

§5219-BB. Credit for rehabilitation of historic properties after 2007

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Certified affordable housing project" means a decent, safe and sanitary dwelling, apartment or other living accommodation that has been certified by the Maine State Housing Authority as an affordable housing project pursuant to Title 30-A, section 4722, subsection 1, paragraph DD. [PL 2009, c. 361, §28 (AMD); PL 2009, c. 361, §37 (AFF).]

B. "Certified historic structure" means a structure that has been certified by the Director of the Maine Historic Preservation Commission as a historic structure under Title 27, section 511. [PL 2009, c. 361, §28 (AMD); PL 2009, c. 361, §37 (AFF).]

C. "Certified qualified rehabilitation expenditure" means a qualified rehabilitation expenditure, as defined by the Code, Section 47(c)(2), made on or after January 1, 2008 with respect to a certified historic structure, if:

(1) For credits claimed under subsection 2, paragraph A, the United States Department of the Interior, National Park Service issues a determination on or before December 31, 2030 that the proposed rehabilitation of that structure meets the Secretary of the Interior's standards for rehabilitation, with or without conditions; or

(2) For credits claimed under subsection 2, paragraph B, the Maine Historic Preservation Commission issues a determination on or before December 31, 2030 that the proposed rehabilitation of that structure meets the Secretary of the Interior's standards for rehabilitation, with or without conditions.

For purposes of subsection 2, paragraph B, qualified rehabilitation expenditures incurred in the certified rehabilitation of a certified historic structure located in the State do not include a requirement that the certified historic structure be substantially rehabilitated. [PL 2021, c. 671, §2 (AMD).]

D. [PL 2009, c. 361, §28 (RP); PL 2009, c. 361, §37 (AFF).]

E. "Rural area" means an unorganized territory of the State or a municipality that has a population of less than 12,500 inhabitants as determined by the United States Department of Commerce, Bureau of the Census based on the latest decennial census of the United States. [PL 2025, c. 499, §1 (NEW); PL 2025, c. 499, §3 (AFF).]

[PL 2025, c. 499, §1 (AMD); PL 2025, c. 499, §3 (AFF).]

2. Credit allowed. A taxpayer is allowed a credit against the tax imposed under this Part:

A. Equal to 25% of the taxpayer's certified qualified rehabilitation expenditures for which a tax credit is claimed under Section 47 of the Code for a certified historic structure located in the State; or [PL 2007, c. 539, Pt. WW, §4 (NEW).]

B. Equal to 25% of the certified qualified rehabilitation expenditures of a taxpayer who incurs not less than \$50,000 and up to \$250,000 in certified qualified rehabilitation expenditures in the rehabilitation of a certified historic structure located in the State and who does not claim a credit under the Code, Section 47 with regard to those expenditures. If the certified historic structure is a condominium, as defined in Title 33, section 1601-103, subsection 7, the dollar limitations of this paragraph apply to the total aggregate amount of certified qualified rehabilitation expenditures incurred by the unit owners' association and all of the unit owners in the rehabilitation of that certified historic structure. The credit may be claimed for the taxable year in which the certified historic structure is placed in service. [PL 2011, c. 240, §38 (AMD).]

A taxpayer is allowed a credit under paragraph A or B but not both. A credit may not be claimed for expenditures incurred before January 1, 2008.

[PL 2019, c. 659, Pt. J, §3 (AMD).]

3. Increased credit for a certified affordable housing project. The credit allowed under this section is increased to 30% of certified qualified rehabilitation expenditures for a certified affordable housing project. If the certified affordable housing project for which an increased credit was allowed under this subsection does not remain an affordable housing project for 30 years from the date the affordable housing project is placed in service, the owner of the property is subject to the repayment provisions of Title 30-A, section 4722, subsection 1, paragraph DD. Upon notification by the Maine Historic Preservation Commission and the Maine State Housing Authority pursuant to Title 30-A, section 4722, subsection 1, paragraph DD, subparagraph (4), the State Tax Assessor shall increase the credit rate under this subsection that was in effect in the calendar year prior to the calendar year in which the notification was received by one percentage point for tax years beginning in the calendar year of that notification and for any subsequent tax year. In no event may the credit rate under this subsection exceed 35% of the taxpayer's certified qualified rehabilitation expenditures.

[PL 2019, c. 379, Pt. C, §4 (AMD).]

4. Maximum credit. For tax years beginning before January 1, 2025, the credit allowed pursuant to this section and section 2534 may not exceed the greater of:

A. Five million dollars for the portion of a certified rehabilitation as defined by the Code, Section 47(c)(2)(C) placed in service in the State in the taxable year; and [PL 2013, c. 550, §1 (NEW); PL 2013, c. 550, §2 (AFF).]

B. Five million dollars for each building that is a component of a certified historic structure for which a credit is claimed under this section. [PL 2013, c. 550, §1 (NEW); PL 2013, c. 550, §2 (AFF).]

[PL 2025, c. 444, §1 (AMD).]

4-A. Maximum credit; beginning 2025. For tax years beginning on or after January 1, 2025, the credit allowed pursuant to this section and section 2534:

A. In the first year in which the credit may be claimed, may not exceed the greater of:

(1) Ten million dollars for the portion of a certified rehabilitation as defined by the Code, Section 47(c)(2)(C) placed in service in the State in the taxable year; and

(2) Ten million dollars for each building that is a component of a certified historic structure for which a credit is claimed under this section; [PL 2025, c. 444, §2 (NEW).]

B. In the 2nd year in which the credit may be claimed, may not exceed the greater of:

(1) Ten million dollars minus the credit allowed under paragraph A, subparagraph (1) for the portion of a certified rehabilitation as defined by the Code, Section 47(c)(2)(C) placed in service in the State in the taxable year; and

(2) Ten million dollars minus the credit allowed under paragraph A, subparagraph (2) for each building that is a component of a certified historic structure for which a credit is claimed under this section; and [PL 2025, c. 444, §2 (NEW).]

C. In the 3rd and subsequent years in which the credit may be claimed, may not exceed the greater of:

(1) Five million dollars for the portion of a certified rehabilitation as defined by the Code, Section 47(c)(2)(C) placed in service in the State in the taxable year; and

(2) Five million dollars for each building that is a component of a certified historic structure for which a credit is claimed under this section. [PL 2025, c. 444, §2 (NEW).]

[PL 2025, c. 444, §2 (NEW).]

5. Timing of credit. Twenty-five percent of the credit allowed pursuant to this section must be taken in the taxable year the credit may be first claimed and 25% must be taken in each of the next 3 taxable years.

[PL 2009, c. 361, §28 (AMD); PL 2009, c. 361, §37 (AFF).]

6. Credit refundable. The credit allowed under this section is refundable.

[PL 2017, c. 170, Pt. E, §6 (AMD).]

7. Allocation of credit. Credits allowed to a partnership, a limited liability company taxed as a partnership or multiple owners of property must be passed through to the partners, members or owners respectively pro rata in the same manner as under section 5219-G, subsection 1 or pursuant to an executed agreement among the partners, members or owners documenting an alternate allocation method. Credits may be allocated to partners, members or owners that are exempt from taxation under Section 501(c)(3), Section 501(c)(4) or Section 501(c)(6) of the Code, and those partners, members or owners must be treated as taxpayers for the purposes of this subsection.

[PL 2007, c. 693, §32 (AMD); PL 2007, c. 693, §37 (AFF).]

8. Recapture. A credit received under subsection 2 is subject to the same recapture provisions as apply to a credit received under Section 47 of the Code.

[PL 2009, c. 361, §28 (AMD); PL 2009, c. 361, §37 (AFF).]

9. Limitation. A taxpayer who is eligible to claim a credit under section 5219-R, whether or not a credit is actually claimed, may not claim a credit under this section. In addition, a credit may not be claimed under this section with respect to expenditures incurred for rehabilitation of Building No. 2 in the Lockwood Mill Historic District in the City of Waterville.

[PL 2007, c. 539, Pt. WW, §4 (NEW).]

10. Increased credit for certified qualified rehabilitation expenditures in rural areas with housing component. For tax years beginning on or after January 1, 2025, the credit allowed under this section is increased to 35% of certified qualified rehabilitation expenditures for which a tax credit is claimed under Section 47 of the Code for a certified historic structure located in a rural area of the State as long as not less than 33% of the aggregate square feet of that structure constitutes apartments, dwellings or other living accommodations. If the rehabilitation of the certified historic structure is also a certified affordable housing project, then the credit allowed under this section is increased by a further 10 percentage points.

[PL 2025, c. 499, §2 (NEW); PL 2025, c. 499, §3 (AFF).]

REVISOR'S NOTE: §5219-BB. Dental care access credit as enacted by PL 2007, c. 690, §1 was repealed by PL 2009, c. 141, §1

SECTION HISTORY

PL 2007, c. 539, Pt. WW, §4 (NEW). PL 2007, c. 690, §1 (NEW). PL 2007, c. 693, §32 (AMD). PL 2007, c. 693, §37 (AFF). PL 2009, c. 141, §1 (RP). PL 2009, c. 361, §28 (AMD). PL 2009, c. 361, §37 (AFF). PL 2011, c. 240, §38 (AMD). PL 2011, c. 453, §§7-9 (AMD). PL 2011, c. 548, §31 (AMD). PL 2013, c. 550, §1 (AMD). PL 2013, c. 550, §2 (AFF). PL 2017, c. 170, Pt. E, §6 (AMD). PL 2019, c. 379, Pt. C, §4 (AMD). PL 2019, c. 659, Pt. J, §§2, 3 (AMD). PL 2021, c. 671, §2 (AMD). PL 2025, c. 444, §§1, 2 (AMD). PL 2025, c. 499, §§1, 2 (AMD). PL 2025, c. 499, §3 (AFF).

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