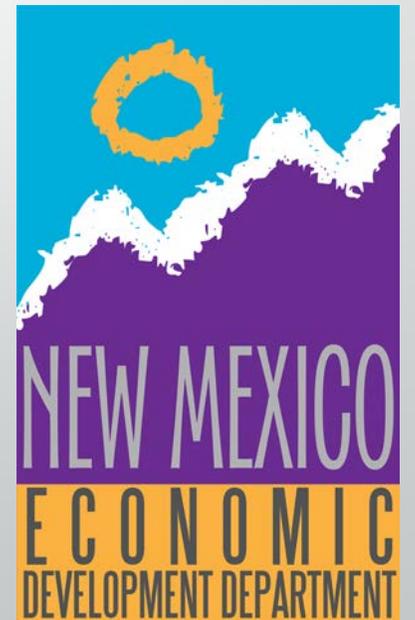


Cultural Properties Tax Credit

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Economic Development Department

September 8, 2015



Existing Law

Existing law provides both PIT and CIT credits for:

- 50% of cost of restoration up to \$25,000 for all properties on the register; and
- 50% of cost of restoration up to \$50,000 for properties in an ACD.

N.M.S.A. 1978, §§ 7-2-18.2, 7-2A-8.6.

2015 Bills

- HB583 (Rep. Herrell) and SB414 (Sen. C. Sanchez) would expand the credits in three ways:
 - Add MainStreet Districts and Frontier Communities to areas eligible for the enhanced credit
 - Increase amount of the credit
 - Make the credit refundable

2015 Bills

- Add MainStreet Districts and Frontier Communities to areas eligible for the enhanced credit

2015 Bills

- Increase amount of the credit
 - Properties outside of enhancement areas remain at 50% with credit cap of \$25,000/project
 - Residential properties in ACDs, MS districts, or Frontier communities remain at 50% with a credit cap of \$50,000/project
 - Commercial properties in ACDs, MS districts, or Frontier communities are on a sliding scale:
 - 50% of the cost of a project that costs \$100,000 or less;
 - 35% of the portion of the project cost that is more than \$100,000 but not more than \$200,000; and
 - 25% of the project cost that is more than \$200,000 but not more than \$1,000,000

2015 Bills

- Make the credit refundable

Cost

- Cap on aggregate credits: \$1.5 million

Benefits

- Projects must comply with preservation goals and be approved by the cultural properties review committee.
- Preservation projects in MS and ACDs will drive development.