

Tax credit for qualified costs incurred in preservation of historic properties

There are currently two laws that govern the issuance of state income tax credits for costs incurred in the rehabilitation/preservation of historic properties. Colorado House Bill 90-1033 established the state's first historic preservation tax credit program on April 20, 1990. It is found under the Colorado Revised Statutes Title 39, Article 22, Part 5, Article 514 (or CRS 39-22-514 for short). It remains in effect until December 31, 2019, and may be extended by a vote of the State Legislature.

Colorado House Bill 14-1311, which became law on May 14, 2014, established a separate historic preservation tax credit for the rehabilitation of commercial properties and revised the provisions associated with the rehabilitation of residential properties. It is found under the Colorado Revised Statutes Title 39, Article 22, Part 5, Article 514.5 (or CRS 39-22-514.5 for short). It is also in effect until December 31, 2019, and may also be extended beyond that day by a vote of the State Legislature.

Both laws are currently active and in effect. Per CRS 39-22-514.5(15)(c), a taxpayer cannot claim a credit under both the 1990 law and the 2014 law, but rather must choose one or the other.

COLORADO REVISED STATUTES TITLE 39, ARTICLE 22, PART 5, ARTICLE 514

TAX CREDIT FOR QUALIFIED COSTS INCURRED IN PRESERVATION OF HISTORIC PROPERTIES

(1) (a) Except as otherwise provided in paragraph (b) of this subsection (1), for income tax years commencing on or after January 1, 1991, but prior to January 1, 2020, there shall be allowed a credit with respect to the income taxes imposed pursuant to the provisions of this article to each taxpayer:

(I) Who is the owner or qualified tenant of qualified property and who incurs qualified costs in an amount equaling or exceeding five thousand dollars in the qualified rehabilitation of such qualified property; or

(II) Who is allowed a credit for costs incurred in the rehabilitation of property located in Colorado pursuant to the provisions of section 38 of the internal revenue code.

(b) Any taxpayer who is allowed a credit for qualified expenditures incurred in the rehabilitation of property pursuant to the provisions of section 39-30-105.6 shall not be allowed the credit provided in paragraph (a) of this subsection (1).

(2) (a) The credit provided for in paragraph (a) of subsection (1) of this section shall not exceed an

aggregate of fifty thousand dollars per qualified property or an amount equal to twenty percent of the aggregate qualified costs incurred per qualified property, whichever is less.

(b) (Deleted by amendment, L. 99, p. 1278, § 1, effective June 3, 1999.)

(3) (a) Except as otherwise provided in paragraph (b) of this subsection (3) and subsection (6) of this section, in order for any taxpayer to qualify for the credit provided for in paragraph (a) of subsection (1) of this section, the taxpayer shall:

(I) Except as otherwise provided in this subparagraph (I), submit a fee of two hundred fifty dollars, the plans and specifications for such proposed restoration, rehabilitation, or preservation, and a signed agreement, if any, specified in subsection (4) of this section to the appropriate reviewing entity and receive preliminary approval, in writing, from said reviewing entity stating that such proposed restoration, rehabilitation, or preservation constitutes qualified rehabilitation. In the discretion of the reviewing entity, the fee imposed pursuant to this subparagraph (I) may be reduced or eliminated when the amount of qualified costs expected to be incurred in connection with the restoration, rehabilitation, or preservation is less than fifteen thousand dollars. If any restoration, rehabilitation, or preservation has commenced prior to the submission of the application fee, plans and specifications, and signed agreement, if any, pursuant to the provisions of this subparagraph (I), the taxpayer shall also submit documentation satisfactory to the reviewing entity indicating the condition of the qualified property prior to commencement of the rehabilitation, including, but not limited to, photographs of the property and written declarations from persons knowledgeable about the property. For the purposes of this subparagraph (I), any owners of qualified property and any qualified tenants leasing said qualified property who wish to qualify for the credit provided for in paragraph (a) of subsection (1) of this section for said qualified property may jointly submit the fee and the plans and specifications, or such owners may submit the fee, the plans and specifications, and a list of qualified tenants leasing said qualified property and, if such owners or tenants have commenced restoration, rehabilitation, or preservation prior to the submission of the application fee, plans and specifications, and signed agreement, if any, pursuant to the provisions of this subparagraph (I), they shall also jointly submit such documentation as is required pursuant to this subparagraph (I).

(II) Except as otherwise provided in subsection (5) of this section, complete the qualified rehabilitation of the qualified property within a period of twenty-four months from the date upon which preliminary approval was given pursuant to the provisions of subparagraph (I) of this paragraph (a);

(III) Obtain a form from the reviewing entity verifying compliance with the provisions of this subsection (3). If more than one of the taxpayers have complied with the provisions of this subsection (3) for the same qualified property, the reviewing entity shall issue such verification form to each such taxpayer, and such verification form shall specify the proportion of the amount of the tax credit allowed to such taxpayer as determined pursuant to the provisions of subsection (4) of this section. The reviewing entity shall issue said verification form only upon the submittal of an accounting of total qualified costs incurred in said qualified rehabilitation and the names of the owners and qualified tenants who incurred such qualified costs, the payment of a fee in an amount determined pursuant to the provisions of paragraph (a) of subsection (11) of this section, and the making of the determination that such completed qualified rehabilitation:

(A) Conforms to the plans and specifications approved pursuant to subparagraph (I) of this paragraph (a);

(B) Was completed within the appropriate period of time; and

(C) Preserves and maintains those qualities of such qualified property which made it eligible for

inclusion individually or as a contributing property in a district in the state register of historic places or for designation as a landmark or as a contributing property in a historic district by a certified local government.

(IV) Submit the verification form obtained pursuant to the provisions of subparagraph (III) of this paragraph (a) with the income tax return being filed by the taxpayer for the income tax year in which such qualified rehabilitation is completed.

(b) The provisions of paragraph (a) of this subsection (3) shall not apply to any taxpayer who is allowed a credit for costs incurred in the rehabilitation of property located in Colorado pursuant to the provisions of section 38 of the internal revenue code.

(4) When more than one taxpayer qualify for the tax credit provided for in paragraph (a) of subsection (1) of this section for the same qualified property, the amount of the tax credit allowed pursuant to the provisions of this section shall be divided pro rata according to the number of such taxpayers unless a binding agreement has been filed with the reviewing entity, as specified in subparagraph (I) of paragraph (a) of subsection (3) of this section, that is signed by all of the taxpayers who qualify for said tax credit for the same qualified property and that specifies the manner in which the amount of the tax credit allowed is to be divided among such taxpayers. Nothing in this subsection (4) shall preclude the state income tax credit created pursuant to this section from being allocated among taxpayers in a different manner than the allocation of any credit claimed pursuant to section 38 of the internal revenue code.

(5) The reviewing entity may grant, upon request, a one-time extension of the completion deadline specified in subparagraph (II) of paragraph (a) of subsection (3) of this section. Such extension shall be for a period not to exceed twenty-four months and shall be granted only upon a showing of good cause.

(6) (a) (I) Any taxpayer who was given preliminary approval prior to January 1, 2020, pursuant to the provisions of subparagraph (I) of paragraph (a) of subsection (3) of this section; whose completion deadline as set forth in subparagraph (II) of paragraph (a) of subsection (3) and in subsection (5) of this section is subsequent to December 31, 2019; and who has not completed the qualified rehabilitation prior to January 1, 2020, shall, in order to qualify for the credit provided for in paragraph (a) of subsection (1) of this section, obtain a form from the reviewing entity verifying compliance with the provisions of subparagraph (I) of paragraph (a) of subsection (3) of this section and this subsection (6). If more than one of the taxpayers have complied with said provisions for the same qualified property, the reviewing entity shall issue such verification form to each such taxpayer, and such verification form shall specify the proportion of the amount of the tax credit allowed to such taxpayer as determined pursuant to subsection (4) of this section.

(II) The reviewing entity shall issue said verification form only upon the submittal of an accounting of total qualified costs incurred in said qualified rehabilitation prior to January 1, 2020, and the names of the owners and qualified tenants who incurred such qualified costs, the payment of a fee in an amount determined pursuant to the provisions of paragraph (a) of subsection (11) of this section, and the making of the determination that the portion of such qualified rehabilitation that was completed as of January 1, 2020:

(A) Conforms to the plans and specifications approved pursuant to subparagraph (I) of paragraph (a) of subsection (3) of this section; and

(B) Preserves and maintains those qualities of such qualified property which made it eligible for inclusion individually or as a contributing property in a district in the state register of historic places or for designation as a landmark or as a contributing property in a historic district by a certified local government.

(III) The taxpayer shall submit the verification form obtained pursuant to this paragraph (a) with the income tax return being filed by the taxpayer for the income tax year commencing on or after January 1, 2019, but prior to January 1, 2020.

(b) (Deleted by amendment, L. 99, p. 1278, § 1, effective June 3, 1999.)

(7) (a) Except as otherwise provided in paragraph (b) of this subsection (7), if the amount of the credit allowed pursuant to the provisions of this section exceeds the amount of income taxes otherwise due on the income of the taxpayer in the income tax year for which the credit is being claimed, the amount of the credit not used as an offset against income taxes in said income tax year may be carried forward as a credit against subsequent years' income tax liability for a period not exceeding ten years and shall be applied first to the earliest income tax years possible. Any amount of the credit that is not used after said period shall not be refundable to the taxpayer.

(b) Any taxpayer who has refunded an amount pursuant to the provisions of subsection (8) of this section shall no longer be eligible to carry forward any amount of the credit which had not been used as of the date such refund is made.

(8) Notwithstanding any other law to the contrary, if any taxpayer who is the owner of qualified property and who has claimed the credit pursuant to the provisions of this section sells such qualified property within five years of the completion of the qualified rehabilitation or if any taxpayer who is a qualified tenant leasing qualified property and who has claimed the credit pursuant to the provisions of this section terminates the lease of such qualified property within five years of the completion of the qualified rehabilitation, the taxpayer shall refund the amount of the credit which has been used to offset income taxes which exceeds the following amounts:

(a) Within the first year, an amount equal to zero percent of the amount of the credit allowed;

(b) Within the second year, an amount equal to twenty percent of the amount of the credit allowed;

(c) Within the third year, an amount equal to forty percent of the amount of the credit allowed;

(d) Within the fourth year, an amount equal to sixty percent of the amount of the credit allowed;

(e) Within the fifth year, an amount equal to eighty percent of the amount of the credit allowed.

(9) Within eight months after April 20, 1990, the state historical society shall create appropriate forms and shall establish and promulgate criteria and procedures by which the restoration, rehabilitation, and preservation of qualified properties shall be determined to be qualified rehabilitation for the purposes of the credit provided for in paragraph (a) of subsection (1) of this section.

(10) (a) Each certified local government shall adopt a resolution stating whether such certified local government will act as a reviewing entity for the purposes of subsections (3) and (6) of this section. A copy of such resolution shall be sent to the state historic preservation officer.

(b) Any certified local government which has decided to act as a reviewing entity for any given year for the purposes of subsections (3) and (6) of this section shall be required to perform all duties and responsibilities pursuant to said subsections (3) and (6) for all qualified rehabilitations which received preliminary approval from said reviewing entity during such year.

(11) (a) The amount of the fee required to be paid pursuant to the provisions of subparagraph (III) of paragraph (a) of subsection (3) and subparagraph (II) of paragraph (a) of subsection (6) of this

section shall be an amount equal to the appropriate amount determined pursuant to the following schedule minus the amount of the fee paid pursuant to subparagraph (I) of paragraph (a) of subsection (3) of this section; except that, in the discretion of the reviewing entity, the fee imposed pursuant to this paragraph (a) may be reduced or eliminated where the amount of the qualified costs incurred is less than fifteen thousand dollars:

Amount of qualified costs incurred	Amount of fee
\$5,000 up to and including \$15,000	\$ 250
Over \$15,000 up to and including \$50,000	\$ 500
Over \$50,000 up to and including \$100,000	\$ 750
Over \$100,000	\$ 1,000

(b) (I) Any certified local government which has decided to act as a reviewing entity for the purposes of subsections (3) and (6) of this section shall create a preservation fund. All fees collected pursuant to the provisions of subparagraphs (I) and (III) of paragraph (a) of subsection (3) and subparagraph (II) of paragraph (a) of subsection (6) of this section by a certified local government shall be credited to the preservation fund of such certified local government. The moneys in such fund shall be used for expenditures of such certified government incurred in the performance of its duties pursuant to the provisions of this section.

(II) All fees collected pursuant to the provisions of subparagraphs (I) and (III) of paragraph (a) of subsection (3) and subparagraph (II) of paragraph (a) of subsection (6) of this section by the state historic preservation officer shall be transmitted to the state treasurer, who shall credit said fees to the state historic preservation fund, which fund is hereby created. The moneys in the state historic preservation fund shall be subject to annual appropriation by the general assembly to the state historical society for expenditures of the state historic preservation officer and the state historical society incurred in the performance of their duties pursuant to the provisions of this section and for expenditures incurred in the administration and general operations of the state historical society.

(11.5) Notwithstanding the amount specified for any fee in this section, the executive director by rule or as otherwise provided by law may reduce the amount of one or more of the fees if necessary pursuant to section 24-75-402 (3), C.R.S., to reduce the uncommitted reserves of the fund to which all or any portion of one or more of the fees is credited. After the uncommitted reserves of the fund are sufficiently reduced, the executive director by rule or as otherwise provided by law may increase the amount of one or more of the fees as provided in section 24-75-402 (4), C.R.S.

(11.7) (a) If the revenue estimate prepared by the staff of the legislative council in December 2010 and each December thereafter indicates that the amount of the total general fund revenues for that particular fiscal year will not be sufficient to grow the total state general fund appropriations by six percent over such appropriations for the previous fiscal year, then the credit authorized in this section shall not be allowed for any income tax year commencing during the calendar year following the year in which the estimate is prepared; except that any taxpayer who would have been eligible to claim a credit pursuant to this section in the income tax year in which the credit is not allowed shall be allowed to claim the credit earned in such income tax year in the next income tax year in which the estimate indicates that the amount of the total general fund revenues will be sufficient to grow the total state general fund appropriations by six percent over such appropriations for the previous fiscal year.

(b) The department of revenue shall, through its web site, specify on or before January 1, 2011, and on or before each January 1 thereafter, whether the credit authorized in this section shall be

allowed for a given income tax year pursuant to paragraph (a) of this subsection (11.7).

(12) As used in this section, unless the context otherwise requires:

(a) "Certified local government" means any local government certified by the state historic preservation officer pursuant to the provisions of 16 U.S.C. sec. 470a (c) (1), as amended.

(b) "Contributing property" means property which by location, design, setting, materials, workmanship, feeling, and association adds to the sense of time, place, and historical development of a historic district.

(c) "Designated" means established by local preservation ordinance.

(d) "Property" means a building or structure or a unit of a multiunit building where such units are individually owned.

(e) "Qualified costs" means costs associated with the qualified rehabilitation of a qualified property. "Qualified costs" includes, but is not limited to, costs associated with demolition, carpentry, sheetrock, plaster, painting, ceilings, fixtures, doors and windows, fire sprinkler systems, roofing and flashing, exterior repair, cleaning, tuck-pointing, and cleanup. "Qualified costs" does not include costs, commonly referred to as soft costs, which include, but are not limited to, costs associated with appraisals; architectural, engineering, and interior design fees; legal, accounting, and realtor fees; loan fees; sales and marketing; closing; building permit, use, and inspection fees; bids; insurance; project signs and phones; temporary power; bid bonds; copying; and rent loss during construction. "Qualified costs" also does not include, but shall not be limited, costs associated with acquisition; interior furnishings; new additions except as may be required to comply with building and safety codes; excavation; grading; paving; landscaping; routine or periodic maintenance; repairs to out buildings which are associated with a qualified property and which are less than fifty years old; and repairs to additions made to a qualified property after such property was included individually or as a contributing property in a district in the state register of historic places or was designated as a landmark or as a contributing property in a historic district by a certified local government.

(f) "Qualified property" means property located in Colorado which is:

(I) At least fifty years old; and

(II) (A) Listed individually or as a contributing property in a district on the state register of historic properties pursuant to the provisions of article 80.1 of title 24, C.R.S.;

(B) Designated as a landmark by a certified local government; or

(C) Listed as a contributing property within a designated historic district of a certified local government.

(g) "Qualified rehabilitation" means any exterior improvements, structural improvements, mechanical improvements, plumbing improvements, or electrical improvements undertaken to restore, rehabilitate, or preserve the historic character of a qualified property which meets the standards of rehabilitation of the United States secretary of the interior as adopted by the state historic preservation officer and certified local governments pursuant to federal law; but shall not include any improvements undertaken due to normal wear and tear which occurred to a qualified property. As used in this paragraph (g), "exterior improvements" includes, but is not limited to, improvements made to the exterior of the qualified property and to the exterior of any historic out buildings which are associated with the qualified property and which are fifty or more years old.

"Exterior improvements" does not include enlargements, additions, landscaping, routine or periodic maintenance, paving, and site work.

(h) "Qualified tenant" means a taxpayer who holds a lease of five years or longer on qualified property or a portion of such qualified property.

(i) "Reviewing entity" means:

(I) A certified local government which has decided pursuant to the provisions of paragraph (a) of subsection (10) of this section to perform the duties specified in subparagraph (I) of paragraph (a) of subsection (3) of this section; or

(II) The state historic preservation officer when such qualified property either is not located within the jurisdiction of any certified local government or is located within the jurisdiction of any certified local government who has decided pursuant to the provisions of paragraph(a) of subsection (10) of this section not to perform the duties specified in subparagraph (I) of paragraph (a) of subsection (3) of this section.

(j) "State historic preservation officer" means the person designated and appointed pursuant to the provisions of 16 U.S.C. sec. 470a (b) (1) (A),as amended.

(k) "Taxpayer" means:

(I) A resident individual; or

(II) A domestic or foreign corporation subject to the provisions of part 3 of this article.

HISTORY: Source: L.90: Entire section added, p. 1730, § 1, effective April 20. L.94: (1)(a) and (6)(a) amended, p. 1369, § 1, effective May 25. L.98: (11.5) added, p. 1347, § 82, effective June 1. L.99: IP(1)(a), (2), IP(3)(a), (3)(a)(I), (4), (6), (7)(a), (10)(a), and (11)(a)amended, p. 1278, § 1, effective June 3. L.2008: IP(1)(a), (6)(a)(I), IP(6)(a)(II), (6)(a)(III), and (10)(a) amended and (11.7) added, p. 2266, § 1, effective August 5. L.2009: (11.7)(a) amended, (SB 09-228), ch. 410, p. 2265, § 19, effective July 1; (6)(a)(I) amended, (SB 09-292), ch. 369, p. 1980, § 114, effective August 5.

COLORADO REVISED STATUTES

TITLE 39, ARTICLE 22, PART 5, ARTICLE 514.5

COLORADO JOB CREATION AND MAIN STREET REVITALIZATION ACT

39-22-514.5. Tax credit for qualified costs incurred in preservation of historic structures - short title - definitions. (1) THIS SECTION IS KNOWN AND MAY BE CITED AS THE "COLORADO JOB CREATION AND MAIN STREET REVITALIZATION ACT".

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "CERTIFIED HISTORIC STRUCTURE" MEANS A PROPERTY LOCATED IN COLORADO THAT HAS BEEN CERTIFIED BY THE HISTORICAL SOCIETY OR OTHER REVIEWING ENTITY BECAUSE IT HAS BEEN:

(I) LISTED INDIVIDUALLY OR AS A CONTRIBUTING PROPERTY IN A DISTRICT INCLUDED WITHIN THE NATIONAL REGISTER OF HISTORIC PLACES;

(II) LISTED INDIVIDUALLY OR AS A CONTRIBUTING PROPERTY IN A DISTRICT THAT IS INCLUDED WITHIN THE STATE REGISTER OF HISTORIC PROPERTIES PURSUANT TO THE PROVISIONS OF ARTICLE 80.1 OF TITLE 24, C.R.S.;

(III) DESIGNATED AS A LANDMARK BY A CERTIFIED LOCAL GOVERNMENT; OR

(IV) LISTED AS A CONTRIBUTING PROPERTY WITHIN A DESIGNATED HISTORIC DISTRICT OF A CERTIFIED LOCAL GOVERNMENT.

(b) "CERTIFIED LOCAL GOVERNMENT" MEANS ANY LOCAL GOVERNMENT THAT HAS BEEN CERTIFIED BY THE HISTORICAL SOCIETY PURSUANT TO 16 U.S.C. SEC. 470a (c) (1), AS AMENDED.

(c) "CERTIFIED REHABILITATION" MEANS REPAIRS OR ALTERATIONS TO A CERTIFIED HISTORIC STRUCTURE THAT HAVE BEEN CERTIFIED BY THE HISTORICAL SOCIETY OR OTHER REVIEWING ENTITY AS MEETING THE STANDARDS FOR REHABILITATION OF THE UNITED STATES SECRETARY OF THE INTERIOR.

(d) "CONTRIBUTING PROPERTY" MEANS PROPERTY THAT ADDS TO THE SENSE OF TIME, PLACE, AND HISTORICAL DEVELOPMENT OF A HISTORIC DISTRICT AS DETERMINED BY THE HISTORICAL SOCIETY OR OTHER REVIEWING ENTITY.

(e) "DEPARTMENT" MEANS THE COLORADO DEPARTMENT OF REVENUE OR ANY SUCCESSOR ENTITY.

(f) "DESIGNATED" MEANS ESTABLISHED BY LOCAL PRESERVATION ORDINANCE.

(g) "HISTORICAL SOCIETY" MEANS THE STATE HISTORICAL SOCIETY OF COLORADO, ALSO KNOWN AS HISTORY COLORADO, OR ANY SUCCESSOR ENTITY.

(h) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT OR ANY SUCCESSOR ENTITY.

(i) "OWNER" MEANS ANY TAXPAYER FILING A STATE TAX RETURN OR ANY ENTITY THAT IS EXEMPT FROM FEDERAL INCOME TAXATION PURSUANT TO SECTION 501 (c) OF THE INTERNAL REVENUE CODE, AS AMENDED, THAT OWNS:

(I) TITLE TO A QUALIFIED STRUCTURE;

(II) PROSPECTIVE TITLE TO A QUALIFIED STRUCTURE IN THE FORM OF A PURCHASE AGREEMENT OR AN OPTION TO PURCHASE;

(III) A LEASEHOLD INTEREST IN A QUALIFIED COMMERCIAL STRUCTURE FOR A TERM OF NOT LESS THAN THIRTY-NINE YEARS; OR

(IV) A LEASEHOLD INTEREST IN A QUALIFIED RESIDENTIAL STRUCTURE FOR A TERM OF NOT LESS THAN FIVE YEARS.

(j) "QUALIFIED COMMERCIAL STRUCTURE" MEANS AN INCOME PRODUCING AND COMMERCIAL PROPERTY LOCATED IN COLORADO THAT IS:

(I) AT LEAST FIFTY YEARS OLD; AND

(II) (A) LISTED INDIVIDUALLY OR AS A CONTRIBUTING PROPERTY IN A DISTRICT INCLUDED WITHIN THE STATE REGISTER OF HISTORIC PROPERTIES PURSUANT TO ARTICLE 80.1 OF TITLE 24, C.R.S.; (B) DESIGNATED AS A LANDMARK BY A CERTIFIED LOCAL GOVERNMENT; OR (C) LISTED AS A CONTRIBUTING PROPERTY THAT IS INCLUDED WITHIN A DESIGNATED HISTORIC DISTRICT OF A CERTIFIED LOCAL GOVERNMENT

(k) "QUALIFIED REHABILITATION EXPENDITURES" MEANS:

(I) WITH RESPECT TO A QUALIFIED COMMERCIAL STRUCTURE, ANY EXPENDITURE AS DEFINED UNDER SECTION 47 (c) (2) (A) OF THE INTERNAL REVENUE CODE, AS AMENDED, AND THE RELATED REGULATIONS THEREUNDER; AND

(II) WITH RESPECT TO A QUALIFIED RESIDENTIAL STRUCTURE, EXTERIOR IMPROVEMENTS AND INTERIOR IMPROVEMENTS UNDERTAKEN TO RESTORE, REHABILITATE, OR PRESERVE THE HISTORIC CHARACTER OF A QUALIFIED PROPERTY THAT MEET THE STANDARDS FOR REHABILITATION OF THE UNITED STATES SECRETARY OF THE INTERIOR AS ADOPTED BY THE HISTORICAL SOCIETY OR THE CERTIFIED LOCAL GOVERNMENT PURSUANT TO FEDERAL LAW. AS USED IN THIS SUBPARAGRAPH (II), "EXTERIOR IMPROVEMENTS" IS LIMITED TO ANY ONE OR MORE OF THE FOLLOWING: ROOF REPLACEMENT OR REPAIR; EXTERIOR SIDING REPLACEMENT OR REPAIR; MASONRY REPAIR, RE-POINTING, OR REPLACEMENT; WINDOW REPAIR OR REPLACEMENT; DOOR REPAIR OR REPLACEMENT; WOODWORK AND TRIM REPAIR OR REPLACEMENT; FOUNDATION REPAIR OR REPLACEMENT; AND EXCAVATION COSTS ASSOCIATED WITH FOUNDATION WORK. AS USED IN THIS SUBPARAGRAPH (II), "INTERIOR IMPROVEMENTS" IS LIMITED TO ONE OR MORE OF THE FOLLOWING: ELECTRICAL REPAIRS AND UPGRADES; PLUMBING REPAIRS AND UPGRADES; HEATING, VENTING, AND AIR CONDITIONING REPAIRS AND UPGRADES; REPAIR OF EXISTING INTERIOR WALLS AND FINISHES; REPAIR OR REPLACEMENT OF EXISTING WOODWORK AND TRIM; INSULATION; REFINISHING OR REPLACING HISTORIC FLOOR MATERIALS IN-KIND, EXCLUDING CARPETING; AND RECONSTRUCTING MISSING HISTORIC ELEMENTS WHEN THERE IS SUFFICIENT HISTORICAL DOCUMENTATION TO GUIDE THE RECONSTRUCTION.

(I) "QUALIFIED RESIDENTIAL STRUCTURE" MEANS A NONINCOME PRODUCING AND OWNER-OCCUPIED RESIDENTIAL PROPERTY LOCATED IN COLORADO THAT IS:

(I) AT LEAST FIFTY YEARS OLD; AND

(II) (A) LISTED INDIVIDUALLY OR AS A CONTRIBUTING PROPERTY IN A DISTRICT INCLUDED WITHIN THE STATE REGISTER OF HISTORIC PROPERTIES PURSUANT TO ARTICLE 80.1 OF TITLE 24, C.R.S.;

(B) DESIGNATED AS A LANDMARK BY A CERTIFIED LOCAL GOVERNMENT; OR

(C) LISTED AS A CONTRIBUTING PROPERTY THAT IS INCLUDED WITHIN A DESIGNATED HISTORIC DISTRICT OF A CERTIFIED LOCAL GOVERNMENT.

(m) "QUALIFIED STRUCTURE" MEANS A STRUCTURE THAT SATISFIES

THE DEFINITION OF EITHER A QUALIFIED RESIDENTIAL STRUCTURE OR A QUALIFIED COMMERCIAL STRUCTURE.

(n) "REHABILITATION PLAN" MEANS CONSTRUCTION PLANS AND SPECIFICATIONS FOR THE PROPOSED REHABILITATION OF A QUALIFIED STRUCTURE THAT IS IN SUFFICIENT DETAIL TO ENABLE THE OFFICE OR THE REVIEWING ENTITY, AS APPLICABLE, TO EVALUATE WHETHER THE STRUCTURE IS IN COMPLIANCE WITH THE STANDARDS DEVELOPED UNDER SUBSECTION (4) OF THIS SECTION.

(o) "REVIEWING ENTITY" MEANS:

(I) A CERTIFIED LOCAL GOVERNMENT THAT HAS DECIDED PURSUANT TO SUBSECTION (10) OF THIS SECTION TO PERFORM THE DUTIES SPECIFIED UNDER THIS SECTION; OR

(II) THE HISTORICAL SOCIETY IF THE QUALIFIED RESIDENTIAL STRUCTURE EITHER IS NOT LOCATED WITHIN THE TERRITORIAL BOUNDARIES OF ANY CERTIFIED LOCAL GOVERNMENT OR IS LOCATED WITHIN THE TERRITORIAL BOUNDARIES OF A CERTIFIED LOCAL GOVERNMENT THAT HAS DECIDED PURSUANT TO SUBSECTION (10) OF THIS SECTION NOT TO PERFORM THE DUTIES SPECIFIED UNDER THIS SECTION.

(p) "SUBSTANTIAL REHABILITATION" MEANS:

(I) WITH RESPECT TO A QUALIFIED COMMERCIAL STRUCTURE, REHABILITATION FOR WHICH THE QUALIFIED REHABILITATION EXPENDITURES EXCEED TWENTY-FIVE PERCENT OF THE OWNER'S ORIGINAL PURCHASE PRICE OF THE QUALIFIED COMMERCIAL STRUCTURE LESS THE VALUE ATTRIBUTED TO THE LAND; AND

(II) WITH RESPECT TO A QUALIFIED RESIDENTIAL STRUCTURE, REHABILITATION FOR WHICH THE QUALIFIED REHABILITATION EXPENDITURES EXCEED FIVE THOUSAND DOLLARS.

(3) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2016, BUT PRIOR TO JANUARY 1, 2020, THERE SHALL BE ALLOWED A CREDIT WITH RESPECT TO THE INCOME TAXES IMPOSED PURSUANT TO THIS ARTICLE TO EACH OWNER OF A QUALIFIED STRUCTURE THAT COMPLIES WITH THE REQUIREMENTS OF THIS SECTION.

(4) THE OFFICE, IN CONSULTATION WITH THE HISTORICAL SOCIETY, SHALL DEVELOP STANDARDS FOR THE APPROVAL OF THE SUBSTANTIAL REHABILITATION OF QUALIFIED STRUCTURES FOR WHICH A TAX CREDIT UNDER THIS SECTION IS BEING CLAIMED. THE STANDARDS MUST CONSIDER WHETHER THE SUBSTANTIAL REHABILITATION OF A QUALIFIED STRUCTURE IS CONSISTENT WITH THE STANDARDS FOR REHABILITATION ADOPTED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR.

(5) (a) THE OWNER SHALL SUBMIT AN APPLICATION AND REHABILITATION PLAN TO THE OFFICE FOR A QUALIFIED COMMERCIAL STRUCTURE OR TO THE REVIEWING ENTITY FOR A QUALIFIED RESIDENTIAL STRUCTURE, ALONG WITH AN ESTIMATE OF THE QUALIFIED REHABILITATION EXPENDITURES UNDER THE REHABILITATION PLAN. THE OWNER, AT THE OWNER'S OWN RISK, MAY INCUR QUALIFIED REHABILITATION EXPENDITURES NO EARLIER THAN TWENTY-FOUR MONTHS PRIOR TO THE SUBMISSION OF THE APPLICATION AND REHABILITATION PLAN BUT ONLY IF SATISFACTORY DOCUMENTATION IS SUBMITTED TO THE OFFICE OR THE REVIEWING ENTITY, AS APPLICABLE, INDICATING THE CONDITION OF THE QUALIFIED STRUCTURE PRIOR TO COMMENCEMENT OF THE REHABILITATION, INCLUDING BUT NOT LIMITED TO PHOTOGRAPHS OF THE QUALIFIED STRUCTURE AND WRITTEN DECLARATIONS FROM PERSONS KNOWLEDGEABLE ABOUT THE QUALIFIED STRUCTURE. IN CONNECTION WITH ANY APPLICATION SUBMITTED ON OR AFTER JULY 1, 2015, ANY EXPENSES THE OWNER INCURS BEFORE JULY 1, 2015, SHALL NOT BE COUNTED TOWARDS THE OWNER'S QUALIFIED REHABILITATION EXPENDITURES. AN OWNER MAY SUBMIT AN APPLICATION AND REHABILITATION PLAN AND MAY COMMENCE REHABILITATION BEFORE THE PROPERTY:

(I) IS LISTED INDIVIDUALLY OR AS A CONTRIBUTING PROPERTY IN A DISTRICT INCLUDED WITHIN THE NATIONAL REGISTER OF HISTORIC PLACES;

(II) IS LISTED INDIVIDUALLY OR AS A CONTRIBUTING PROPERTY IN A DISTRICT INCLUDED WITHIN THE STATE REGISTER OF HISTORIC PROPERTIES PURSUANT TO ARTICLE 80.1 OF TITLE 24, C.R.S.;

(III) HAS BEEN DESIGNATED AS A LANDMARK BY A CERTIFIED LOCAL GOVERNMENT; OR

(IV) IS LISTED AS A CONTRIBUTING PROPERTY WITHIN A DESIGNATED HISTORIC DISTRICT OF A CERTIFIED LOCAL GOVERNMENT.

(b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (5), AN OWNER MAY INCUR QUALIFIED REHABILITATION EXPENDITURES AT THE OWNER'S OWN RISK.

(c) WITHIN NINETY DAYS AFTER RECEIPT OF THE APPLICATION AND REHABILITATION PLAN, THE OFFICE AND THE HISTORICAL SOCIETY, IN THE CASE OF A QUALIFIED COMMERCIAL STRUCTURE, AND THE REVIEWING ENTITY, IN THE CASE OF A QUALIFIED RESIDENTIAL STRUCTURE, SHALL NOTIFY THE OWNER IN WRITING IF THE REHABILITATION PLAN IS PRELIMINARILY DETERMINED TO BE A CERTIFIED REHABILITATION.

(6)(a) FOR A QUALIFIED COMMERCIAL STRUCTURE, THE OFFICE MAY IMPOSE A REASONABLE APPLICATION FEE THAT DOES NOT EXCEED FIVE HUNDRED DOLLARS.

(b) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE OFFICE SHALL NOT IMPOSE AN APPLICATION FEE UNDER PARAGRAPH (a) OF THIS SUBSECTION (6) FOR A PROJECT FOR WHICH THE AMOUNT OF TAX CREDIT REQUESTED UNDER THIS SECTION IS TWO HUNDRED FIFTY THOUSAND DOLLARS OR LESS.

(c) THE OFFICE MAY IMPOSE ON THE OWNER A REASONABLE ISSUANCE FEE OF UP TO THREE PERCENT OF THE AMOUNT OF THE TAX CREDIT ISSUED, WHICH MUST BE PAID BEFORE THE TAX CREDIT IS ISSUED TO THE OWNER. WITH RESPECT TO BOTH AN APPLICATION FEE AND AN ISSUANCE FEE, THE OFFICE SHALL SHARE ON AN EQUAL BASIS ANY SUCH FEES COLLECTED WITH THE HISTORICAL SOCIETY AND THE DEPARTMENT. MONEYS COLLECTED FROM SUCH FEES MUST BE APPLIED TO THE ADMINISTRATION OF THE TAX CREDIT CREATED BY THIS SECTION.

(d) IN THE CASE OF A QUALIFIED RESIDENTIAL STRUCTURE, THE REVIEWING ENTITY MAY IMPOSE A REASONABLE APPLICATION FEE. HOWEVER, THE REVIEWING ENTITY MAY REDUCE OR ELIMINATE THE APPLICATION FEE IF THE QUALIFIED REHABILITATION EXPENDITURES FOR THE PROJECT ARE LESS THAN FIFTEEN THOUSAND DOLLARS.

(7) (a) IN THE CASE OF A QUALIFIED COMMERCIAL STRUCTURE, A RESERVATION OF TAX CREDITS IS PERMITTED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBSECTION (7). THE OFFICE AND THE HISTORICAL SOCIETY SHALL REVIEW THE APPLICATION AND REHABILITATION PLAN FOR

A QUALIFIED COMMERCIAL STRUCTURE TO DETERMINE THAT THE INFORMATION CONTAINED IN THE APPLICATION AND PLAN IS COMPLETE. IF THE OFFICE AND THE HISTORICAL SOCIETY DETERMINE THAT THE APPLICATION AND REHABILITATION PLAN ARE COMPLETE, THE OFFICE SHALL RESERVE FOR THE BENEFIT OF THE OWNER AN ALLOCATION OF A TAX CREDIT AS PROVIDED IN PARAGRAPH (a) OF SUBSECTION (12) OF THIS SECTION AND THE OFFICE SHALL NOTIFY THE OWNER IN WRITING OF THE AMOUNT OF THE RESERVATION. THE RESERVATION OF TAX CREDITS DOES NOT ENTITLE THE OWNER TO AN ISSUANCE OF ANY TAX CREDITS UNTIL THE OWNER COMPLIES WITH ALL OF THE OTHER REQUIREMENTS SPECIFIED IN THIS SECTION FOR THE ISSUANCE OF THE TAX CREDIT. THE OFFICE MUST RESERVE TAX CREDITS IN THE ORDER IN WHICH IT RECEIVES COMPLETED APPLICATIONS AND REHABILITATION PLANS. THE OFFICE SHALL ISSUE ANY SUCH RESERVATION OF TAX CREDITS AUTHORIZED BY THIS SUBSECTION (7) WITHIN A REASONABLE TIME, NOT TO EXCEED NINETY DAYS AFTER THE FILING OF A COMPLETED APPLICATION AND REHABILITATION PLAN. THE OFFICE SHALL USE A LOTTERY PROCESS TO DETERMINE THE ORDER IN WHICH IT WILL REVIEW APPLICATIONS AND PLANS RECEIVED BY THE OFFICE ON THE SAME DAY. THE OFFICE SHALL ONLY REVIEW AN APPLICATION AND PLAN SUBMITTED IN CONNECTION WITH A PROPERTY FOR WHICH A PROPERTY ADDRESS, LEGAL DESCRIPTION, OR OTHER SPECIFIC LOCATION IS PROVIDED IN THE APPLICATION AND PLAN. THE OWNER SHALL NOT REQUEST THE REVIEW OF ANOTHER PROPERTY FOR APPROVAL IN THE PLACE OF THE PROPERTY THAT IS THE SUBJECT OF THE APPLICATION AND PLAN. ANY APPLICATION AND PLAN DISAPPROVED BY THE OFFICE WILL BE REMOVED FROM THE REVIEW PROCESS, AND THE OFFICE SHALL NOTIFY THE OWNER IN WRITING OF THE DECISION TO REMOVE THE PROPERTY FROM THE REVIEW PROCESS. DISAPPROVED APPLICATIONS AND PLANS LOSE THEIR PRIORITY IN THE REVIEW PROCESS. AN OWNER MAY RESUBMIT A DISAPPROVED APPLICATION AND PLAN, BUT SUCH RESUBMITTED APPLICATION AND PLAN IS DEEMED TO BE A NEW SUBMISSION FOR PURPOSES OF THE PRIORITY PROCEDURES DESCRIBED IN THIS PARAGRAPH (a). THE OFFICE MAY CHARGE A RESUBMITTED APPLICATION AND PLAN A NEW APPLICATION FEE IN AN AMOUNT SPECIFIED IN ACCORDANCE WITH SUBSECTION (6) OF THIS SECTION.

(b) IF, FOR ANY CALENDAR YEAR, THE AGGREGATE AMOUNT OF RESERVATIONS FOR TAX CREDITS THE OFFICE HAS APPROVED IS EQUAL TO THE TOTAL AMOUNT OF TAX CREDITS AVAILABLE FOR RESERVATION DURING THAT CALENDAR YEAR, THE OFFICE SHALL NOTIFY ALL OWNERS WHO HAVE SUBMITTED APPLICATIONS AND REHABILITATION PLANS THEN AWAITING

APPROVAL OR SUBMITTED FOR APPROVAL AFTER THE CALCULATION IS MADE THAT NO ADDITIONAL APPROVALS OF APPLICATIONS AND PLANS FOR RESERVATIONS OF TAX CREDITS WILL BE GRANTED DURING THAT CALENDAR YEAR AND THE OFFICE SHALL ADDITIONALLY NOTIFY THE OWNER OF THE PRIORITY NUMBER GIVEN TO THE OWNER'S APPLICATION AND PLAN THEN AWAITING APPROVAL. THE APPLICATIONS AND PLANS WILL REMAIN IN PRIORITY STATUS FOR TWO YEARS FROM THE DATE OF THE ORIGINAL APPLICATION AND PLAN AND WILL BE CONSIDERED FOR RESERVATIONS OF TAX CREDITS IN THE PRIORITY ORDER ESTABLISHED IN THIS SUBSECTION (7) IN THE EVENT THAT ADDITIONAL CREDITS BECOME AVAILABLE RESULTING FROM THE RESCISSION OF APPROVALS UNDER PARAGRAPH (a) OF SUBSECTION (8) OF THIS SECTION OR BECAUSE A NEW ALLOCATION OF TAX CREDITS FOR A CALENDAR YEAR BECOMES AVAILABLE.

(c) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THIS SUBSECTION (7) DOES NOT APPLY TO A QUALIFIED RESIDENTIAL STRUCTURE BECAUSE NO RESERVATION OF TAX CREDITS IS NECESSARY IN THE CASE OF A QUALIFIED RESIDENTIAL STRUCTURE.

(8) (a) ANY OWNER RECEIVING A RESERVATION OF TAX CREDITS UNDER PARAGRAPH (a) OF SUBSECTION (7) OF THIS SECTION SHALL COMMENCE REHABILITATION OF THE QUALIFIED COMMERCIAL STRUCTURE, IF REHABILITATION HAS NOT PREVIOUSLY BEGUN, WITHIN ONE YEAR AFTER THE DATE OF ISSUANCE OF THE WRITTEN NOTICE FROM THE OFFICE TO THE OWNER GRANTING THE RESERVATION OF TAX CREDITS. ANY OWNER RECEIVING SUCH RESERVATION OF TAX CREDITS SHALL INCUR NOT LESS THAN TWENTY PERCENT OF THE ESTIMATED COSTS OF REHABILITATION CONTAINED IN THE APPLICATION AND REHABILITATION PLAN NOT LATER THAN EIGHTEEN MONTHS AFTER THE DATE OF ISSUANCE OF THE WRITTEN NOTICE FROM THE OFFICE TO THE OWNER GRANTING THE RESERVATION OF TAX CREDITS. ANY OWNER RECEIVING A RESERVATION OF TAX CREDITS SHALL SUBMIT EVIDENCE OF COMPLIANCE WITH THE PROVISIONS OF THIS PARAGRAPH (a). IF THE OFFICE DETERMINES THAT AN OWNER HAS FAILED TO COMPLY WITH THE REQUIREMENTS OF THIS PARAGRAPH (a), THE OFFICE MAY RESCIND THE ISSUANCE IT PREVIOUSLY GAVE THE OWNER APPROVING THE RESERVATION OF TAX CREDITS AND, IF SO, THE TOTAL AMOUNT OF TAX CREDITS MADE AVAILABLE FOR THE CALENDAR YEAR FOR WHICH RESERVATIONS MAY BE GRANTED MUST BE INCREASED BY THE AMOUNT OF THE TAX CREDITS RESCINDED. THE OFFICE SHALL PROMPTLY NOTIFY ANY OWNER WHOSE RESERVATION OF TAX CREDITS HAS BEEN RESCINDED AND,

UPON RECEIPT OF THE NOTICE, THE OWNER MAY SUBMIT A NEW APPLICATION AND PLAN FOR WHICH THE OFFICE MAY CHARGE A NEW APPLICATION FEE IN ACCORDANCE WITH SUBSECTION (6) OF THIS SECTION.

(b) FOLLOWING THE COMPLETION OF A REHABILITATION OF A QUALIFIED COMMERCIAL STRUCTURE, THE OWNER SHALL NOTIFY THE OFFICE THAT THE REHABILITATION HAS BEEN COMPLETED AND SHALL CERTIFY THE QUALIFIED REHABILITATION EXPENDITURES INCURRED BY THE OWNER UNDER THE REHABILITATION PLAN. IN ADDITION, THE OWNER SHALL PROVIDE THE OFFICE WITH A COST AND EXPENSE CERTIFICATION, PREPARED BY A LICENSED CERTIFIED PUBLIC ACCOUNTANT THAT IS NOT AFFILIATED WITH THE OWNER, CERTIFYING THE TOTAL QUALIFIED REHABILITATION EXPENDITURES AND THE TOTAL AMOUNT OF TAX CREDITS FOR WHICH THE OWNER IS ELIGIBLE. IF THE TOTAL AMOUNT OF THE ANTICIPATED TAX CREDITS TO BE ISSUED THE OWNER EXCEEDS TWO HUNDRED FIFTY THOUSAND DOLLARS, THE COST AND EXPENSE CERTIFICATION MUST BE AUDITED BY A LICENSED CERTIFIED PUBLIC ACCOUNTANT. THE OFFICE AND THE HISTORICAL SOCIETY SHALL REVIEW THE DOCUMENTATION OF THE REHABILITATION AND THE HISTORICAL SOCIETY SHALL VERIFY THAT THE DOCUMENTATION SATISFIES THE REHABILITATION PLAN. WITHIN NINETY DAYS AFTER RECEIPT OF SUCH DOCUMENTATION FROM THE OWNER, THE OFFICE SHALL ISSUE A TAX CREDIT CERTIFICATE IN AN AMOUNT EQUAL TO THE FOLLOWING SUBJECT TO PARAGRAPH (c) OF THIS SUBSECTION (8):

(I) TWENTY-FIVE PERCENT OF THE ACTUAL QUALIFIED REHABILITATION EXPENDITURES THAT ARE LESS THAN TWO MILLION DOLLARS; PLUS

(II) TWENTY PERCENT OF THE ACTUAL QUALIFIED REHABILITATION EXPENDITURES IN EXCESS OF TWO MILLION DOLLARS.

(c) NOTWITHSTANDING PARAGRAPH (b) OF THIS SUBSECTION (8): (I)

THE TOTAL AMOUNT OF THE TAX CREDIT CERTIFICATE ISSUED FOR ANY PARTICULAR PROJECT MUST NOT EXCEED THE AMOUNT OF THE TAX

CREDIT RESERVATION ISSUED FOR THE PROJECT UNDER PARAGRAPH (a) OF SUBSECTION (7) OF THIS SECTION;

(II) THE AMOUNT OF A TAX CREDIT CERTIFICATE TO BE ISSUED FOR ANY ONE QUALIFIED COMMERCIAL STRUCTURE MUST NOT EXCEED ONE

MILLION DOLLARS IN ANY ONE CALENDAR YEAR;
AND

(III) WITH RESPECT TO A CERTIFIED HISTORIC STRUCTURE THAT IS LOCATED IN AN AREA THAT THE PRESIDENT OF THE UNITED STATES HAS DETERMINED TO BE A MAJOR DISASTER AREA UNDER SECTION 102(2) OF THE FEDERAL "ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY ASSISTANCE ACT", 42 U.S.C. SEC. 5121 ET SEQ., OR THAT IS LOCATED IN AN AREA THAT THE GOVERNOR HAS DETERMINED TO BE A DISASTER AREA UNDER THE "COLORADO DISASTER EMERGENCY ACT", PART 7 OF ARTICLE

33.5 OF TITLE 24, C.R.S., THE TAX CREDIT AMOUNTS SPECIFIED IN SUBPARAGRAPHS (I) TO (III) OF PARAGRAPH (b) OF THIS SUBSECTION (8) MUST BE INCREASED AS FOLLOWS FOR AN APPLICATION THAT IS FILED WITHIN SIX YEARS AFTER THE DISASTER DETERMINATION:

(A) THE TWENTY-FIVE PERCENT CREDIT AMOUNT SPECIFIED IN SUBPARAGRAPH (I) OF PARAGRAPH (b) OF THIS SUBSECTION (8) IS INCREASED TO THIRTY PERCENT; AND

(B) THE TWENTY PERCENT CREDIT AMOUNT SPECIFIED IN SUBPARAGRAPH (II) OF PARAGRAPH (b) OF THIS SUBSECTION (8) IS INCREASED TO TWENTY-FIVE PERCENT.

(d) IF THE AMOUNT OF QUALIFIED REHABILITATION EXPENDITURES INCURRED BY THE OWNER WOULD RESULT IN AN OWNER BEING ISSUED AN AMOUNT OF TAX CREDITS THAT EXCEEDS THE AMOUNT OF TAX CREDITS RESERVED FOR THE OWNER UNDER PARAGRAPH (a) OF SUBSECTION (7), THE OWNER MAY APPLY TO THE OFFICE FOR THE ISSUANCE OF AN AMOUNT OF TAX CREDITS THAT EQUALS THE EXCESS. THE OWNER MUST SUBMIT ITS APPLICATION FOR ISSUANCE OF SUCH EXCESS TAX CREDITS ON A FORM PRESCRIBED BY THE OFFICE. THE OFFICE SHALL AUTOMATICALLY APPROVE THE APPLICATION, WHICH IT SHALL ISSUE BY MEANS OF A SEPARATE CERTIFICATE, SUBJECT ONLY TO THE AVAILABILITY OF TAX CREDITS AND THE PROVISIONS CONCERNING PRIORITY PROVIDED IN PARAGRAPH (a) OF SUBSECTION (7) OF THIS SECTION.

(e) (I) FOLLOWING THE COMPLETION OF A REHABILITATION OF A QUALIFIED RESIDENTIAL STRUCTURE, THE OWNER SHALL NOTIFY THE REVIEWING ENTITY THAT THE REHABILITATION HAS BEEN COMPLETED AND SHALL CERTIFY THAT THE QUALIFIED REHABILITATION EXPENDITURES INCURRED IN CONNECTION WITH THE REHABILITATION PLAN. THE OWNER

SHALL ALSO PROVIDE THE REVIEWING ENTITY WITH A COST AND EXPENSE CERTIFICATION CERTIFYING THE TOTAL QUALIFIED REHABILITATION EXPENDITURES AND THE TOTAL AMOUNT OF TAX CREDITS FOR WHICH THE OWNER IS ELIGIBLE. THE REVIEWING ENTITY SHALL REVIEW THE DOCUMENTATION OF THE REHABILITATION AND VERIFY ITS COMPLIANCE WITH THE REHABILITATION PLAN. EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (e), WITHIN NINETY DAYS AFTER RECEIPT OF THE FOREGOING DOCUMENTATION FROM THE OWNER, THE REVIEWING ENTITY SHALL ISSUE A TAX CREDIT CERTIFICATE IN AN AMOUNT EQUAL TO TWENTY PERCENT OF THE ACTUAL QUALIFIED REHABILITATION EXPENDITURES; EXCEPT THAT THE AMOUNT OF THE TAX CREDIT CERTIFICATE SHALL NOT EXCEED FIFTY THOUSAND DOLLARS FOR EACH QUALIFIED RESIDENTIAL STRUCTURE, WHICH AMOUNT IS TO BE CALCULATED OVER A TEN-YEAR ROLLING PERIOD THAT COMMENCES WITH EACH CHANGE IN OWNERSHIP OF THE QUALIFIED RESIDENTIAL STRUCTURE.

(II) WITH RESPECT TO A QUALIFIED RESIDENTIAL STRUCTURE LOCATED IN AN AREA THAT THE PRESIDENT OF THE UNITED STATES HAS DETERMINED TO BE A MAJOR DISASTER AREA UNDER SECTION 102(2) OF THE FEDERAL "ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY ASSISTANCE ACT", 42 U.S.C. SEC. 5121 ET SEQ., OR THAT IS LOCATED IN AN AREA THAT THE GOVERNOR HAS DETERMINED TO BE A DISASTER AREA UNDER THE "COLORADO DISASTER EMERGENCY ACT", PART 7 OF ARTICLE

33.5 OF TITLE 24, C.R.S., THE AMOUNT OF THE TAX CREDIT SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (e) IS INCREASED TO TWENTY-FIVE PERCENT FOR AN APPLICATION THAT IS FILED WITHIN SIX YEARS AFTER THE DISASTER DETERMINATION.

(9) IN ORDER TO CLAIM THE CREDIT AUTHORIZED BY THIS SECTION, THE OWNER SHALL FILE THE TAX CREDIT CERTIFICATE WITH THE OWNER'S STATE INCOME TAX RETURN. THE AMOUNT OF THE CREDIT CLAIMED THAT THE OWNER MAY CLAIM UNDER THIS SECTION IS THE AMOUNT STATED ON THE TAX CREDIT CERTIFICATE.

(10) FOR THE PURPOSES OF THIS SECTION, A CERTIFIED LOCAL GOVERNMENT MAY ACT AS A REVIEWING ENTITY ONLY FOR A QUALIFIED RESIDENTIAL STRUCTURE. EACH CERTIFIED LOCAL GOVERNMENT SHALL ADOPT A RESOLUTION OR ORDINANCE STATING WHETHER THE GOVERNMENT WILL ACT AS A REVIEWING ENTITY FOR THE PURPOSES OF THIS SECTION. THE LOCAL GOVERNMENT SHALL SEND A COPY OF THE RESOLUTION OR

ORDINANCE TO THE HISTORICAL SOCIETY. ANY CERTIFIED LOCAL GOVERNMENT THAT DECIDES TO ACT AS A REVIEWING ENTITY FOR ANY GIVEN YEAR FOR THE PURPOSES OF THIS SECTION SHALL PERFORM ALL DUTIES AND RESPONSIBILITIES IN CONNECTION WITH A CERTIFIED REHABILITATION THAT RECEIVES PRELIMINARY APPROVAL FROM SUCH ENTITY DURING THE YEAR.

(11) THE ENTIRE TAX CREDIT TO BE ISSUED UNDER THIS SECTION MAY BE CLAIMED BY THE OWNER IN THE TAXABLE YEAR IN WHICH THE CERTIFIED REHABILITATION IS PLACED IN SERVICE. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE INCOME OF THE OWNER IN THE INCOME TAX YEAR FOR WHICH THE CREDIT IS BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES IN SAID INCOME TAX YEAR MAY BE CARRIED FORWARD AS A CREDIT AGAINST SUBSEQUENT YEARS' INCOME TAX LIABILITY FOR A PERIOD NOT TO EXCEED TEN YEARS AND WILL BE APPLIED TO THE EARLIEST INCOME TAX YEARS POSSIBLE. ANY AMOUNT OF THE CREDIT THAT IS NOT USED AFTER SUCH PERIOD SHALL NOT BE REFUNDED TO THE OWNER.

(12) (a) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE AGGREGATE AMOUNT OF ALL TAX CREDITS IN ANY TAX YEAR THAT MAY BE RESERVED BY THE OFFICE UPON THE CERTIFICATION OF ALL REHABILITATION PLANS UNDER PARAGRAPH (a) OF SUBSECTION (7) OF THIS SECTION MUST NOT EXCEED:

(I) FOR QUALIFIED COMMERCIAL STRUCTURES ESTIMATING QUALIFIED REHABILITATION EXPENDITURES IN THE AMOUNT OF TWO MILLION DOLLARS OR LESS, TWO AND ONE-HALF MILLION DOLLARS IN THE AGGREGATE FOR THE 2016 CALENDAR YEAR, AND FIVE MILLION DOLLARS IN THE AGGREGATE FOR EACH OF THE 2017, 2018, AND 2019 CALENDAR YEARS, IN ADDITION TO THE AMOUNT OF ANY PREVIOUSLY RESERVED TAX CREDITS THAT WERE RESCINDED UNDER PARAGRAPH (a) OF SUBSECTION (8) OF THIS SECTION DURING THE APPLICABLE CALENDAR YEAR;

(II) FOR QUALIFIED COMMERCIAL STRUCTURES ESTIMATING QUALIFIED REHABILITATION EXPENDITURES IN EXCESS OF TWO MILLION DOLLARS, TWO AND ONE-HALF MILLION DOLLARS IN THE AGGREGATE FOR THE 2016 CALENDAR YEAR AND FIVE MILLION DOLLARS IN THE AGGREGATE FOR EACH OF THE 2017, 2018, AND 2019 CALENDAR YEARS, IN ADDITION TO

THE AMOUNT OF ANY PREVIOUSLY RESERVED TAX CREDITS THAT WERE RESCINDED UNDER PARAGRAPH (a) OF SUBSECTION (8) OF THIS SECTION DURING THE APPLICABLE CALENDAR YEAR.

(b) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION (12), IF THE ENTIRETY OF THE ALLOWABLE TAX CREDIT AMOUNT FOR ANY TAX YEAR IS NOT REQUESTED AND RESERVED UNDER SUBPARAGRAPHS (I) AND (II) OF PARAGRAPH (a) OF THIS SUBSECTION (12), THE OFFICE MAY USE ANY SUCH UNRESERVED TAX CREDITS IN ISSUING TAX CREDITS IN ANOTHER CATEGORY FOR THAT SAME INCOME TAX YEAR, AND THE OFFICE MAY ALSO USE ANY REMAINING UNRESERVED TAX CREDITS FOR THAT TAX YEAR IN ISSUING TAX CREDITS IN SUBSEQUENT INCOME TAX YEARS.

(c) ANY TAX CREDITS ISSUED UNDER THIS SECTION TO A PARTNERSHIP, A LIMITED LIABILITY COMPANY TAXED AS A PARTNERSHIP, OR MULTIPLE OWNERS OF A PROPERTY MUST BE PASSED THROUGH TO THE PARTNERS, MEMBERS, OR OWNERS, INCLUDING ANY NONPROFIT ENTITY THAT IS A PARTNER, MEMBER, OR OWNER, RESPECTIVELY, ON A PRO RATA BASIS OR PURSUANT TO AN EXECUTED AGREEMENT AMONG THE PARTNERS, MEMBERS, OR OWNERS DOCUMENTING AN ALTERNATE DISTRIBUTION METHOD.

(d) ANY TAX CREDITS ISSUED UNDER THIS SECTION FOR A QUALIFIED COMMERCIAL STRUCTURE ARE FREELY TRANSFERABLE AND ASSIGNABLE, SUBJECT TO ANY NOTICE AND VERIFICATION REQUIREMENTS TO BE DETERMINED BY THE OFFICE; EXCEPT THAT THE OWNER OR A SUBSEQUENT TRANSFEREE MAY ONLY TRANSFER THE PORTION OF THE TAX CREDIT THAT HAS NEITHER BEEN APPLIED AGAINST THE INCOME TAX IMPOSED BY THIS ARTICLE NOR USED TO OBTAIN A REFUND. ANY TRANSFEREE OF A TAX CREDIT ISSUED UNDER THIS SECTION MAY USE THE AMOUNT OF TAX CREDITS TRANSFERRED TO OFFSET AGAINST ANY OTHER TAX DUE UNDER THIS ARTICLE OR THE TRANSFEREE MAY FREELY TRANSFER AND ASSIGN ALL OR ANY PORTION OF THE TAX CREDITS THAT HAVE NEITHER BEEN APPLIED AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE NOR USED TO OBTAIN A REFUND TO ANY OTHER PERSON OR ENTITY, INCLUDING AN ENTITY THAT IS EXEMPT FROM FEDERAL INCOME TAXATION PURSUANT TO SECTION

501 (c) OF THE INTERNAL REVENUE CODE, AS AMENDED, AND THE OTHER PERSON OR ENTITY MAY FREELY TRANSFER AND ASSIGN ALL OR ANY PORTION OF THE TAX CREDITS THAT HAVE NEITHER BEEN APPLIED AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE NOR USED TO OBTAIN A

REFUND TO ANY OTHER PERSON OR ENTITY. THE TAX CREDITS MAY BE TRANSFERRED OR ASSIGNED ON MULTIPLE OCCASIONS UNTIL SUCH TIME AS THE CREDIT IS CLAIMED ON A STATE TAX RETURN. THE TRANSFEROR AND THE TRANSFEREE OF THE TAX CREDITS SHALL JOINTLY FILE A COPY OF THE WRITTEN TRANSFER AGREEMENT WITH THE OFFICE WITHIN THIRTY DAYS AFTER THE TRANSFER. ANY FILING OF THE WRITTEN TRANSFER AGREEMENT WITH THE OFFICE PERFECTS THE TRANSFER. THE OFFICE SHALL DEVELOP A SYSTEM TO TRACK THE TRANSFERS OF TAX CREDITS AND TO CERTIFY THE OWNERSHIP OF TAX CREDITS. A CERTIFICATION BY THE OFFICE OF THE OWNERSHIP AND THE AMOUNT OF TAX CREDITS MAY BE RELIED ON BY THE DEPARTMENT AND THE TRANSFEREE AS BEING ACCURATE, AND THE OFFICE SHALL NOT ADJUST THE AMOUNT OF TAX CREDITS AS TO THE TRANSFEREE; EXCEPT THAT THE OFFICE RETAINS ANY REMEDIES IT MAY HAVE AGAINST THE OWNER. THE OFFICE SHALL PROMULGATE RULES TO PERMIT VERIFICATION OF THE OWNERSHIP AND AMOUNT OF THE TAX CREDITS; EXCEPT THAT, ANY RULES PROMULGATED SHALL NOT UNDULY RESTRICT OR HINDER THE TRANSFER OF THE TAX CREDITS.

(e)(I) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE AGGREGATE AMOUNT OF TAX CREDITS ISSUED UNDER THIS SECTION MUST NOT EXCEED:

(A) FOR THE TAX YEAR BEGINNING JANUARY 1, 2016, FIVE MILLION DOLLARS;

(B) FOR THE TAX YEAR BEGINNING JANUARY 1, 2017, TEN MILLION DOLLARS;

(C) FOR THE TAX YEAR BEGINNING JANUARY 1, 2018, TEN MILLION DOLLARS; AND

(D) FOR THE TAX YEAR BEGINNING JANUARY 1, 2019, TEN MILLION DOLLARS.

(II) A TAX CREDIT AUTHORIZED UNDER THIS SECTION MAY BE EARNED BEFORE JULY 1, 2016, BUT THE OFFICE SHALL NOT ISSUE A TAX CREDIT UNDER THIS SECTION PRIOR TO JULY 1, 2016.

(13) ANY OWNER OR ANY DULY AUTHORIZED REPRESENTATIVE OF AN OWNER MAY APPEAL ANY FINAL DETERMINATION MADE BY THE OFFICE

OR THE DEPARTMENT, INCLUDING, WITHOUT LIMITATION, ANY PRELIMINARY OR FINAL RESERVATION, OR ANY APPROVAL OR DENIAL, IN ACCORDANCE WITH THE "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE

24, C.R.S. THE OWNER OR THE OWNER'S REPRESENTATIVE SHALL SUBMIT ANY SUCH APPEAL WITHIN THIRTY DAYS AFTER RECEIPT BY THE OWNER OR THE OWNER'S REPRESENTATIVE OF THE FINAL DETERMINATION THAT IS THE SUBJECT OF THE APPEAL.

(14) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE TAX CREDITS AUTHORIZED BY THIS SECTION FOR THE SUBSTANTIAL REHABILITATION OF A QUALIFIED STRUCTURE ARE NOT AVAILABLE TO AN OWNER OF A QUALIFIED STRUCTURE THAT SUBMITS AN APPLICATION AND REHABILITATION PLAN AFTER DECEMBER 31, 2019. NO ACTION OR INACTION ON THE PART OF THE GENERAL ASSEMBLY HAS THE EFFECT OF LIMITING OR SUSPENDING THE ISSUING OF TAX CREDITS AUTHORIZED BY THIS SECTION IN ANY PAST OR FUTURE INCOME TAX YEAR WITH RESPECT TO A QUALIFIED STRUCTURE IF THE OWNER OF THE STRUCTURE SUBMITS AN APPLICATION AND REHABILITATION PLAN WITH THE OFFICE ON OR PRIOR TO DECEMBER 31, 2019, EVEN IF THE QUALIFIED STRUCTURE IS PLACED INTO SERVICE AFTER DECEMBER 31, 2019.

(15) (a) THE OFFICE SHALL, IN CONSULTATION WITH THE DEPARTMENT, REPORT TO THE GENERAL ASSEMBLY BY MARCH 1, 2017, AND BY MARCH 1, 2019, ON THE OVERALL ECONOMIC ACTIVITY, USAGE, AND IMPACT TO THE STATE FROM THE SUBSTANTIAL REHABILITATION OF QUALIFIED STRUCTURES FOR WHICH TAX CREDITS HAVE BEEN ALLOWED UNDER THIS SECTION. ON OR BEFORE MARCH 15, 2016, AND ON A QUARTERLY BASIS THEREAFTER, THE OFFICE SHALL PROVIDE A REPORT TO THE DEPARTMENT SPECIFYING THE OWNERSHIP AND TRANSFERS OF TAX CREDITS UNDER THIS SECTION.

(b) THE OFFICE, IN CONSULTATION WITH THE HISTORICAL SOCIETY, SHALL PROMULGATE ANY AND ALL RULES NECESSARY TO FURTHER IMPLEMENT THIS SECTION AND SHALL SOLICIT ADVICE FROM THE DEPARTMENT IN PROMULGATING RULES FOR TRANSFERS. ANY SUCH RULES MUST BE PROMULGATED IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S.

(c) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A TAXPAYER SHALL NOT CLAIM A CREDIT UNDER THIS SECTION IN CONNECTION WITH THE

REHABILITATION OF A HISTORIC STRUCTURE FOR WHICH THE TAXPAYER IS ALSO CLAIMING A CREDIT UNDER SECTION 39-22-514.

SECTION 2. In Colorado Revised Statutes, 39-21-113, **add** (23) as follows:

39-21-113. Reports and returns – rule - repeal.

(23) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION:

(a) THE EXECUTIVE DIRECTOR MAY PROVIDE SUCH DETAILED TAXPAYER INFORMATION PERTINENT TO A CLAIM FOR AN INCOME TAX CREDIT FOR THE APPROVED REHABILITATION OF A HISTORIC STRUCTURE PURSUANT TO SECTION 39-22-514.5 TO TAXPAYERS, INCLUDING OWNERS AND TRANSFEREES, WITH CASES INVOLVING COMMON OR RELATED ISSUES OF FACT OR LAW. WITH THE EXCEPTION OF TAXPAYER CONTACT INFORMATION, ANY INFORMATION PROVIDED PURSUANT TO THIS SUBSECTION (23) MUST REMAIN CONFIDENTIAL, AND ALL PERSONS ARE SUBJECT TO THE LIMITATIONS SPECIFIED IN SUBSECTION (4) OF THIS SECTION AND THE PENALTIES SPECIFIED IN SUBSECTION (6) OF THIS SECTION.

(b) THE EXECUTIVE DIRECTOR MAY REQUIRE THAT SUCH DETAILED TAXPAYER INFORMATION PERTINENT TO A CLAIM FOR AN INCOME TAX CREDIT FOR THE APPROVED REHABILITATION OF A HISTORIC STRUCTURE PURSUANT TO SECTION 39-22-514.5 AND ANY DOCUMENTATION IN SUPPORT OF THE CREDIT CLAIMED BE GIVEN TO THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT AND THE STATE HISTORICAL SOCIETY OF COLORADO AS THE EXECUTIVE DIRECTOR DETERMINES IS NECESSARY IN THE PERFORMANCE OF THE DEPARTMENT'S FUNCTIONS RELATING TO THE CREDIT. IN RESOLVING DISPUTES REGARDING THE CREDIT, THE EXECUTIVE DIRECTOR MAY DISCLOSE SUCH DETAILED TAXPAYER INFORMATION AND CONSULT WITH THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT AND THE STATE HISTORICAL SOCIETY OF COLORADO. NOTWITHSTANDING PART 2 OF ARTICLE 72 OF TITLE 24, C.R.S., IN ORDER TO PROTECT THE CONFIDENTIAL FINANCIAL INFORMATION OF A TAXPAYER, THE EXECUTIVE DIRECTOR SHALL DENY THE RIGHT TO INSPECT ANY INFORMATION OR DOCUMENTATION REQUIRED IN ACCORDANCE WITH THIS SUBSECTION (23).

SECTION 3. Appropriation - adjustments to 2014 long bill. (1) For the implementation of this act, the general fund appropriation made in the annual general appropriation act to the controlled maintenance trust

fund created in section 24-75-302.5 (2) (a), Colorado Revised Statutes, for the fiscal year beginning July 1, 2014, is decreased by \$106,283.

(2) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the governor - lieutenant governor - state planning and budgeting, for the fiscal year beginning July 1, 2014, the sum of \$106,283 and 0.5 FTE, or so much thereof as may be necessary, to be allocated to economic development programs for the development, implementation, and management costs associated with the income tax credit program.

SECTION 4. Applicability. This act applies to costs for the rehabilitation of historic structures incurred on or after July 1, 2015.