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Susan Gouveia

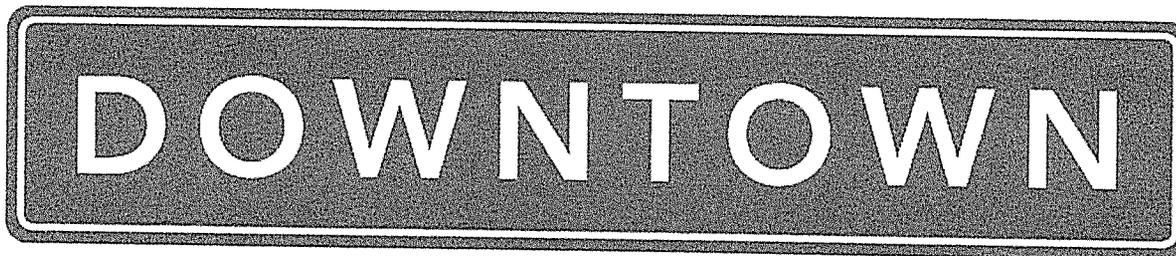
From: Lashway, Lisa
Sent: Tuesday, May 27, 2014 11:58 AM
To: Canning, Sean
Cc: Susan Gouveia
Subject: Correspondence - FW: Downtown New Jersey - Legislation!

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Sent: Tuesday, May 27, 2014 10:31 AM
To: Lashway, Lisa
Subject: Downtown New Jersey - Legislation!



N E W J E R S E Y

From the desk of the DNJ Executive Director

Proposed legislation: **"Historic Property Reinvestment Act"**

Friends,

More news on the legislative front.

This could have a huge positive effect on downtowns and historic properties in the state, and if you read this carefully you will be surprised at what "Historic" means in this bill. Very Good News!!!!!!!!!!!!!!

DNJ can not lobby for legislation, but we do bring legislation to the attention of our members and colleagues so that they can consider it.

The Wagering, Tourism and Historic Preservation Committee of the NJ State Senate is scheduled to consider S-1626, sponsored by Senator Shirley Turner.

If enacted into law, this legislation, entitled the "Historic Property Reinvestment Act," would provide credits against certain taxes for certain costs of rehabilitating historic properties.

The text of the proposed legislation is at the following URL:

<http://legiscan.com/NJ/text/S1626/2014>

From the proposed bill....
"STATEMENT

This bill is entitle the "Historic Property Reinvestment Act." The bill provides tax credits for the cost of rehabilitating historic properties in this State.

The bill creates two tax credits for up to 25 percent of the taxpayer's outlay for rehabilitating a historic property: one for homeowners, which is capped at \$25,000 per property during a ten-year period; and one for businesses, which is not capped. The homeowners' tax credit applies against

homeowners' gross income tax liabilities, while the business tax credit applies against businesses' corporation business tax and insurance premiums tax liabilities. If a taxpayer's liability is insufficient to take full advantage of the credit, the bill allows the taxpayer to sell the credit through a tax credit transfer certificate program to be established by the State Historic Preservation Officer (SHPO) and the Director of the Division of Taxation in the Department of the Treasury.

To qualify for the homeowners or business tax credits provided in this bill, a property to be rehabilitated must be:

(1) (a) Individually listed (or located in a district listed) on the National Register of Historic Places or the New Jersey Register of Historic Places, or designated (or located in a district designated) by the Pinelands Commission as an historic resource of significance to the Pinelands; and (b) if located within a district, certified by either the SHPO or the Pinelands Commission as contributing to the district's historic significance; or

(2) (a) Individually identified (or located in a district composed of properties identified) for protection as a significant resource in accordance with criteria established by the appropriate municipality and approved by the SHPO; and (b) if located within a district, certified by the SHPO as contributing to the district's historic significance.

A homeowner seeking a tax credit must spend no more than 60 percent of the cost of rehabilitation on interior rehabilitation and must own and occupy the qualified property as the homeowner's principal residence for twelve consecutive months following the completion of the rehabilitation. Moreover, rehabilitation expenditures must be at least 50 percent of the equalized assessed value of the structure for local real estate tax purposes as indicated on the most recent property tax bill for the property prior to the start of the rehabilitation.

A business seeking the tax credit, to the contrary, must, during a selected 24-month or 60-month rehabilitation period, as provided in the bill, have eligible rehabilitation expenditures of the greater of \$5,000 or the property's adjusted basis of the structure used for federal income tax purposes.

The bill provides that the cumulative amount of tax credits approved cannot exceed \$15 million in fiscal year 2014, \$25 million in fiscal year 2015, \$40 million in fiscal year 2016, and \$50 million in fiscal year 2017 and thereafter. The bill requires that in any fiscal year in which tax credits are issued, at least 25 percent of the total monetary amount of tax credits approved be granted for the rehabilitation of qualified properties by

homeowners and at least 65 percent of the total monetary amount of tax credits approved be granted for the rehabilitation of qualified properties by business entities.

The bill requires the SHPO, in consultation with the director, to prepare and submit on or before December 31, 2017 a written report to the Governor and the Legislature detailing the number and total monetary amount of tax credits granted for the rehabilitation of qualified properties, the geographical distribution of the credits granted, a summary of the tax credit transfer program, an evaluation of the effectiveness of the tax credits in promoting the rehabilitation of historic properties, recommendations for administrative or legislative changes to increase the effectiveness of the program, and any other information that the officer or the director may deem useful or appropriate."

Contact Peter Primavera at Downtown New Jersey if you want to know more.....

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