

94th Arkansas General Assembly: Historic Rehabilitation Tax Credit Expansion



Walter Wright, Jr.
wwright@mwlaw.com
(501) 688.8839

04/10/2023

The Quapaw Quarter Association (“QQA”) announced in its April 6th newsletter that Senate Bills 461 and 462 have passed both the Arkansas House of Representatives and Arkansas Senate.

Both bills address the Arkansas historic tax credit.

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 listed as “contributing” within a historic district are eligible.

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

The QQA news letter summarizes both bills, noting:

[SB461](#) increases the amount of the Arkansas Historic Rehabilitation Tax Credit and creates a tiered system to incentivize investment in smaller communities:

- Projects in cities with a population of less than 10,000 will receive a 40% credit.
- Projects in cities with a population between 10,000 and 50,000 will receive a 35% credit.
- Projects in cities with a population of 50,000 or more will receive a 30% credit
- Currently, the credit percentage for all projects is 25%, so this represents an increase for all projects.
- SB461 does not alter the annual cap of \$8 million per fiscal year or the current per project caps.

[SB462](#) extends the deadline to apply for the Arkansas Major Historic Rehabilitation Tax Credit from June 30, 2025, to June 30, 2030. This credit is for projects with at least \$1.5 million in qualified expenses.

The bills were sponsored by Senator Jonathan Dismang and Representative Les Eaves.

Both bills can be found in the links above and the newsletter [here](#).