

93rd Arkansas General Assembly: Historic Rehabilitation Tax Credit Cap Increase



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The 93rd Arkansas General Assembly convened for regular session on January 11th.

House Bill 1555 (HB1555) has been filed which would increase the cap for the Arkansas Historic Tax Credit from \$4 million to \$10 million per fiscal year.

HB1555 would also:

- extend the historic tax credit sunset provision from 2027 to 2037
- allow the Division of Arkansas Heritage to utilize fees that it collects under the Arkansas Historic Rehabilitation Income Tax Credit Act to support personnel who administer the program.

The Bill is sponsored by Representative Joe Jett and Senator Jonathan Dismang.

Co-Sponsors of the Bill include:

- Representative Sonia Eubanks Barker
- Representative Andrew Collins
- Representative Les Eaves
- Representative Denise Jones Ennett
- Representative Jimmy Gazaway
- Representative Lee Johnson
- Representative Tippi McCullough
- Representative Aaron Pilkington
- Representative Les Warren
- Senator Missy Irvin
- Senator Bill Sample
- Senator Clarke Tucker

In 2009 legislation was enacted by the Arkansas General Assembly allowing Arkansans to claim a portion of their investment in historic properties as a credit on their state income taxes. See Ark. Code Ann. § 26-51-2204. The program is administered by the Arkansas Historic Preservation Program. The objective is to encourage the rehabilitation of historic properties and foster revitalization efforts in Arkansas's historic downtowns and neighborhoods.

Properties that are listed on the National Register of Historic Places or are listed as "contributing" within a historic district are eligible. Twenty-five percent of the approved rehabilitation expenses on a historic building may be claimed as a tax credit.

Arkansas is one of the 33 states in the United States that offer credits against state taxes to provide incentives for the rehabilitation of historic buildings.

The Quapaw Quarter Association (“QQA”) states in support of the HB1555 that:

Arkansas historic rehabilitation projects have depleted the annual allocation of \$4 million in state historic tax credits the past two fiscal years. In fact, the full allocation of \$4 million was used up on the first day of FY21, and projects are waiting for the FY22 allocation. There is a demonstrated need to increase the annual cap.

QQA also describes the tax credit as stimulating economic development, noting that since 2009 Arkansas has awarded \$21.5 million in tax credits which have resulted in \$224 in private investment.

The Bill has been referred to the House Revenue and Taxation Committee.

A copy of HB1555 can be downloaded [here](#).