

## HOUSE BILL NO. 619

INTRODUCED BY C. HARRIS, BRANAE, CALLAHAN, CARNEY, CYR, FRITZ, GOLIE, GUTSCHE,  
HURDLE, JACOBSON, LASLOVICH, LEE, LINDEEN, MANGAN, RASER, GILLAN, NEWMAN

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A TAX CREDIT FOR THE PRESERVATION OF  
HISTORICALLY SIGNIFICANT PROPERTY, INCLUDING BUILDINGS AND STRUCTURES; ALLOWING FOR  
TAX CREDITS RESULTING FROM THE IMPOSITION OF CONSERVATION EASEMENTS ON HISTORICALLY  
SIGNIFICANT PROPERTY, INCLUDING BUILDINGS AND STRUCTURES; ALLOWING CREDIT CARRYOVERS;  
AMENDING SECTION 15-30-180, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND A  
TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 15-30-180, MCA, is amended to read:

**"15-30-180. Credit for preservation of historic buildings property.** (1) There is allowed as a credit  
against the taxes imposed by 15-30-103 a percentage of the credit allowed for qualified rehabilitation  
expenditures with respect to any certified historic building located in Montana as provided in 15-31-151.

(2) (a) As an alternative to the credit allowed in subsection (1), there is allowed as a credit against  
the taxes imposed by 15-30-103 an amount equal to 20% OF THE COST OF CREATING THE CONSERVATION  
EASEMENT AND the diminution in the value of a historically significant property, including buildings and  
structures, that may result from a contract that places a conservation easement on the property if:

(i) the conservation easement holder is a qualified private organization as defined in 76-6-104;

(ii) the owner of the property is obligated by the contract creating the easement to maintain and  
preserve the property to retain its historical significance and characteristics for a period of not less than  
~~21~~ 29 years; and

(iii) the state historic preservation officer, provided for in 2-15-1512, verifies that a property is  
listed on the national register of historic places or ~~verifies through adopted rules or procedures that the~~  
property is historically significant VALUABLE.

(B) FOR THE PURPOSES OF THIS SECTION, PROPERTY IS HISTORICALLY VALUABLE IF THE PROPERTY HAS, AS  
CERTIFIED BY THE STATE HISTORIC PRESERVATION OFFICE, SIGNIFICANT QUALITIES REFLECTING AMERICAN HISTORY,

1 ARCHITECTURE, ENGINEERING, OR CULTURE THAT WAS ACHIEVED PRIOR TO THE LAST 50 YEARS AND THE PROPERTY  
 2 POSSESSES INTEGRITY OF LOCATION, DESIGN, SETTING, MATERIALS, AND WORKMANSHIP AND:

3 (i) IS ASSOCIATED WITH EVENTS THAT HAVE MADE A SIGNIFICANT CONTRIBUTION TO THE BROAD PATTERNS OF  
 4 MONTANA'S OR THE NATION'S HISTORY;

5 (ii) IS ASSOCIATED WITH THE LIVES OF PERSONS SIGNIFICANT IN OUR PAST;

6 (iii) EMBODIES THE DISTINCTIVE CHARACTERISTICS OF A TYPE, PERIOD, OR METHOD OF CONSTRUCTION,  
 7 REPRESENTS THE WORK OF A MASTER, POSSESSES HIGH ARTISTIC VALUES, OR REPRESENTS A SIGNIFICANT AND  
 8 DISTINGUISHABLE ENTITY WHOSE COMPONENTS MAY LACK INDIVIDUAL DISTINCTION; OR

9 (iv) HAS YIELDED, OR MAY BE LIKELY TO YIELD, INFORMATION IMPORTANT IN HISTORY.

10 ~~(b)(c)~~ In addition to any of the tax credit allowed in subsection (2)(a), the owner of a historically  
 11 significant property, including buildings and structures, that is the subject of a conservation easement  
 12 contract may take as a credit against the taxes imposed by 15-30-103 AN AMOUNT EQUAL TO 20% OF THE  
 13 amount spent by the owner for THE DIRECT COST OF THE PROTECTION AND the preservation of the property if  
 14 the preservation efforts are approved as reasonable and necessary by the conservation easement holder.  
 15 The tax credit may not exceed \$25,000 a year, and expenditures in excess of \$25,000 a year may not  
 16 be carried forward to subsequent tax years.

17 (3) The maximum tax credit that may be taken under subsection (2) for each historically significant  
 18 property is \$150,000.

19 ~~(4) A person may not take a credit against taxes under this section that exceeds the amount of~~  
 20 ~~tax imposed by 15-30-103~~ THE CREDIT ALLOWED BY SUBSECTION (2) MAY NOT BE REFUNDED IF THE TAXPAYER HAS  
 21 A TAX LIABILITY LESS THAN THE AMOUNT OF THE CREDIT. IF THE SUM OF CREDIT CARRYOVERS FROM THE CREDIT, IF ANY,  
 22 AND THE AMOUNT OF CREDIT ALLOWED BY SUBSECTION (2) FOR THE TAX YEAR EXCEED THE TAXPAYER'S TAX LIABILITY  
 23 FOR THE CURRENT TAX YEAR, THE EXCESS ATTRIBUTABLE TO THE CURRENT TAX YEAR'S CREDIT IS A CREDIT CARRYOVER  
 24 TO THE 6 SUCCEEDING TAX YEARS. THE ENTIRE AMOUNT OF UNUSED CREDIT MUST BE CARRIED FORWARD TO THE EARLIEST  
 25 OF THE SUCCEEDING YEARS, AND THE OLDEST AVAILABLE UNUSED CREDIT MUST BE USED FIRST.

26 (5) A person may not take a credit against taxes due in any 1 year under both subsection (1) and  
 27 (2).

28 ~~(2)(6)~~ The credit allowed in subsection (1) may not be allocated between spouses unless the  
 29 property is used by a small business corporation or a partnership in which they are shareholders or  
 30 partners."

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2        NEW SECTION. **Section 2. Effective date.** [This act] is effective January 1, 2002.

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4        NEW SECTION. SECTION 3. TERMINATION. [THIS ACT] TERMINATES DECEMBER 31, 2011.

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