
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 221 Session of
2007

INTRODUCED BY TANGRETTI, FRANKEL, BUXTON, BARRAR, BELFANTI,
BENNINGTON, BEYER, ARGALL, CALTAGIRONE, CAPPELLI, CLYMER,
COHEN, DePASQUALE, FABRIZIO, FLECK, FREEMAN, GEORGE, GERGELY,
GINGRICH, GOODMAN, HARHAI, HENNESSEY, HERSHEY, HUTCHINSON,
JOSEPHS, KILLION, KOTIK, KULA, LEVDANSKY, MAHONEY, MANN,
MARKOSEK, MELIO, MILLARD, MUNDY, MUSTIO, NAILOR, O'NEILL,
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ROSS, SAINATO, SAMUELSON, SANTONI, SAYLOR, SCAVELLO,
SIPTROTH, SOLOBAY, STERN, STURLA, SURRA, WALKO, WANSACZ,
WATSON, WOJNAROSKI, YUDICHAK, LEACH, PETRARCA, GEIST,
BIANCUCCI, REICHLEY, RUBLEY, HESS, PETRI, BOYD, SCHRODER,
BROOKS, WHEATLEY, BASTIAN, DENLINGER, MURT, MCILVAINE SMITH,
HARPER AND COSTA, FEBRUARY 5, 2007

SENATOR EARLL, COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
IN SENATE, RE-REPORTED AS AMENDED, JUNE 18, 2008

AN ACT

1 Providing for the establishment of the Historic Preservation
2 Incentive ~~Grant~~ Program for historic commercial and <—
3 residential sites, FOR GRANTS AND FOR TAX CREDITS. <—

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 CHAPTER 1 <—

7 PRELIMINARY PROVISIONS

8 Section 1 101. Short title. <—

9 This act shall be known and may be cited as the Historic
10 Preservation Incentive ~~Grant~~ Act. <—

11 Section 2 102. Definitions. <—

12 The following words and phrases when used in this act shall

1 have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 ~~"Applicant." A commercial applicant or a residential~~ <—
4 ~~applicant.~~

5 "Commercial applicant." Any natural person, corporation,
6 foundation, organization, business trust, estate, limited
7 liability company, licensed corporation, trust, partnership,
8 limited liability partnership, association or any other form of
9 legal business entity that owns an eligible commercial property.

10 "Commission." The Pennsylvania Historical and Museum
11 Commission.

12 ~~"Department." The Department of Community and Economic~~ <—
13 ~~Development of the Commonwealth.~~

14 "Eligible building improvements." Exterior rehabilitation or
15 restoration work performed on an eligible commercial property or
16 an eligible residential property, including work involving
17 windows, consistent with the Standards for Rehabilitation of the
18 Secretary of the Interior.

19 ~~"Eligible commercial property." A building used or zoned to~~ <—
20 ~~be used for income producing purposes which is listed on the~~
21 ~~National Register of Historic Places, is a contributing property~~
22 ~~in a National Register historic district or is located in a~~
23 ~~local government historic district. The term includes a building~~
24 ~~used or zoned to be used for commercial purposes which is also~~
25 ~~used for residential purposes. The term also includes a for sale~~
26 ~~condominium project.~~

27 ~~"Eligible property." An eligible commercial property or an~~
28 ~~eligible residential property.~~

29 "Eligible residential property." A single-family dwelling or
30 a building which:

1 (1) is a single family dwelling used as the owner's
2 principal residence or is a building that is divided into no
3 more than four residential units, one of which is used as the
4 owner's principal residence;

5 (2) is owned by one or more natural persons; and

6 (3) either:

7 (i) is listed on the National Register of Historic
8 Places or is a contributing property in a National
9 Register historic district; or

10 (ii) is located in a local government historic
11 district.

12 "Elm Street area." A geographically defined portion of a
13 municipality designated as an Elm Street area by the Department
14 of Community and Economic Development in accordance with the
15 terms and conditions of the act of February 9, 2004 (P.L.61,
16 No.7), known as the Elm Street Program Act. The term includes an
17 area which has exited the official program but still has a
18 program functioning to revitalize the designated areas pursuant
19 to the department's program guidelines.

20 "Enterprise zone." A geographic area designated by the
21 Department of Community and Economic Development as an
22 enterprise zone. The term includes an area which has exited the
23 official program but still has a program functioning to
24 revitalize the designated areas pursuant to the department's
25 program guidelines.

26 "Historic district." A local government historic district or
27 an area in this Commonwealth which has been designated as a
28 historic district under the National Historic Preservation Act
29 (Public Law 89-665, 80 Stat. 915).

30 "Historic structure." A building listed in the National

1 Register of Historic Places, either individually or as a
2 contributing building within a historic district.

3 "Local government historic district." A historic district
4 designated by any of the following:

5 (1) Section 2 of the act of June 13, 1961 (P.L.282,
6 No.167), entitled "An act authorizing counties, cities,
7 boroughs, incorporated towns and townships to create historic
8 districts within their geographic boundaries; providing for
9 the appointment of Boards of Historical Architectural Review;
10 empowering governing bodies of political subdivisions to
11 protect the distinctive historical character of these
12 districts and to regulate the erection, reconstruction,
13 alteration, restoration, demolition or razing of buildings
14 within the historic districts."

15 (2) The Historic Preservation Ordinance, Section 14-
16 2007, of the Philadelphia City Code.

17 (3) Title 11 of the Pittsburgh City Code, Chapter 1,
18 Section 3, as amended by City Council on July 22, 1997.

19 (4) The City of Scranton under the City of Scranton
20 Commission for Architectural and Urban Design Review
21 ordinance.

22 "Main Street community." A geographic area designated as a
23 Main Street community by the Department of Community and
24 Economic Development. The term includes an area that has exited
25 the official program but still has a program functioning to
26 revitalize the designated areas pursuant to the department's
27 program guidelines.

28 "National Register." The National Register of Historic
29 Places established under section 101 of the National Historic
30 Preservation Act (Public Law 89-665, 16 U.S.C. § 470a).

1 "Residential applicant." One or more natural persons who own
2 an eligible residential property.

3 "Standards." The Secretary of the Interior Standards for the
4 Treatment of Historic Properties, excluding reconstruction, set
5 forth at 36 CFR 67.7 (relating to Standards for Rehabilitation).

6 CHAPTER 3 ←

7 GRANTS

8 SECTION 301. DEFINITIONS.

9 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
10 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
11 CONTEXT CLEARLY INDICATES OTHERWISE:

12 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC
13 DEVELOPMENT OF THE COMMONWEALTH.

14 Section ~~3~~ 302. Historic Preservation Incentive Grant Program. ←

15 (a) Establishment.--There is established a program in the
16 department to be known as the Historic Preservation Incentive
17 Grant Program. The program shall provide grants to owners of
18 eligible properties located within this Commonwealth that
19 undertake eligible RESIDENTIAL building improvements. ←

20 (b) Application.--To participate in the program, ~~an~~ A ←
21 RESIDENTIAL applicant must submit an application to the
22 department requesting a grant for the reimbursement of costs
23 associated with eligible building improvements to an eligible
24 RESIDENTIAL property owned by the RESIDENTIAL applicant. The ←
25 application must be submitted on a form developed by the
26 department in consultation with the commission and must include
27 all of the following:

28 (1) The name and address of the RESIDENTIAL applicant. ←

29 (2) The location of the property.

30 (3) Proof of ownership of the property by the

1 RESIDENTIAL applicant. The RESIDENTIAL applicant may satisfy <—
2 this requirement by providing evidence satisfactory to the
3 department that the RESIDENTIAL applicant will own the <—
4 property at some point in time following submission of the
5 application and has sufficient control of the property at the
6 time of submission to perform the work described in the
7 application.

8 (4) A description of the property providing sufficient
9 information to establish that the property meets the criteria
10 for ~~either an eligible commercial property or~~ an eligible <—
11 residential property, including information specified in the
12 commission's guidelines.

13 (5) A detailed description of the proposed work to be
14 performed, including plans, drawings and specifications as
15 appropriate.

16 (6) A detailed estimate of the cost of the work to be
17 performed.

18 (7) Proof that the RESIDENTIAL applicant is current with <—
19 respect to the payment of all real estate taxes assessed
20 against the property or evidence that the RESIDENTIAL <—
21 applicant is contesting the taxes in good faith and has set
22 aside sums to cover any tax liability in the event the
23 contest fails.

24 (8) Evidence of the source of matching funds to be
25 utilized for the project. If the source of matching funds is
26 a loan from a financial institution, the RESIDENTIAL <—
27 applicant must provide a copy of the loan application and
28 commitment or other evidence satisfactory to the department
29 of the RESIDENTIAL applicant's ability to obtain the <—
30 necessary financing.

1 (9) Any other information required by the department or
2 the commission.

3 (c) Review and recommendation by commission.--The department
4 shall forward the application to the commission for review. If
5 the commission determines that the property qualifies as an
6 eligible RESIDENTIAL property and that the proposed improvements <—
7 would qualify as eligible building improvements, then the
8 commission may recommend approval of the property for the
9 program and shall notify the department of its recommendation
10 within 45 days following receipt of a completed application by
11 the commission.

12 (d) Award of grant by department.--Upon receipt of the
13 commission's recommendation for approval as provided in
14 subsection (c), the department may award the RESIDENTIAL <—
15 applicant a grant and shall notify the RESIDENTIAL applicant and <—
16 the commission of its action.

17 (e) Certification and disbursement.--

18 (1) Following completion of the work, the RESIDENTIAL <—
19 applicant shall file a certification with the commission
20 stating that the work has been completed. The certification
21 shall be accompanied by photographs showing the completed
22 project, evidence of the actual expenditures made by the
23 RESIDENTIAL applicant and evidence, in the form of a letter <—
24 or letters from local code enforcement officials, that the
25 property, as improved, complies with all local building,
26 fire, safety and health codes.

27 (2) The commission shall complete its review of the
28 certification within 90 days of receipt of the certification
29 by the commission. The commission may request additional
30 information and conduct a site inspection as it deems

1 necessary to determine compliance with the requirements of
2 the program established by this ~~act~~ CHAPTER. <—

3 (3) If the commission is satisfied with the
4 certification submitted, it shall notify the department of
5 the approved eligible building improvements. The department
6 shall calculate the amount of the grant and disburse the
7 grant funds to the RESIDENTIAL applicant. <—

8 (f) Agreement.--The department is not required to enter into
9 a grant agreement with ~~an~~ A RESIDENTIAL applicant prior to <—
10 awarding and disbursing a grant.

11 (g) Special rules ~~relating to eligible residential~~ <—
12 ~~properties~~.--An application for a grant for eligible building
13 improvements ~~for an eligible residential property~~ must include <—
14 one of the following statements from the RESIDENTIAL applicant: <—

15 (1) That the RESIDENTIAL applicant has owned the <—
16 eligible residential property for at least five years prior
17 to the date of submission of the application.

18 (2) That the RESIDENTIAL applicant has owned the <—
19 eligible residential property for less than five years prior
20 to the date of submission of the application but agrees to
21 continue to own the property for a total of at least five
22 years.

23 Section 4 303. Exemption from State taxes. <—

24 Grant amounts awarded by the department for eligible
25 residential properties shall not be considered income to the
26 RESIDENTIAL applicant under section 303 of the act of March 4, <—
27 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

28 Section 5 304. Allocation of grant funds; limitations; <—
29 priorities.

30 (a) Source.--Funds for this program shall be provided to the

1 department from funds authorized for this purpose.

2 (b) Proration.--If the total amount of grants to be awarded
3 exceeds the amount of funds available for the program in any
4 year, the amount of grants may be prorated among the successful
5 RESIDENTIAL applicants. <—

6 ~~(c) Minimum. At least 31% of the funds available in any~~ <—
7 ~~year shall be reserved by the department for grants to~~
8 ~~successful residential applicants. If reserved funds are more~~
9 ~~than are needed to satisfy the total amount of such grants~~
10 ~~awarded in any year, the department may utilize the excess funds~~
11 ~~for grants to successful commercial applicants.~~

12 ~~(d)~~ (C) Limitations.-- <—

13 (1) Subject to the other limitations set forth in this
14 subsection, a grant awarded to a successful RESIDENTIAL <—
15 applicant shall not be more than 70% of the total amount of
16 expenditures made for eligible building improvements.

17 (2) In no event shall any grant be awarded unless:

18 (i) the RESIDENTIAL applicant is current with <—
19 respect to all local real estate taxes assessed against
20 the RESIDENTIAL applicant's eligible RESIDENTIAL <—
21 property; or

22 (ii) the RESIDENTIAL applicant, in good faith, is <—
23 contesting local real estate taxes assessed against the
24 RESIDENTIAL applicant's eligible RESIDENTIAL property, <—
25 provides the department with evidence of the contest and
26 has set aside sums to cover any tax liability in the
27 event the contest fails.

28 (3) Up to \$15,000 may be awarded to a residential
29 applicant in connection with a single project., ~~and up to~~ <—
30 ~~\$500,000 may be awarded to a commercial applicant in~~

1 ~~connection with a single project.~~

2 (4) In order to receive money from a grant, the
3 RESIDENTIAL applicant must complete the project being funded <—
4 by the grant within two years of receipt of notification from
5 the department of the award.

6 ~~(e)~~ (D) Priorities.--Priority for the award of grants may be <—
7 given to properties located in Elm Street areas, Main Street
8 communities, enterprise zones and ~~in~~ local government historic <—
9 districts. The department shall take into account geographical
10 distribution of grants in making awards.

11 Section ~~6~~ 305. Administration. <—

12 (a) Guidelines.--The department and the commission shall
13 jointly develop guidelines for the implementation of the program
14 established by this ~~act~~ CHAPTER. <—

15 (b) Expenditures.--The department may utilize up to an
16 aggregate of 3% of the funds available for the program annually,
17 not to exceed \$500,000, as allocated by the Governor, for
18 expenses incurred in administering the program established by
19 this ~~act~~ CHAPTER AND CHAPTER 5. The department and the <—
20 commission shall enter into an agreement for the payment to the
21 commission of a portion of sums for expenses incurred by the
22 commission.

23 Section ~~7~~ 306. Repayment. <—

24 The department, at its discretion, shall be entitled to a
25 return of all grant funds paid to the RESIDENTIAL applicant if, <—
26 within five years following completion of the project, any of
27 the following occur:

28 (1) The owner of the eligible RESIDENTIAL property makes <—
29 improvements to the exterior of the property which do not
30 meet the standards.

1 (2) The eligible RESIDENTIAL property is removed from ←
2 the National Register, either individually or as a
3 contributing building within a historic district, whether or
4 not as a result of the owner making improvements to the
5 exterior of the property which do not meet the standards.

6 (3) The eligible residential property is transferred in
7 violation of the agreement made by the owner under the
8 provisions of section ~~3(g)(2)~~ 302(G)(2), if applicable, ←
9 unless the transfer occurs as a result of the death of the
10 owner or is otherwise involuntary.

11 CHAPTER 5 ←

12 TAX CREDITS

13 SECTION 501. DEFINITIONS.

14 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
15 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
16 CONTEXT CLEARLY INDICATES OTHERWISE:

17 "CERTIFIED HISTORIC STRUCTURE." AS DEFINED IN SECTION
18 47(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-
19 514, 26 U.S.C. § 47(C)(3)).

20 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

21 "PASS-THROUGH ENTITY." ANY OF THE FOLLOWING:

22 (1) A PARTNERSHIP, AS DEFINED IN SECTION 301(N.0) OF
23 THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX
24 REFORM CODE OF 1971.

25 (2) A PENNSYLVANIA S CORPORATION AS DEFINED IN SECTION
26 301(N.1) OF THE TAX REFORM CODE OF 1971.

27 "QUALIFIED REHABILITATION EXPENDITURE." A QUALIFIED
28 REHABILITATION EXPENDITURE, AS DEFINED IN SECTION 47(C)(2) OF
29 THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C.
30 § 47(C)(2)), INCURRED AFTER DECEMBER 31, 2008.

1 "QUALIFIED TAX LIABILITY." THE LIABILITY FOR TAXES IMPOSED
2 UNDER ARTICLE III, IV OR VI OF THE ACT OF MARCH 4, 1971 (P.L.6,
3 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971. THE TERM DOES NOT
4 INCLUDE ANY TAX WITHHELD BY AN EMPLOYER FROM AN EMPLOYEE UNDER
5 ARTICLE III OF THE TAX REFORM CODE OF 1971.
6 SECTION 502. TAX CREDIT CERTIFICATE.

7 (A) APPLICATION.--

8 (1) A COMMERCIAL APPLICANT MAY APPLY TO THE DEPARTMENT
9 OF COMMUNITY AND ECONOMIC DEVELOPMENT FOR A TAX CREDIT
10 CERTIFICATE UNDER THIS SECTION.

11 (2) THE APPLICATION MUST BE ON THE FORM REQUIRED BY THE
12 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT.

13 (3) THE APPLICATION MUST BE FILED ON OR BEFORE FEBRUARY
14 1 FOR QUALIFIED REHABILITATION EXPENDITURES INCURRED IN THE
15 PRIOR CALENDAR YEAR.

16 (B) REVIEW, RECOMMENDATION AND APPROVAL.--

17 (1) THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
18 SHALL FORWARD THE APPLICATION TO THE COMMISSION FOR REVIEW.

19 (2) IF THE COMMISSION DETERMINES THAT THE COMMERCIAL
20 APPLICANT HAS INCURRED QUALIFIED REHABILITATION EXPENDITURES,
21 THE COMMISSION MAY RECOMMEND APPROVAL OF THE APPLICATION AND
22 SHALL NOTIFY THE DEPARTMENT OF COMMUNITY AND ECONOMIC
23 DEVELOPMENT OF ITS RECOMMENDATION WITHIN 30 DAYS FOLLOWING
24 RECEIPT OF A COMPLETED APPLICATION BY THE COMMISSION.

25 (3) UPON RECEIPT OF THE COMMISSION'S RECOMMENDATION FOR
26 APPROVAL, THE DEPARTMENT OF COMMUNITY AND ECONOMIC
27 DEVELOPMENT:

28 (I) MAY APPROVE THE APPLICATION; AND

29 (II) BY APRIL 1, SHALL NOTIFY THE COMMERCIAL
30 APPLICANT AND THE COMMISSION OF ITS ACTION.

1 (4) IF THE DEPARTMENT OF COMMUNITY AND ECONOMIC
2 DEVELOPMENT APPROVES THE APPLICATION, IT SHALL ISSUE THE
3 COMMERCIAL APPLICANT A TAX CREDIT CERTIFICATION BY APRIL 1.
4 IN GRANTING TAX CREDIT CERTIFICATES, THE DEPARTMENT OF
5 COMMUNITY AND ECONOMIC DEVELOPMENT:

6 (I) SHALL GIVE PRIORITY TO PROPERTIES LOCATED IN ELM
7 STREET AREAS, ENTERPRISE ZONES, LOCAL GOVERNMENT HISTORIC
8 DISTRICTS AND MAIN STREET COMMUNITIES;

9 (II) SHALL TAKE INTO ACCOUNT THE GEOGRAPHICAL
10 DISTRIBUTION OF TAX CREDIT CERTIFICATES; AND

11 (III) SHALL NOT GRANT MORE THAN \$10,000,000 IN TAX
12 CREDIT CERTIFICATES IN A SINGLE FISCAL YEAR.

13 SECTION 503. CLAIMING THE CREDIT.

14 (A) CLAIM.--UPON PRESENTING A TAX CREDIT CERTIFICATE TO THE
15 DEPARTMENT, THE COMMERCIAL APPLICANT MAY CLAIM A TAX CREDIT
16 AGAINST THE QUALIFIED TAX LIABILITY OF THE COMMERCIAL APPLICANT.

17 (B) AMOUNT AND QUALIFICATION.--

18 (1) A COMMERCIAL APPLICANT IS ALLOWED A TAX CREDIT UNDER
19 THIS CHAPTER IN THE AMOUNT OF 25% OF A QUALIFIED
20 REHABILITATION EXPENDITURE:

21 (I) WHICH IS INCURRED IN CONNECTION WITH
22 REHABILITATION OF A CERTIFIED HISTORIC STRUCTURE LOCATED
23 IN THIS COMMONWEALTH; AND

24 (II) FOR WHICH A CREDIT IS RECEIVED UNDER SECTION 47
25 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514,
26 26 U.S.C. § 47).

27 (2) THE TAX CREDIT MAY NOT EXCEED \$500,000 FOR A SINGLE
28 COMMERCIAL APPLICANT IN A SINGLE FISCAL YEAR.

29 SECTION 504. CARRYOVER, CARRYBACK AND SALE OR ASSIGNMENT OF
30 CREDIT.

1 (A) GENERAL RULE.--IF THE COMMERCIAL APPLICANT CANNOT USE
2 THE ENTIRE AMOUNT OF THE TAX CREDIT FOR THE TAXABLE YEAR IN
3 WHICH THE TAX CREDIT CERTIFICATE WAS ISSUED, THEN THE EXCESS MAY
4 BE CARRIED OVER TO SUCCEEDING TAXABLE YEARS AND USED AS A CREDIT
5 AGAINST THE QUALIFIED TAX LIABILITY OF THE COMMERCIAL APPLICANT
6 FOR THOSE TAXABLE YEARS. EACH TIME THE TAX CREDIT IS CARRIED
7 OVER TO A SUCCEEDING TAXABLE YEAR, IT SHALL BE REDUCED BY THE
8 AMOUNT THAT WAS USED AS A CREDIT DURING THE IMMEDIATELY
9 PRECEDING TAXABLE YEAR. THE TAX CREDIT PROVIDED BY THIS CHAPTER
10 MAY BE CARRIED OVER AND APPLIED TO SUCCEEDING TAXABLE YEARS FOR
11 NO MORE THAN THREE TAXABLE YEARS FOLLOWING THE FIRST TAXABLE
12 YEAR FOR WHICH THE TAXPAYER WAS ENTITLED TO CLAIM THE CREDIT.

13 (B) APPLICATION.--A TAX CREDIT CERTIFICATE ISSUED BY THE
14 DEPARTMENT SHALL FIRST BE APPLIED AGAINST THE COMMERCIAL
15 APPLICANT'S QUALIFIED TAX LIABILITY FOR THE CURRENT TAXABLE YEAR
16 AS OF THE DATE ON WHICH THE TAX CREDIT CERTIFICATE WAS ISSUED
17 BEFORE THE TAX CREDIT CAN BE APPLIED AGAINST ANY TAX LIABILITY
18 UNDER SUBSECTION (A).

19 (C) NO CARRYBACK OR REFUND.--A COMMERCIAL APPLICANT IS NOT
20 ENTITLED TO CARRY BACK OR OBTAIN A REFUND OF ALL OR ANY PORTION
21 OF AN UNUSED TAX CREDIT GRANTED TO THE TAXPAYER UNDER THIS
22 CHAPTER.

23 (D) SALE OR ASSIGNMENT.--

24 (1) A COMMERCIAL APPLICANT, UPON APPLICATION TO AND
25 APPROVAL BY THE DEPARTMENT, MAY SELL OR ASSIGN, IN WHOLE OR
26 IN PART, A TAX CREDIT GRANTED TO THE COMMERCIAL APPLICANT
27 UNDER THIS CHAPTER.

28 (2) A CREDIT MAY NOT BE SOLD OR ASSIGNED FOR A PERIOD OF
29 ONE YEAR FOLLOWING THE DATE THE TAX CERTIFICATE WAS ISSUED BY
30 THE DEPARTMENT.

1 (3) BEFORE AN APPLICATION IS APPROVED, THE DEPARTMENT
2 MUST MAKE A FINDING THAT THE COMMERCIAL APPLICANT HAS FILED
3 ALL REQUIRED STATE TAX REPORTS AND RETURNS FOR ALL APPLICABLE
4 TAXABLE YEARS AND PAID ANY BALANCE OF STATE TAX DUE AS
5 DETERMINED BY ASSESSMENT OR DETERMINATION BY THE DEPARTMENT.

6 (E) PURCHASERS AND ASSIGNEES.--THE PURCHASER OR ASSIGNEE OF
7 ALL OR A PORTION OF A TAX CREDIT UNDER SUBSECTION (D) SHALL
8 IMMEDIATELY CLAIM THE CREDIT IN THE TAXABLE YEAR IN WHICH THE
9 PURCHASE OR ASSIGNMENT IS MADE. THE AMOUNT OF THE TAX CREDIT
10 THAT A PURCHASER OR ASSIGNEE MAY USE AGAINST A SINGLE QUALIFIED
11 TAX LIABILITY MAY NOT EXCEED 50% OF THAT QUALIFIED TAX LIABILITY
12 FOR THE TAXABLE YEAR. THE PURCHASER OR ASSIGNEE MAY NOT CARRY
13 FORWARD, CARRY BACK OR OBTAIN A REFUND OF OR FURTHER SELL OR
14 ASSIGN THE TAX CREDIT. THE PURCHASER OR ASSIGNEE SHALL NOTIFY
15 THE DEPARTMENT OF THE SELLER OR ASSIGNOR OF THE TAX CREDIT IN
16 COMPLIANCE WITH PROCEDURES SPECIFIED BY THE DEPARTMENT.
17 SECTION 505. PASS-THROUGH ENTITY.

18 (A) GENERAL RULE.--IF A PASS-THROUGH ENTITY HAS ANY UNUSED
19 TAX CREDIT UNDER SECTION 504(A), IT MAY ELECT IN WRITING,
20 ACCORDING TO PROCEDURES ESTABLISHED BY THE DEPARTMENT, TO
21 TRANSFER ALL OR A PORTION OF THE CREDIT TO SHAREHOLDERS, MEMBERS
22 OR PARTNERS IN PROPORTION TO THE SHARE OF THE ENTITY'S
23 DISTRIBUTIVE INCOME TO WHICH THE SHAREHOLDER, MEMBER OR PARTNER
24 IS ENTITLED.

25 (B) LIMITATION.--A PASS-THROUGH ENTITY AND A SHAREHOLDER,
26 MEMBER OR PARTNER OF A PASS-THROUGH ENTITY MAY NOT CLAIM THE
27 CREDIT UNDER SUBSECTION (A) FOR THE SAME QUALIFIED
28 REHABILITATION EXPENDITURE.

29 (C) APPLICATION.--A SHAREHOLDER, MEMBER OR PARTNER OF A
30 PASS-THROUGH ENTITY TO WHICH A CREDIT IS TRANSFERRED UNDER

1 SUBSECTION (A) SHALL IMMEDIATELY CLAIM THE CREDIT IN THE TAXABLE
2 YEAR IN WHICH THE TRANSFER IS MADE. THE SHAREHOLDER, MEMBER OR
3 PARTNER MAY NOT CARRY FORWARD, CARRY BACK, OBTAIN A REFUND OF OR
4 SELL OR ASSIGN THE CREDIT.

5 SECTION 506. CANCELLATION.

6 (A) CANCELLATION OF TAX CREDIT CERTIFICATE.--THE DEPARTMENT
7 OF COMMUNITY AND ECONOMIC DEVELOPMENT MAY CANCEL A TAX
8 CERTIFICATE ISSUED UNDER SECTION 502 IF, WITHIN FIVE YEARS
9 FOLLOWING COMPLETION OF THE PROJECT, ANY OF THE FOLLOWING OCCUR:

10 (1) THE OWNER OF THE CERTIFIED HISTORIC STRUCTURE MAKES
11 IMPROVEMENTS TO THE EXTERIOR OF THE PROPERTY WHICH DO NOT
12 MEET THE STANDARDS.

13 (2) THE CERTIFIED HISTORIC STRUCTURE IS REMOVED FROM THE
14 NATIONAL REGISTER, EITHER INDIVIDUALLY OR AS A CONTRIBUTING
15 BUILDING WITHIN A HISTORIC DISTRICT, WHETHER OR NOT AS A
16 RESULT OF THE OWNER MAKING IMPROVEMENTS TO THE EXTERIOR OF
17 THE PROPERTY WHICH DO NOT MEET THE STANDARDS.

18 (B) NOTICES.--THE DEPARTMENT OF COMMUNITY AND ECONOMIC
19 DEVELOPMENT SHALL NOTIFY THE COMMERCIAL APPLICANT TO WHOM THE
20 TAX CREDIT WAS GRANTED AND THE DEPARTMENT OF CANCELLATION OF
21 THAT TAX CREDIT, INCLUDING THE AMOUNT OF THE TAX CREDIT
22 CANCELED. THE COMMERCIAL APPLICANT SHALL PAY THE AMOUNT OF THE
23 CANCELED TAX CREDIT ON THE APPLICATION NOTICE TO THE DEPARTMENT
24 WITHIN 30 DAYS OF THE DATE OF THE CANCELLATION NOTICE.

25 (C) APPEALS.--

26 (1) A PARTY AGGRIEVED BY THE CANCELLATION OF A TAX
27 CREDIT CERTIFICATE MAY APPEAL THE CANCELLATION TO THE
28 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT.

29 (2) THE APPEAL MUST BE MADE WITHIN 30 DAYS OF THE DATE
30 OF THE CANCELLATION NOTICE.

1 (3) THE APPEAL IS SUBJECT TO:
2 (I) 2 PA.C.S. CH. 5 SUBCH. A (RELATING TO PRACTICE
3 AND PROCEDURE OF COMMONWEALTH AGENCIES), 1 PA. CODE PT.
4 II (RELATING TO GENERAL RULES OF ADMINISTRATIVE PRACTICE
5 AND PROCEDURE) AND PROCEDURAL REGULATIONS PROMULGATED BY
6 THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AND
7 (II) 2 PA.C.S. CH. 7 SUBCH. A (RELATING TO JUDICIAL
8 REVIEW OF COMMONWEALTH AGENCY ACTION).

9 SECTION 507. ADMINISTRATION.

10 THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT AND THE
11 DEPARTMENT SHALL JOINTLY DEVELOP GUIDELINES FOR THE
12 IMPLEMENTATION OF THE PROGRAM ESTABLISHED IN THIS CHAPTER.

13 Section ~~20~~ 3101. Effective date.

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14 This act shall take effect in 120 days.