

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

ENGROSSED

Committee Substitute

for

House Bill 4507

By Delegate Rowe

[Originating in the Committee on Finance; Reported

on February 21, 2024]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
2 designated §11-21-12o; and to amend said code by adding thereto a new section,
3 designated §11-24-23h, all relating to reducing income tax liability for taxpayers who
4 improve certain building facades in historic districts; providing for a tax credit of the
5 replacement cost of historic facades; providing for a reduction in federal adjusted gross
6 income in certain circumstances for certain replacement costs of historic facades; setting
7 forth conditions; providing for application; and requiring rulemaking.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-12o. Tax credit for improving facades in historic districts.

1 (a) A credit against the tax imposed by the provisions of this article is allowed for non-
2 historic structures. The credit is available for replacements of the façades of non-historic
3 structures located in this state that are reviewed by the state historic preservation office and are
4 determined to complement the historic facades in the historic district and materially improve the
5 overall historic appearance of the district. The credit is equal to twenty-five percent of eligible
6 replacement expenses incurred in the replacement of the façade. No applicant may qualify for this
7 tax credit if, when the applicant begins to claim the credit and throughout the time period within
8 which the credit is claimed, the taxpayer is in arrears in the payment of any tax administered by the
9 Tax Division, or the taxpayer is delinquent in the payment of any local or municipal tax; or the
10 taxpayer is delinquent in the payment of property taxes on the property containing the façade
11 being replaced when the applicant begins to claim the credit and throughout the time period within
12 which the credit is claimed.

13 (b) (1) “Certified non-historic structure” means any building located in this state that is non-
14 contributing to an historic district listed in the national register of historic places, as certified by the
15 state historic preservation office.

16 (2) “Eligible replacement expenses” means expenses incurred in the replacement of the
17 façade of a non-historic structure.

18 (3) “Façade” means the exterior wall of a building within public view from a public space.

19 (c)(1) Any person seeking to apply for the tax credit authorized by this section shall apply to
20 the state historic preservation officer as defined in §11-21-8g of this code.

21 (2) The state historic preservation officer shall review the application and make a
22 determination whether or not the proposed replacement of the façade complements the historic
23 facades in the historic district, materially improves the overall historic appearance of the district,
24 and does not create a false sense of history. The state historic preservation officer shall issue tax
25 credit certificates for approved applications and the certificate shall accompany any claim for tax
26 credit.

27 (d) If the amount of the credit authorized by this section exceeds the taxpayer's tax liability
28 for the taxable year to which the credit applies, the amount that exceeds the tax liability for the
29 taxable year may be carried over for credits against the income taxes of the taxpayer in each of the
30 ensuing five tax years or until the full credit is used, whichever occurs first. In no event may the
31 amount of the credit taken in a taxable year exceed the tax liability due for the taxable year.
32 Credits authorized that exceed the taxpayer's tax liability for the taxable year to which the credit
33 applies may not be carried back to previous tax years.

34 (e) The Tax Commissioner shall require disclosure of information regarding credits granted
35 pursuant to this section in accordance with the provisions of §11-10-5s of this code. The Secretary
36 of the West Virginia Department of Art, Culture, and History shall propose rules for legislative
37 approval in accordance with the provisions of §29A-3-1 et seq. of this code to implement the credit
38 authorized by this section, including application procedures and requirements, and reasonable
39 fees to defray the necessary expenses of administration of the credit. The rules must also provide
40 for what information must accompany any claim for the tax credit for the determination that the
41 taxpayer is not in arrears in the payment of any tax administered by the Tax Division, is not

42 delinquent in the payment of any local or municipal tax, nor is the taxpayer delinquent in the
43 payment of property taxes on the property containing the façade being replaced.

44 (f) No credit may be authorized pursuant to the provisions of this section for the same
45 expenses for which credit is claimed pursuant to the provisions of §11-21-8g of this code.

46 (g) The credit authorized by this section is available for tax years beginning after December
47 31, _____ 2024.

ARTICLE 24. CORPORATION NET INCOME TAX.

§11-24-23h. Tax credit for improving facades in historic districts.

1 (a) A credit against the tax imposed by the provisions of this article is allowed for non-
2 historic structures. The credit is available for replacements of the façades of non-historic
3 structures located in this state that are reviewed by the West Virginia Division of Culture and
4 History and are determined to complement the historic facades in the historic district and
5 materially improve the overall historic appearance of the district. The credit is equal to twenty-five
6 percent of eligible replacement expenses incurred in the replacement of the façade. No applicant
7 may qualify for this tax credit if, when the applicant begins to claim the credit and throughout the
8 time period within which the credit is claimed, the taxpayer is in arrears in the payment of any tax
9 administered by the Tax Division, or the taxpayer is delinquent in the payment of any local or
10 municipal tax; or the taxpayer is delinquent in the payment of property taxes on the property
11 containing the façade being replaced when the applicant begins to claim the credit and throughout
12 the time period within which the credit is claimed.

13 (b) (1) “Certified non-historic structure” means any building located in this state that is non-
14 contributing to an historic district listed in the national register of historic places, as certified by the
15 state historic preservation office.

16 (2) “Eligible replacement expenses” means expenses incurred in the replacement of the
17 façade of a non-historic structure.

18 (3) “Façade” means the exterior wall of a building within public view from a public space.

19 (c)(1) Any person seeking to apply for the tax credit authorized by this section shall apply to
20 the state historic preservation officer as defined in §11-24-23b of this code.

21 (2) The state historic preservation officer shall review the application and make a
22 determination whether or not the proposed replacement of the façade complements the historic
23 facades in the historic district, materially improves the overall historic appearance of the district,
24 and does not create a false sense of history. The state historic preservation officer shall issue tax
25 credit certificates for approved applications and the certificate shall accompany any claim for tax
26 credit.

27 (d) If the amount of the credit authorized by this section exceeds the taxpayer's tax liability
28 for the taxable year to which the credit applies, the amount that exceeds the tax liability for the
29 taxable year may be carried over for credits against the income taxes of the taxpayer in each of the
30 ensuing five tax years or until the full credit is used, whichever occurs first. In no event may the
31 amount of the credit taken in a taxable year exceed the tax liability due for the taxable year.
32 Credits authorized that exceed the taxpayer's tax liability for the taxable year to which the credit
33 applies may not be carried back to previous tax years.

34 (e) The Tax Commissioner shall require disclosure of information regarding credits granted
35 pursuant to this section in accordance with the provisions of §11-10-5s of this code. The Secretary
36 of the West Virginia Department of Art, Culture, and History shall propose rules for legislative
37 approval in accordance with the provisions of §29A-3-1 et seq. of this code to implement the credit
38 authorized by this section, including application procedures and requirements, and reasonable
39 fees to defray the necessary expenses of administration of the credit. The rules must also provide
40 for what information must accompany any claim for the tax credit for the determination that the
41 taxpayer is not in arrears in the payment of any tax administered by the Tax Division, is not
42 delinquent in the payment of any local or municipal tax, nor is the taxpayer delinquent in the
43 payment of property taxes on the property containing the façade being replaced.

44 (f) No credit may be authorized pursuant to the provisions of this section for the same
45 expenses for which credit is claimed pursuant to the provisions of §11-24-23a of this code.

46 (g) The credit authorized by this section is available for tax years beginning after
47 December 31, 2024.