

HURRICANE TAX RELIEF BILL INTRODUCED IN HOUSE

Historic Rehabilitation Tax Credit Would be Temporarily Deepened

November 4, 2005 - Late last week, Louisiana Representative Jim McCrery (R-LA) introduced the Gulf Opportunity Zone Act of 2005 (H.R. 4155) that would amend the Internal Revenue Code of 1986 within a Gulf Opportunity Zone and certain areas affected by Hurricane Rita's damage. The bill includes language that would deepen the rehabilitation tax credit for qualified rehabilitation expenditures as defined by Section 47 of the 1986 tax code. The changes recommend a 13% credit for projects currently qualifying for a 10% credit, that is, non-residential, non-historic buildings built before 1936 and a 26% credit for projects now qualifying for a 20% credit available for certified historic structures, that is, properties listed individually on the National Register of Historic Places or contributing properties within a National Register district.

The credit increase is temporary -- for expenses paid or incurred between August 28, 2005 and December 31, 2008. The bill, now being considered by House Ways and Means Committee, currently has 12 cosponsors, many of whom represent hurricane-damaged states. The bill does not include a credit for historic home rehabilitation, but rather focuses on revitalizing businesses and rebuilding infrastructure.