New York State
Department of
Taxation and Finance
Taxpayer Guidance Division

Technical Memorandum
TSB-M-13(4)C, (2)I
Corporation Tax
Income Tax
July 11, 2013

Amendments to the Rehabilitation of Historic Properties Credit

This memorandum summarizes the amendments to the rehabilitation of historic properties credit enacted as part of the 2013-2014 New York State budget (Part F of Chapter 59 of the Laws of 2013).

The rehabilitation of historic properties credit is available to taxpayers for expenses related to the rehabilitation of certified historic structures in New York State. Chapter 59 of the Laws of 2013 (Part F) made several amendments to the Tax Law with regard to the credit. The amendments that apply to Article 9-A (the franchise tax on business corporations), Article 22 (the personal income tax), Article 32 (the franchise tax on banking corporations), and Article 33 (the franchise taxes on insurance corporations), are summarized in this memorandum.

The following amendments are effective for tax years beginning on and after January 1, 2013:

- The enhanced credit allowed under Tax Law sections 210.40(1)(A), 606(oo)(1)(A), 1456(u)(1)(A), and 1511(y)(1)(A) has been extended to tax years beginning before January 1, 2020. The enhanced credit amount is equal to 100% of the federal credit allowed under Internal Revenue Code (IRC) subsection 47(a)(2). However, the credit cannot exceed $5 million per structure. Prior to the amendments, the enhanced credit was due to expire for tax years beginning on or after January 1, 2015.

  Note: For tax years beginning on or after January 1, 2020, the credit will equal 30% of the federal credit allowed under IRC subsection 47(a)(2) and cannot exceed $100,000 per structure.

- To be eligible for the credit, all or part of a rehabilitation project must be located within a census tract that is identified as being at or below 100% of the state median family income. The state median family income is computed as of January 1st of each year using the most recent five-year estimate from the American Community Survey published by the United States Census Bureau. (The determination of eligibility is made by the New York State Office of Parks, Recreation and Historic Preservation.)

The following amendments are effective for tax years beginning on and after January 1, 2015, and apply to qualified rehabilitation projects placed in service on or after January 1, 2015:

- If the credit allowed for a tax year reduces the tax to the applicable minimum amount for taxpayers subject to tax under Tax Law Article 9-A, Article 32, or Article 33, any excess will be treated as an overpayment of tax to be credited or refunded. Interest will not be paid on the overpayment.

- If the credit allowed for a tax year exceeds the amount of tax owed by a taxpayer subject to tax under Tax Law Article 22, any excess will be treated as an overpayment of tax to be credited or refunded. Interest will not be paid on the overpayment.

The credit is only refundable for qualified rehabilitation projects placed in service on or after January 1, 2015. For qualified rehabilitation projects placed in service before January 1, 2015, the credit is not refundable, but any excess can be carried over to the following year or years.

NOTE: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.