IC 6-3.1-16
Chapter 16. Historic Rehabilitation Credit

IC 6-3.1-16-1
Repealed

IC 6-3.1-16-2
"Office"
Sec. 2. As used in this chapter, "office" means the office of community and rural affairs established by IC 4-4-9.7-4.

IC 6-3.1-16-2.7
"Pass through entity"
Sec. 2.7. As used in this chapter, "pass through entity" means:
   (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
   (2) a partnership;
   (3) a limited liability company; or
   (4) a limited liability partnership.

IC 6-3.1-16-3
"Preservation"
Sec. 3. (a) As used in this chapter, "preservation" means the application of measures to sustain the form, integrity, and material of:
   (1) a building or structure; or
   (2) the form and vegetative cover of property.
   (b) The term includes stabilization work and the maintenance of historic building materials.
As added by P.L.77-1993, SEC.1.

IC 6-3.1-16-4
"Qualified expenditures"
Sec. 4. (a) As used in this chapter, "qualified expenditures" means expenditures for preservation or rehabilitation that are chargeable to a capital account.
   (b) The term does not include costs that are incurred to do the following:
      (1) Acquire a property or an interest in a property.
      (2) Pay taxes due on a property.
      (3) Enlarge an existing structure.
      (4) Pay realtor's fees associated with a structure or property.
      (5) Pay paving and landscaping costs.

Indiana Code 2016
(6) Pay sales and marketing costs.
As added by P.L.77-1993, SEC.1.

IC 6-3.1-16-5
"Rehabilitation"
Sec. 5. As used in this chapter, "rehabilitation" means the process of returning a property to a state of utility through repair or alteration that makes possible an efficient contemporary use while preserving the parts or features of the property that are significant to the historical, architectural, or archeological values of the property.
As added by P.L.77-1993, SEC.1.

IC 6-3.1-16-6
"State tax liability"
Sec. 6. As used in this chapter, "state tax liability" means a taxpayer's total tax liability incurred under IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax), as computed after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

IC 6-3.1-16-6.1
"Taxpayer"
Sec. 6.1. As used in this chapter, "taxpayer" means an individual, a corporation, an S corporation, a partnership, a limited liability company, a limited liability partnership, a nonprofit organization, or a joint venture.
As added by P.L.54-1997, SEC.2.

IC 6-3.1-16-7
Credit; amount; married couple filing separate returns; credit not allowed for qualified expenditures made in a taxable year beginning after December 31, 2015; expiration
Sec. 7. (a) Subject to section 14 of this chapter, a taxpayer is entitled to a credit against the taxpayer's state tax liability in the taxable year in which the taxpayer completes the preservation or rehabilitation of historic property and obtains the certifications required under section 8 of this chapter.
(b) The amount of the credit is equal to twenty percent (20%) of the qualified expenditures that:
(1) the taxpayer makes for the preservation or rehabilitation of historic property; and
(2) are approved by the office.
(c) In the case of a husband and wife who:
(1) own and rehabilitate a historic property jointly; and
(2) file separate tax returns;
the husband and wife may take the credit in equal shares or one (1)
spouse may take the whole credit.

(d) A taxpayer is not entitled to a credit under this chapter for a qualified expenditure made in a taxable year beginning after December 31, 2015.

(e) This chapter expires January 1, 2019.


IC 6-3.1-16-7.5
Credit; pass through entity
Sec. 7.5. (a) If a pass through entity is entitled to a credit under section 7 of this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

(b) The credit provided under subsection (a) is in addition to a tax credit to which a shareholder, partner, or member of a pass through entity is otherwise entitled under this chapter. However, a pass through entity and a shareholder, partner, or member of the pass through entity may not claim more than one (1) credit for the same qualified expenditure.


IC 6-3.1-16-8
Qualifying conditions; assistance to office by department of natural resources
Sec. 8. (a) A taxpayer qualifies for a credit under section 7 of this chapter if all of the following conditions are met:

(1) The historic property is:

(A) located in Indiana;

(B) at least fifty (50) years old; and

(C) except as provided in section 7(c) of this chapter, owned by the taxpayer.

(2) The office certifies that the historic property is listed in the register of Indiana historic sites and historic structures.

(3) The office certifies that the taxpayer submitted a proposed preservation or rehabilitation plan to the office that complies with the standards of the office.

(4) The office certifies that the preservation or rehabilitation work that is the subject of the credit substantially complies with the proposed plan referred to in subdivision (3).

(5) The preservation or rehabilitation work is completed in not more than:

(A) two (2) years; or

(B) five (5) years if the preservation or rehabilitation plan

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indicates that the preservation or rehabilitation is initially planned for completion in phases.
The time in which work must be completed begins when the physical work of construction or destruction in preparation for construction begins.

(6) The historic property is:
   (A) actively used in a trade or business;
   (B) held for the production of income; or
   (C) held for the rental or other use in the ordinary course of the taxpayer's trade or business.

(7) The qualified expenditures for preservation or rehabilitation of the historic property exceed ten thousand dollars ($10,000).

(b) The division of historic preservation and archaeology of the department of natural resources shall assist the office, as requested and at no expense to the office, in making the certifications under this section.


IC 6-3.1-16-9
Certifications; conditions; appeal
Sec. 9. (a) The office shall provide the certifications referred to in section 8(3) and 8(4) of this chapter if a taxpayer's proposed preservation or rehabilitation plan complies with the standards of the office and the taxpayer's preservation or rehabilitation work complies with the plan.

(b) The taxpayer may appeal a final determination by the office under this chapter to the tax court.

IC 6-3.1-16-10
Claim procedure
Sec. 10. To obtain a credit under this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue the certifications by the office required under section 8 of this chapter and all information that the department of state revenue determines is necessary for the calculation of the credit provided by this chapter.

IC 6-3.1-16-11
Adjusted basis reduction
Sec. 11. For purposes of IC 6-3, the adjusted basis of:
   (1) the structure, if the historic property is a structure; or
   (2) the entire property, if the historic property is not a structure;
shall be reduced by the amount of a credit granted under this chapter.  
*As added by P.L.77-1993, SEC.1.*

**IC 6-3.1-16-12**  
**Recapture**  
Sec. 12. (a) A credit claimed under this chapter shall be recaptured from the taxpayer if:

1. the property is transferred less than five (5) years after completion of the certified preservation or rehabilitation work; or
2. less than five (5) years after completion of the certified preservation or rehabilitation, additional modifications to the property are undertaken that do not meet the standards of the office.

(b) If the recapture of a credit is required under this section, an amount equal to the credit recaptured shall be added to the tax liability of the taxpayer for the taxable year during which the credit is recaptured.  

**IC 6-3.1-16-13**  
**Carryover; unused credit**  
Sec. 13. (a) If the credit provided by this chapter exceeds a taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried over to succeeding taxable years and used as a credit against the tax otherwise due and payable by the taxpayer under IC 6-3 during those taxable years. Each time that the credit is carried over to a succeeding taxable year, the credit is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for fifteen (15) taxable years following the unused credit year.

(b) A credit earned by a taxpayer in a particular taxable year shall be applied against the taxpayer's tax liability for that taxable year before any credit carryover is applied against that liability under subsection (a).

(c) A taxpayer is not entitled to any carryback or refund of any unused credit.  

**IC 6-3.1-16-14**  
**Annual limit; credits and certifications not allowed after June 30, 2016**  
Sec. 14. (a) The amount of tax credits allowed under this chapter may not exceed:

1. seven hundred fifty thousand dollars ($750,000) in the state
fiscal year beginning July 1, 1997, and the state fiscal year beginning July 1, 1998;
(2) four hundred fifty thousand dollars ($450,000) in a state fiscal year that begins after June 30, 1999, and ends before July 1, 2016; and
(3) zero dollars ($0) in a state fiscal year that begins after June 30, 2016.

(b) Notwithstanding the other provisions of this chapter, the office may not provide the certifications referred to in section 8 of this chapter for a qualified expenditure made after June 30, 2016. However, this section may not be construed to prevent a taxpayer from carrying an unused tax credit attributable to a qualified expenditure made before July 1, 2016, forward to a taxable year beginning after December 31, 2016, in the manner provided by section 13 of this chapter.


IC 6-3.1-16-15
Rules
Sec. 15. (a) The following may adopt rules under IC 4-22-2 to carry out this chapter:
(1) The department of state revenue.
(2) The office.
(b) The rules in 312 IAC 23 are transferred to the office, and after December 31, 2014, those rules are treated as if they had been adopted by the office.