in service; and (C) the requirements of
8 subsection (b) must be met.

9 (b) To obtain a tax credit pursuant to this Section, the
10 taxpayer must apply with the Department of Natural Resources
11 ~~Commerce and Economic Opportunity~~. The Department of Natural
12 Resources Commerce and Economic Opportunity, in consultation
13 ~~with the Historic Preservation Agency,~~ shall determine the
14 amount of eligible rehabilitation costs and expenses within 45
15 days of receipt of a complete application. The taxpayer must
16 submit a certification of costs prepared by an independent
17 certified public accountant that certifies (i) the project
18 expenses, (ii) whether those expenses are qualified
19 expenditures, and (iii) that the qualified expenditures exceed
20 the adjusted basis of the qualified historic structure on the
21 first day the qualified rehabilitation plan commenced. The
22 Department of Natural Resources is authorized, but not
23 required, to accept this certification of costs to determine
24 the amount of qualified expenditures and the amount of the
25 credit. The Department of Natural Resources shall provide
26 guidance as to the minimum standards to be followed in the

1 preparation of such certification. The Department of Natural
2 Resources and the National Park Service ~~Historic Preservation~~
3 ~~Agency~~ shall determine whether the rehabilitation is
4 consistent with the United States Secretary of the Interior's
5 Standards for Rehabilitation ~~the standards of the Secretary of~~
6 ~~the United States Department of the Interior for~~
7 ~~rehabilitation.~~

8 (b-1) Upon completion ~~and review~~ of the project and
9 approval of the complete application, the Department of Natural
10 Resources ~~Commerce and Economic Opportunity~~ shall issue a
11 single certificate in the amount of the eligible credits equal
12 to 25% of qualified expenditures incurred during the eligible
13 taxable years, as defined in subsections (a) and (a-1),
14 excepting any credits awarded under subsection (a) prior to the
15 effective date of this amendatory Act of the 100th General
16 Assembly and any phased credits issued prior to the eligible
17 taxable year under subsection (a-1). At the time the
18 certificate is issued, an issuance fee up to the maximum amount
19 of 2% of the amount of the credits issued by the certificate
20 may be collected from the applicant to administer the
21 provisions of this Section. If collected, this issuance fee
22 shall be deposited into the Historic Property Administrative
23 Fund, a special fund created in the State treasury. Subject to
24 appropriation, moneys in the Historic Property Administrative
25 Fund shall be provided to the Department of Natural Resources
26 as reimbursement ~~evenly divided between the Department of~~

1 ~~Commerce and Economic Opportunity and the Historic~~
2 ~~Preservation Agency to reimburse the Department of Commerce and~~
3 ~~Economic Opportunity and the Historic Preservation Agency for~~
4 the costs associated with administering this Section. ~~The~~
5 ~~taxpayer must attach the certificate to the tax return on which~~
6 ~~the credits are to be claimed. The Department of Commerce and~~
7 ~~Economic Opportunity may adopt rules to implement this Section.~~

8 (c) The taxpayer must attach the certificate to the tax
9 return on which the credits are to be claimed. The tax credit
10 under this Section may not reduce the taxpayer's liability to
11 less than zero. If the amount of the credit exceeds the tax
12 liability for the year, the excess credit may be carried
13 forward and applied to the tax liability of the 5 taxable years
14 following the excess credit year.

15 (c-1) Subject to appropriation, moneys in the Historic
16 Property Administrative Fund shall be used, on a biennial basis
17 beginning at the end of the second fiscal year after the
18 effective date of this amendatory Act of the 100th General
19 Assembly, to hire a qualified third party to prepare a biennial
20 report to assess the overall economic impact to the State from
21 the qualified rehabilitation projects under this Section
22 completed in that year and in previous years. The overall
23 economic impact shall include at least: (1) the direct and
24 indirect or induced economic impacts of completed projects; (2)
25 temporary, permanent, and construction jobs created; (3)
26 sales, income, and property tax generation before, during

1 construction, and after completion; and (4) indirect
2 neighborhood impact after completion. The report shall be
3 submitted to the Governor and the General Assembly. The report
4 to the General Assembly shall be filed with the Clerk of the
5 House of Representatives and the Secretary of the Senate in
6 electronic form only, in the manner that the Clerk and the
7 Secretary shall direct.

8 (c-2) The Department of Natural Resources may adopt rules
9 to implement this Section in addition to the rules expressly
10 authorized in this Section.

11 (d) As used in this Section, the following terms have the
12 following meanings.

13 "Phased rehabilitation" means a project that is completed
14 in phases, as defined under Section 47 of the federal Internal
15 Revenue Code and pursuant to National Park Service regulations
16 at 36 C.F.R. 67.

17 "Placed in service" means the date when the property is
18 placed in a condition or state of readiness and availability
19 for a specifically assigned function as defined under Section
20 47 of the federal Internal Revenue Code and federal Treasury
21 Regulation Sections 1.46 and 1.48.

22 "Qualified expenditure" means all the costs and expenses
23 defined as qualified rehabilitation expenditures under Section
24 47 of the federal Internal Revenue Code that were incurred in
25 connection with a qualified historic structure.

26 "Qualified historic structure" means a certified historic

1 structure as defined under Section 47(c)(3) of the federal
2 Internal Revenue Code.

3 "Qualified rehabilitation plan" means a project that is
4 approved by the Department of Natural Resources and the
5 National Park Service ~~Historic Preservation Agency~~ as being
6 consistent with the United States Secretary of the Interior's
7 Standards for Rehabilitation ~~standards in effect on the~~
8 ~~effective date of this amendatory Act of the 97th General~~
9 ~~Assembly for rehabilitation as adopted by the federal Secretary~~
10 ~~of the Interior.~~

11 "Qualified taxpayer" means the owner of the qualified
12 historic structure or any other person who qualifies for the
13 federal rehabilitation credit allowed by Section 47 of the
14 federal Internal Revenue Code with respect to that qualified
15 historic structure. Partners, shareholders of subchapter S
16 corporations, and owners of limited liability companies (if the
17 limited liability company is treated as a partnership for
18 purposes of federal and State income taxation) are entitled to
19 a credit under this Section to be determined in accordance with
20 the determination of income and distributive share of income
21 under Sections 702 and 703 and subchapter S of the Internal
22 Revenue Code, provided that credits granted to a partnership, a
23 limited liability company taxed as a partnership, or other
24 multiple owners of property shall be passed through to the
25 partners, members, or owners respectively on a pro rata basis
26 or pursuant to an executed agreement among the partners,

1 members, or owners documenting any alternate distribution
2 method.

3 (Source: P.A. 99-914, eff. 12-20-16; 100-236, eff. 8-18-17.)

4 (35 ILCS 5/227 new)

5 Sec. 227. Historic preservation credit. For tax years
6 beginning on or after January 1, 2019 and ending on or before
7 December 31, 2023, a taxpayer who qualifies for a credit under
8 the Historic Preservation Tax Credit Act is entitled to a
9 credit against the taxes imposed under subsections (a) and (b)
10 of Section 201 of this Act as provided in that Act. If the
11 taxpayer is a partnership or Subchapter S corporation, the
12 credit shall be allowed to the partners or shareholders in
13 accordance with the determination of income and distributive
14 share of income under Sections 702 and 704 and Subchapter S of
15 the Internal Revenue Code. If the amount of any tax credit
16 awarded under this Section exceeds the qualified taxpayer's
17 income tax liability for the year in which the qualified
18 rehabilitation plan was placed in service, the excess amount
19 may be carried forward as provided in the Historic Preservation
20 Tax Credit Act.