

## **S.F. No. 1623 – Historic structure rehabilitation credit; revival of expired provisions and repeal of sunset**

**Author:** Senator John R. Jasinski

**Prepared by:** Nora Pollock, Senate Counsel (651/297-8066)

**Date:** March 14, 2023

---

Minnesota provides a refundable credit against income, corporate franchise, or insurance premiums tax equal to the federal credit for qualifying expenditures made to rehabilitate a certified historic structure, as defined in the Internal Revenue Code. Taxpayers may elect to receive a grant in lieu of the credit, equal to 90 percent of the credit amount. To qualify for the credit or grant, a project must also have qualified for the federal credit. Both the state credit or grant and federal credit are claimed over a five-year period beginning in the year the project is placed in service. Taxpayers must apply to the State Historic Preservation Office (SHPO), which verifies project eligibility and issues allocation certificates.

The Minnesota credit for historic structure rehabilitation expired after June 30, 2022. This bill reenacts expired provisions and allows certain projects that started rehabilitation work after that date to qualify for the credit.

**Section 1. Historic structure rehabilitation credit; special provision.** Allows projects that started rehabilitation work after June 30, 2022, that otherwise meet the statutory requirements to qualify for the credit or grant to be eligible to claim the credit or grant if the credit application is received within 60 days after June 30, 2023. Effective the day following final enactment.

**Section 2. Historic structure rehabilitation credit; revival and reenactment of expired provisions.** Revives and reenacts the provisions of the credit that expired June 30, 2022. Effective the day following final enactment and applies to applications for allocation certificates beginning July 1, 2023.

**Section 3. Repealer.** Repeals the sunset of the credit, so that it would be ongoing. Effective the day following final enactment.