

SENATE BILL 1685

By Briggs

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 11; Title 13 and Title 67, relative to incentives for the rehabilitation of historic structures.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following as a new section:

(a) This section shall be known and may be cited as the "Historic Structure Rehabilitation Act."

(b) As used in this section:

(1) "Certified historic structure" means a property that is located in this state and is:

(A)

(i) Listed individually on the national register of historic places; or

(ii) Located in a registered historic district listed on the national register of historic places and is certified by the secretary of the United States department of the interior as contributing to the historic significance of the district; or

(B)

(i) Listed individually on the Tennessee register of historic places; or

(ii) Located in a registered historic district listed on the Tennessee register of historic places and is certified by the

commission as contributing to the historic significance of the district;

(2) "Certified rehabilitation" means the rehabilitation of a certified historic structure that the commission has certified as meeting the United States secretary of the interior's standards for rehabilitation as defined in 36 CFR 67.7;

(3) "Commission" means the Tennessee historical commission;

(4) "Owner" means the person who holds legal fee or leasehold title to a certified historic structure, or an identifiable portion of the structure;

(5) "Person" means any natural person, corporation, including any for-profit or nonprofit corporation, general or limited partnership, limited liability company, trust, estate, or other business entity; and

(6) "Qualified rehabilitation expenditures" means any amount reasonably expended, as determined by the commission, for the purpose of completing a certified rehabilitation.

(c) Upon completion of a certified rehabilitation, the owner of a certified historic structure is entitled to a refund equal to the total amount of state sales and use tax paid as a result of the owner's qualified rehabilitation expenditures, provided, that:

(1) The owner uses the certified historic structure for at least one (1) year following the completion of the certified rehabilitation:

(A) As the owner's primary residence; or

(B) For commercial or mixed use purposes;

(2) The rehabilitation meets standards consistent with the standards of the secretary of the United States department of the interior for rehabilitation, as certified by the commission; and

(3) The certified qualified rehabilitation expenditures are made on or after July 1, 2018.

(d) The commission shall develop the following forms to allow owners to claim the refund established by this section:

(1) A form used to request designation of a property as a certified historic structure;

(2) A form used to request certification of a proposed rehabilitation as meeting the standards consistent with the standards of the secretary of the United States department of the interior for rehabilitation; and

(3) A form used to request certification of a completed rehabilitation.

(e) The owner may apply for a refund certificate, to be issued concurrently with the certificate of a completed rehabilitation. The refund certificate shall state the amount of state sales and use tax refund due to the owner based on the qualified rehabilitation expenditures incurred during the rehabilitation. The application for the refund certificate shall be in a form determined by the commission and shall include:

(1) A statement of all qualified rehabilitation expenditures incurred during the rehabilitation of the certified historic structure, supported by documentation showing the payment of state sales and use tax;

(2) Evidence that the certified rehabilitation has been completed and that the structure is being used in accordance with subdivision (c)(1);

(3) A sworn affidavit that the owner intends to use the certified historic structure in accordance with subdivision (c)(1) for at least one (1) year; and

(4) Other documentation as determined by the commission.

(f)

(1) The department of revenue shall remit the appropriate refund to the owner upon receipt of a valid refund certificate.

(2) An owner who fails to use the certified historic structure in accordance with subdivision (c)(1) for one (1) year following the completion of the

certified rehabilitation must repay the full value of the refund to the department of revenue.

(g) The commission may promulgate rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, and adopt forms necessary or convenient to implement this section.

(h) The commission may adopt a fee, not to exceed an amount reasonably calculated to offset the commission's expenses in administering this section, for the applications and certifications required by this section or by any rules promulgated pursuant to this section. The fees shall be receipts of the commission to be used for performing its duties under this section.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.