



Stephen Estelle

*Bill Analysis*  
Legislative Service Commission

**H.B. 455**  
127th General Assembly  
(As Introduced)

**Reps. Ujvagi and Gardner, Huffman, R. Hagan, J. McGregor, Yuko, Brown, Lundy, Szollosi, Barrett**

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**BILL SUMMARY**

- Authorizes a board of county commissioners to receive and assign a historic building rehabilitation tax credit certificate.
- Limits the value of an assigned tax credit certificate to \$2 million.
- Relieves a board of county commissioners applying for a rehabilitation tax credit certificate from showing the rehabilitation will result in a net revenue gain in state and local taxes.

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**CONTENT AND OPERATION**

**Historic building rehabilitation tax credit**

(R.C. 149.311(A)(1), (B), and (F))

Under current law, an owner of a historic building may apply to the state historic preservation officer and Director of Development for issuance of a rehabilitation tax credit for qualified expenses incurred to rehabilitate the historic building. A historic building is one located in Ohio that is either a historic landmark under federal law, or that is individually listed on the National Register of Historic Places, located in a historic district, and is certified by the state historic preservation officers as being of historic significance to the district.

The bill expressly provides that a board of county commissioners may claim the credit for rehabilitating a county-owned historic building, and permits a board receiving a rehabilitation tax credit to assign the certificate to any other person for such consideration as is mutually agreeable.

### **Issuance of credit certificate**

(R.C. 149.311(A)(9), (C), and (D))

Under current law, the Director of Development may not issue a tax credit certificate until after the rehabilitation is complete. Nor may the Director approve more than 100 credit certificate applications during an application period, of which there are two: July 1, 2007 to June 30, 2008; and July 1, 2008 to June 30, 2009.

Under the bill, during each application period the Director may not approve more than five applications filed by boards of county commissioners.

Under current law, a rehabilitation tax credit may be issued only if the Director of Development finds that the tax credit is a "major factor" in the owner's decision to rehabilitate the building or to increase the owner's level of investment in the rehabilitation, that the rehabilitation will satisfy standards prescribed by the United States Secretary of the Interior, and that the renovations will result in a net revenue gain in state and local taxes.

Under the bill, if the applicant is a board of county commissioners, the Director shall not determine whether the renovations will result in a net revenue gain in state and local taxes. The other two requirements, however, must still be satisfied.

### **Assignment of credit certificate**

(R.C. 149.311(B)(4), 149.311(F), and 5703.75)

Upon assignment of a rehabilitation tax credit certificate by a board of county commissioners, the assignee must register with the Tax Commissioner as the certificate owner. The Tax Commissioner is required to compile and maintain a register of rehabilitation tax credits issued and assigned. The register must include the registration number (which the bill requires each certificate to bear), the name of the board of county commissioners to which the certificate was issued, the name of the person to whom the certificate was assigned, and the dollar amount of qualified rehabilitation expenditures shown on the certificate.

### **Claiming the credit**

(R.C. 5725.151, 5733.47, and 5747.76)

Under current law, the tax credit is refundable and may be applied against the tax levied on shares of, and capital employed by, dealers in intangibles, the corporation franchise tax, and the personal income tax. The value of the credit

equals 25% of the dollar amount of rehabilitation expenditures indicated on the certificate.

Under the bill, the credit may not exceed \$2 million if the certificate owner is an assignee.

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## **HISTORY**

ACTION	DATE
Introduced	01-29-08

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