

**171.3963 Tax credit for major certified rehabilitation of historic structure.**

- (1) Prior to December 31, 2021, the council may award one (1) application for preliminary approval of a major certified rehabilitation for a certified historic structure, for a tax credit against the taxes imposed by KRS 141.020 or 141.040 and 141.0401, with the ordering of credits as provided in KRS 141.0205.
- (2) The major certified rehabilitation shall contain the following characteristics:
  - (a) The certified historic structure was individually listed on the National Register of Historic Places on or before December 31, 1981;
  - (b) The size of the certified historic structure exceeds three hundred thousand (300,000) square feet;
  - (c) The total project costs exceed fifty million dollars (\$50,000,000);
  - (d) Substantial rehabilitation of the certified historic structure begins prior to December 31, 2021; and
  - (e) The application for preliminary approval reflects that following the substantial rehabilitation, the certified historic structure will be used as a hotel, tourism destination, or other use supporting or relating to the promotion of tourism to and within the Commonwealth.
- (3)
  - (a) The credit shall:
    1. Equal the percentage of qualified rehabilitation expenses as provided in KRS 171.397(1)(a);
    2. Only apply to the first thirty million dollars (\$30,000,000) of qualified rehabilitation expenses; and
    3. Be refundable and transferable.
  - (b) The project approved for a credit under this section:
    1. Shall not be subject to the maximum credits which may be claimed with regard to owner-occupied residential property or other property that is not owner-occupied residential property established by KRS 171.397; but
    2. Shall be considered in determining whether the certified rehabilitation credit cap in KRS 171.396 has been met.
- (4) Any taxpayer seeking the credit shall file the application for preliminary determination and final determination as provided by KRS 171.397(2), without regard to the April 20 and June 30 dates referenced in that section.
- (5) The total approved credit shall be available over a four (4) year period and the maximum credit which may be claimed in a taxable year shall not exceed twenty-five percent (25%) of the total approved credit.
- (6) The provisions of KRS 171.397(9) to (14) shall also apply to this section.

**Effective:** June 29, 2021

**History:** Created 2021 Ky. Acts ch. 156, sec. 29, effective June 29, 2021; and ch. 203, sec. 12, effective June 29, 2021.

**Legislative Research Commission Note** (6/29/2021). This statute was created in 2021 Ky. Acts ch. 156, sec. 29, but its language was later directed to be replaced by nearly

identical language in 2021 Ky. Acts ch. 203, sec.12.