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HOUSE BILL 298

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

Thomas C. Taylor

AN ACT

RELATING TO TAXATION; PROVIDING A CREDIT AGAINST INCOME TAX
LIABILITIES FOR THE RESTORATION, REHABILITATION OR PRESERVATION
OF CULTURAL PROPERTY THAT IS AN ELIGIBLE PROPERTY SUBJECT TO
THE MAIN STREET ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 7-2-18.2 NMSA 1978 (being Laws 1984,
Chapter 34, Section 1, as amended) is amended to read:

"7-2-18.2. [~~CREDIT FOR~~] PRESERVATION OF CULTURAL PROPERTY
TAX CREDIT--REFUND.--

A. Tax credits for the preservation of cultural
property may be claimed as follows:

(1) to encourage the restoration,
rehabilitation and preservation of cultural properties, a
taxpayer who files an individual New Mexico income tax return,

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1 [and] who is not a dependent of another individual and who is
2 the owner of a cultural property listed on the official New
3 Mexico register of cultural properties, with the taxpayer's
4 consent, may claim a credit not to exceed a maximum aggregate
5 of twenty-five thousand dollars (\$25,000) in an amount equal to
6 one-half of the cost of restoration, rehabilitation or
7 preservation of a cultural property listed on the official New
8 Mexico register; or

9 (2) if a cultural property, whose owner may
10 otherwise claim the credit set forth in Paragraph (1) of this
11 subsection, is also located within an arts and cultural
12 district certified by the state or a municipality pursuant to
13 the Arts and Cultural District Act or is also an eligible
14 property subject to the Main Street Act or is otherwise found,
15 pursuant to rule of the main street revolving loan committee,
16 to merit preservation pursuant to the Main Street Revolving
17 Loan Act, the owner of that cultural property may claim a
18 credit not to exceed fifty thousand dollars (\$50,000),
19 including any credit claimed pursuant to Paragraph (1) of this
20 subsection, in an amount equal to one-half of the cost of
21 restoration, rehabilitation or preservation of the cultural
22 property.

23 B. The taxpayer may claim the credit for a cultural
24 property restoration, rehabilitation or preservation project
25 if:

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1 (1) the taxpayer submitted a plan and
2 specifications for a restoration, rehabilitation or
3 preservation project to the committee and received approval
4 from the committee for the plan and specifications prior to
5 commencement of the [~~restoration, rehabilitation or~~
6 ~~preservation~~] project;

7 (2) the taxpayer received certification from
8 the committee after completing the restoration, rehabilitation
9 or preservation project, or committee-approved phase, that [~~it~~]
10 the project or phase conformed to the plan and specifications
11 and preserved and maintained those qualities of the property
12 that made [~~it~~] the property eligible for inclusion in the
13 official register; and

14 (3) the project is completed within twenty-
15 four months of the date that the project is approved by the
16 committee in accordance with Paragraph (1) of this subsection.

17 C. A taxpayer may claim the credit provided in this
18 section for each taxable year in which restoration,
19 rehabilitation or preservation is carried out. Except as
20 provided in Subsection F of this section, claims for the credit
21 provided in this section shall be limited to three consecutive
22 years, and the maximum aggregate credit allowable shall not
23 exceed twenty-five thousand dollars (\$25,000) if governed by
24 Paragraph (1) of Subsection A of this section, or fifty
25 thousand dollars (\$50,000) if governed by Paragraph (2) of

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1 Subsection A of this section, for any single restoration,
2 rehabilitation or preservation project for any cultural
3 property listed on the official New Mexico register certified
4 by the committee.

5 D. A husband and wife who file separate returns for
6 a taxable year in which they could have filed a joint return
7 may each claim only one-half of the credit that would have been
8 allowed on a joint return.

9 E. A taxpayer who otherwise qualifies and claims a
10 credit on a restoration, rehabilitation or preservation project
11 on property owned by a partnership of which the taxpayer is a
12 member may claim a credit only in proportion to the taxpayer's
13 interest in the partnership. The total credit claimed by all
14 members of the partnership shall not exceed twenty-five
15 thousand dollars (\$25,000) in the aggregate if governed by
16 Paragraph (1) of Subsection A of this section, or fifty
17 thousand dollars (\$50,000) in the aggregate if governed by
18 Paragraph (2) of Subsection A of this section, for any single
19 restoration, rehabilitation or preservation project for any
20 cultural property listed on the official New Mexico register
21 certified by the committee.

22 F. The credit provided in this section may only be
23 deducted from the taxpayer's income tax liability. Any portion
24 of the maximum tax credit provided by this section that remains
25 unused at the end of the taxpayer's taxable year may be carried

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1 forward for four consecutive years; provided, however, that the
2 total tax credits claimed under this section shall not exceed
3 twenty-five thousand dollars (\$25,000) if governed by Paragraph
4 (1) of Subsection A of this section, or fifty thousand dollars
5 (\$50,000) if governed by Paragraph (2) of Subsection A of this
6 section, for any single restoration, preservation or
7 rehabilitation project for any cultural property listed on the
8 official New Mexico register.

9 G. The historic preservation division shall
10 promulgate regulations for the implementation of Subsection B
11 of this section.

12 H. As used in this section:

13 (1) "committee" means the cultural properties
14 review committee created in Section 18-6-4 NMSA 1978; ~~[and]~~

15 (2) "historic preservation division" means the
16 historic preservation division of the cultural affairs
17 department created in Section 18-6-8 NMSA 1978; and

18 (3) "main street revolving loan committee"
19 means the main street revolving loan committee created in the
20 Main Street Revolving Loan Act."

21 SECTION 2. Section 7-2A-8.6 NMSA 1978 (being Laws 1984,
22 Chapter 34, Section 2, as amended) is amended to read:

23 "7-2A-8.6. ~~[CREDIT FOR]~~ PRESERVATION OF CULTURAL PROPERTY
24 CORPORATE INCOME TAX CREDIT.--

25 A. Tax credits for the preservation of cultural

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1 property may be claimed as follows:

2 (1) to encourage the restoration,
3 rehabilitation and preservation of cultural properties, a
4 taxpayer that files a corporate income tax return and that is
5 the owner of a cultural property listed on the official New
6 Mexico register of cultural properties, with its consent, may
7 claim a credit not to exceed twenty-five thousand dollars
8 (\$25,000) in an amount equal to one-half of the cost of
9 restoration, rehabilitation or preservation of the cultural
10 property; or

11 (2) if a cultural property, whose owner may
12 otherwise claim the credit set forth in Paragraph (1) of this
13 subsection, is also located within an arts and cultural
14 district designated by the state or a municipality pursuant to
15 the Arts and Cultural District Act or is also an eligible
16 property subject to the Main Street Act or is otherwise found,
17 pursuant to rule of the main street revolving loan committee,
18 to merit preservation pursuant to the Main Street Revolving
19 Loan Act, the owner of that cultural property may claim a
20 credit not to exceed fifty thousand dollars (\$50,000),
21 including any credit claimed pursuant to Paragraph (1) of this
22 subsection, in an amount equal to one-half of the cost of
23 restoration, rehabilitation or preservation of the cultural
24 property.

25 B. The taxpayer may claim the credit for a cultural

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1 property restoration, rehabilitation or preservation project

2 if:

3 (1) it submitted a plan and specifications for
4 a restoration, rehabilitation or preservation project to the
5 committee and received approval from the committee for the plan
6 and specifications prior to commencement of the [~~restoration,~~
7 ~~rehabilitation or preservation~~] project;

8 (2) it received certification from the
9 committee after completing the restoration, rehabilitation or
10 preservation project, or committee-approved phase, that [~~it~~]
11 the project or phase conformed to the plan and specifications
12 and preserved and maintained those qualities of the property
13 that made [~~it~~] the property eligible for inclusion in the
14 official register; and

15 (3) the project is completed within twenty-
16 four months of the date that the project is approved by the
17 committee in accordance with Paragraph (1) of this subsection.

18 C. A taxpayer may claim the credit provided in this
19 section for each taxable year in which preservation,
20 restoration or rehabilitation is carried out. Claims for the
21 credit provided in this section shall be limited to three
22 consecutive years, and the maximum aggregate credit allowable
23 shall not exceed twenty-five thousand dollars (\$25,000) if
24 governed by Paragraph (1) of Subsection A of this section, or
25 fifty thousand dollars (\$50,000) if governed by Paragraph (2)

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1 of Subsection A of this section, for any single restoration,
2 rehabilitation or preservation project certified by the
3 committee for any cultural property listed on the official New
4 Mexico register. No single project may extend beyond a period
5 of more than two years.

6 D. A taxpayer who otherwise qualifies and claims a
7 credit on a restoration, rehabilitation or preservation project
8 on property owned by a partnership of which the taxpayer is a
9 member may claim a credit only in proportion to the taxpayer's
10 interest in the partnership. The total credit claimed by all
11 members of the partnership shall not exceed twenty-five
12 thousand dollars (\$25,000) if governed by Paragraph (1) of
13 Subsection A of this section, or fifty thousand dollars
14 (\$50,000) if governed by Paragraph (2) of Subsection A of this
15 section, in the aggregate for any single restoration,
16 preservation or rehabilitation project for any cultural
17 property listed on the official New Mexico register approved by
18 the committee.

19 E. The credit provided in this section may only be
20 deducted from the taxpayer's corporate income tax liability.
21 Any portion of the maximum tax credit provided by this section
22 that remains unused at the end of the taxpayer's taxable year
23 may be carried forward for four consecutive years; provided,
24 however, that the total tax credits claimed under this section
25 shall not exceed twenty-five thousand dollars (\$25,000) if

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1 governed by Paragraph (1) of Subsection A of this section, or
2 fifty thousand dollars (\$50,000) if governed by Paragraph (2)
3 of Subsection A of this section, for any single restoration,
4 rehabilitation or preservation project for any cultural
5 property listed on the official New Mexico register.

6 F. The historic preservation division shall
7 promulgate regulations for the implementation of this section.

8 G. As used in this section:

9 (1) "committee" means the cultural properties
10 review committee created in Section 18-6-4 NMSA 1978; ~~[and]~~

11 (2) "historic preservation division" means the
12 historic preservation division of the cultural affairs
13 department created in Section 18-6-8 NMSA 1978; and

14 (3) "main street revolving loan committee"
15 means the main street revolving loan committee created in the
16 Main Street Revolving Loan Act."

17 SECTION 3. APPLICABILITY.--The provisions of this act
18 apply to taxable years beginning on or after January 1, 2014.

19 SECTION 4. EFFECTIVE DATE.--The effective date of the
20 provisions of this act is January 1, 2014.