



LOUISIANA DIVISION *of*  
HISTORIC PRESERVATION

**2024 Legislative Updates**





# Historic Tax Credits: 2024 Legislative Updates

Andrea McCarthy, Emily Van Doren, Ferin Jones

Tristain Belvin

Tax Incentives Program

Louisiana Division of Historic Preservation

Office of Cultural Development

Department of Culture, Recreation & Tourism

Office of the Lieutenant Governor

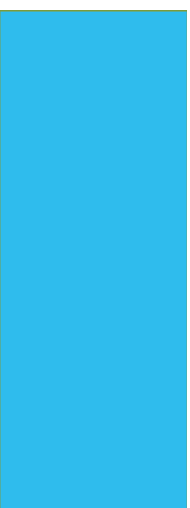


# Contents

1. Updated Legislation Language
2. Credit Reservation Cap
3. Review of Projects since 2021
4. Promulgated Rules
5. Updates to Application forms
6. December 31st deadline
7. Comments/Feedback







18                   (e)(i) For State of Louisiana Commercial Rehabilitation Tax Credit Part 2  
 19                   applications received by the Department of Culture, Recreation and Tourism on or  
 20                   after January 1, 2021, but prior to January 1, 2025, the maximum aggregate total of  
 21                   tax credits that may be reserved by all taxpayers pursuant to the provisions of this  
 22                   Section shall not exceed one hundred twenty-five million dollars annually. ~~If and if~~  
 23                   the amount of tax credit reservations issued in a calendar year is less than one  
 24                   hundred twenty-five million dollars, the excess reservation amount shall be available  
 25                   for issuance in any subsequent calendar year. ~~The Department of Culture, Recreation~~  
 26                   ~~and Tourism shall establish by rule the method of reserving available tax credits~~  
 27                   ~~including but not limited to a first-come, first-served system or any other method that~~  
 28                   ~~the Department of Culture, Recreation and Tourism determines to be beneficial to~~  
 29                   ~~the program. Rules promulgated pursuant to the provisions of this Subparagraph~~  
 30                   ~~shall be subject to oversight by the House Committee on Ways and Means and the~~

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

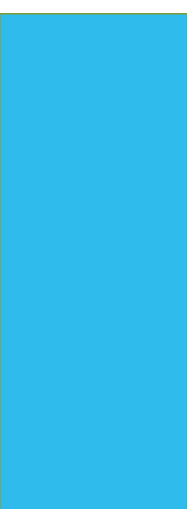


HB NO. 2

**ENROLLED**

1                   ~~Senate Committee on Revenue and Fiscal Affairs. The Department of Revenue and~~  
 2                   ~~the Department of Culture, Recreation and Tourism shall make reasonable efforts to~~  
 3                   ~~post a listing of estimated credit amounts remaining under the annual cap on their~~  
 4                   ~~websites.~~





5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18

(ii) For State of Louisiana Commercial Rehabilitation Tax Credit Part 2 applications received by the Department of Culture, Recreation and Tourism on or after January 1, 2025, the maximum aggregate total of tax credits that may be reserved by all taxpayers pursuant to the provisions of this Section shall not exceed eighty-five million dollars annually.

(iii) The Department of Culture, Recreation and Tourism shall establish by rule the method of reserving available tax credits including, but not limited to a first-come, first-served system or any other method that the Department of Culture, Recreation and Tourism determines to be beneficial to the program. Rules promulgated pursuant to the provisions of this Subparagraph shall be subject to oversight by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs. The Department of Revenue and the Department of Culture, Recreation and Tourism shall make reasonable efforts to post a listing of estimated credit amounts remaining under the annual cap on their websites.

## Tax Credit Reservations: Prior to 2025

- Available State credits are capped at \$125 million each year.
- Unused credits at the end of the year are rolled over to the following year.
- All projects with Part 2 applications submitted in 2021 or later must "reserve" the full amount of credits needed for the project, based on the qualified rehabilitation expenditures.
- Cap was never met and roll over provided large cushion.
- Reservation Requests were not required until Part 3.



# Tax Credit Reservations: Prior to 2025

Year	Rollover from previous year	Annual cap amount	Total available for year	Amount of credits reserved	Remaining funds at end of year	Amount of available funds reserved
2021	n/a	\$125,000,000.00	\$125,000,000.00	\$2,168,900.00	\$122,831,100.00	2%
2022	\$122,831,100.00	\$125,000,000.00	\$247,831,100.00	\$34,707,624.54	\$213,123,475.46	14%
2023	\$213,123,475.46	\$125,000,000.00	\$338,123,475.46	\$36,727,291.70	\$301,396,183.76	11%
2024 (YTD)	\$301,396,183.76	\$125,000,000.00	\$426,396,183.76	\$143,709,096.29	\$283,030,587.00	34%

# Tax Credit Reservations: Prior to 2025

Year	Approved Part 3s	Approved QREs	Estimated Credit Award
2021	103	\$274,198,800.53	\$54,839,760.11
2022	90	\$509,106,397.46	\$101,821,279.49
2023	148	\$368,447,886.54	\$92,111,971.64
2024(YTD)	137	\$247,751,161.19	\$61,937,790.30
2024(Pending)	40	\$66,070,759.18	\$16,517,689.80



## Part 2 Approvals

Year	Estimated QRE	Anticipated Credit Award
<b>2023</b>	\$270,577,516.99	\$67,644,379.25
<b>2024</b>	\$304,933,628.86	\$76,233,407.22

## Tax Credit Reservations: After 2025

- Available State credits are capped at \$85 million each year.
- Unused credits at the end of the year are NOT rolled over.
- **Previously rolled-over funds will not be available.**
- All Part 2 applications submitted on or after January 1, 2025 must include a Tax Credit Reservation Request.
- Reservation form will be phased out in lieu of an updated Part 2 form.



# Promulgated Rules

## §1305. Tax Credit Reservations

A. General Provisions 1. For all projects with Part 2 applications received by the SHPO on or after January 1, 2021, the maximum amount of credits available to be reserved shall not exceed one hundred twenty-five million dollars per calendar year. If the amount of tax credit reservations issued in a calendar year is less than one hundred twenty-five million dollars, the excess reservation amount shall be available for issuance in any subsequent calendar year. If a tax credit reservation is forfeited or rescinded, the forfeited or rescinded reservation amount shall be available for issuance. 2. Reservations of credits shall be first-come first served based upon the date of approval of a completed reservation application. 3. If the total amount of credit reservations applied for in any calendar year exceeds the amount of tax credits available for reservation that year, the excess shall be treated as having been applied for on the first day of the subsequent calendar year. 4. All reservation applications received on the same business day shall be treated as received at the same time, and if the aggregate amount of the requests received on a single business day exceeds the total amount of available tax credit reservations, tax credits shall be reserved on a pro rata basis. 5. Any rescinded tax credit reservation shall be reallocated and made available to other applicants. 6. The SHPO shall track the cumulative amount of approved tax credit reservations. Applicants may review the amount of tax credit reservations available per any given calendar year on the SHPO's website. 7. Applicants must comply with all other program requirements set forth by the Division. Claims for the credit must also comply with any rules and regulations set forth by the Louisiana Department of Revenue within Title 61 of the Louisiana Administrative Code.

# Promulgated Rules

## §1305. Tax Credit Reservations

B. Reservation Process 1. Tax credit reservation requests will be accepted beginning July 1, 2021 for the 2021 calendar year, and on the second Monday in January each subsequent year for that year's reservations. 2. Tax credit reservation requests will not be approved prior to the state Part 2 application approval. a. Projects that are going to be completed in phases may file a tax credit reservation application for the entire project in conjunction with a Part 2 application or may file separate tax credit reservation applications, one for each phase, prior to the project or a particular separate phase being placed in service. 3. A tax credit reservation form required by the SHPO shall contain, at minimum the following: a. state issued project number; b. project address; c. part 2 application approval dated. estimated eligible costs and expenses e. amount of tax credit reservation requested f. affirmation that project will demonstrate reviewable progress within 24 months of the reservation approval g. project owner information h. project owner's signature and the date the form was signed i. project contact information (if different than the owner) 4. Applications for all projects shall include a reasonably substantiated estimate of the amount of eligible costs and expenses the project expects to incur. a. For projects which expect to incur at least \$500,000 of eligible costs and expenses, such estimate shall be prepared by a Certified Public Accountant. 5.a. The SHPO shall issue reservations of tax credits generally no later than 30 days from the later of: i. the date properly completed reservation applications were received, or ii. the date the state Part 2 application is approved. b. The reservation shall include the amount of credits reserved and the applicable deadlines. 6. Tax credit reservation requests that have been approved by the SHPO will be transmitted to the Louisiana Department of Revenue in a manner that is agreed upon by both agencies



# Promulgated Rules

## §1305. Tax Credit Reservations

C. Forfeiture or Rescission of Tax Credit Reservation 1. Tax credit reservations issued pursuant to this Subsection shall be rescinded if the applicant fails to provide to the SHPO sufficient evidence that the project is progressing within 24 months of the date the credit reservation is issued. This evidence may include, but is not limited to, an executed tax credit investor letter of intent, final construction drawings, approved building permits, or other evidence that construction has commenced; such examples of evidence are illustrative but are not exclusive. Failure to submit evidence that a project is progressing may result in the rescission of the credit reservation. 2. If, at any time, the SHPO has reason to believe that a project has become inactive or that it is not likely to be able to meet the requirements of the program, SHPO shall contact the applicant by registered or certified mail to request a status report that includes evidence showing the project is progressing. Status reports shall not be requested more than twice during a calendar year and SHPO may waive such status reports at its discretion for extenuating circumstance including, but not limited to, force majeure events. 3. Projects that are denied during the application process by the SHPO shall have the credit reservation rescinded after all appeals have been exhausted. 4. Applicants may forfeit a tax credit reservation by submitting to the SHPO a statement that includes the information contained within the reservation form with a request to rescind the tax credit reservation. 5. The SHPO shall notify the applicant in writing that the tax credit reservation has been forfeited or rescinded. 6. Tax credit reservation requests that have been forfeited or rescinded by the SHPO will be transmitted to the Louisiana Department of Revenue in a manner that is agreed upon by both agencies. 7. Nothing in this section prohibits an applicant whose tax credit reservation has been forfeited or rescinded from submitting a new tax credit reservation.

# Promulgated Rules

## §1305. Tax Credit Reservations

D. Amendments 1. An applicant may amend an existing application, and amendments will be submitted in accordance with the provisions of this Subsection. Any amendment that does not request an increased or decreased reservation amount shall not modify a previous reservation. Any amendment that decreases a reservation amount shall cause the decreased amount of tax credits to be available for issuance to other applicants. Any amendment requesting an additional reservation amount shall be treated as a new application but shall not modify any previous reservation with respect to such historic structure. 2. Any applications filed on or after January 1, 2021, to amend a Part 2 application that was submitted prior to January 1, 2021, is exempt from credit reservation process.

E. Appeals 1. Applicants may appeal any decisions related to the tax credit reservation process contained within this section to the State Historic Preservation Officer. 2. Appeals must be received by the SHPO no later than 30 calendar days from the date of the decision being appealed. Appeals must detail specific reasons the denial should be partially or completely reconsidered or overturned. 3. The State Historic Preservation Officer shall determine if a hearing is necessary, and if so, the appeal will be scheduled within thirty days of the request. 4. The State Historic Preservation Officer, at his discretion, may hold a hearing in connection with the appeal. 5. Upon review of the appeal and consideration of the hearing, if applicable, the State Historic Preservation Officer shall take one of the following actions: a. sustain, in full or in part, the denial; b. overturn, in full or in part, the denial. 6. The State Historic Preservation Officer's final written decision to any appeal must be issued no later than 90 days after receiving the full appeal. AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6019. HISTORICAL NOTE: Promulgated by the Department of Culture, Recreation, and Tourism, Office of Cultural Development, Division of Historic Preservation, LR 40:1679 (September 2014), amended LR 47:1103 (August 2021)



# Promulgated Rules: Proposed Changes

## §1305. Tax Credit Reservations

### Promulgating New Rules (Minimum 6-month legislative process)

- Update Program dates
- Refer to "Legislative Program Cap" instead of dollar amount
- Replace references to "reservation form" with Part 2
- Phased Projects: Require reservations for each Phase
- Adding language to allow future phases to apply to future years

# Promulgated Rules: Proposed Changes

§1305. Tax Credit Reservations

Policy Changes Effective January 1, 2025:

- Requiring Reservation with Part 2 Applications
- Reservation will be approved on the same form as Part 2 approval



# Updates to the Application Forms

- Reservation Request will be embedded into the Part 2 form.
- Approval of Part 2 will also be reservation approval.
- Amendment form will be updated to include changes to the reservation amount/QREs
- Part 3 applications will include information on previously approved Reservations.

## **BEFORE DECEMBER 31st!**

- Submit Credit Reservations for ALL pending or approved projects
- Submit Part 2s By December 31st!
- Part 2s must be completed, signed, and include a work description
- **INCLUDE RESERVATION REQUEST WITH PART 2!**



# Reservation Form



## Louisiana Historic Rehabilitation Commercial Tax Credit Program Tax Credit Reservation Form

**STATE HISTORIC PRESERVATION OFFICE USE ONLY WITHIN THIS SECTION**

- Date eligible, complete reservation form received
- Total remaining reservation amount available for calendar year
- Full tax credit reservation approved
- If full reservation request is not available, indicate all applicable circumstances:
  - Pro Rata Award
  - Reservation Will Be Considered Applied for on January 1, \_\_\_\_\_
- Date reservation issued
- Project must demonstrate reviewable progress within 24 months of the date the reservation is issued; otherwise, the reservation may be rescinded.

Director of the Louisiana Division of Historic Preservation or designated signatory \_\_\_\_\_ Office Telephone Number (225) 342-8200

**APPLICANTS: COMPLETE THE SECTION BELOW, ITEMS 1 – 8**

This form must be completed in its entirety. Any incomplete reservation form will be denied. Type or print clearly in blue or black ink. Reservations of credit shall be first-come first-served based upon the date of approval of a completed reservation form by the State Historic Preservation Office. If the total amount of credit reservations applied for in any calendar year exceeds the amount of tax credits available for that year, the excess shall be treated as having been applied for on the first day of the subsequent calendar year. All reservations received on the same business day shall be treated as received at the same time, and if the aggregate amount of the requests received on a single business day exceeds the total amount of available tax credit reservations, tax credits shall be reserved on a pro rata basis.

- State Project Number \_\_\_\_\_
- Name of Project or Site \_\_\_\_\_  
Project Address: Street \_\_\_\_\_  
City \_\_\_\_\_ Parish \_\_\_\_\_ Louisiana Zip \_\_\_\_\_
- Part 2 Approval
  - Is this a Phased Project? If NO, date Part 2 approved by State Historic Preservation Office \_\_\_\_\_
  - Is this a Phased Project? If YES, indicate the phase for which a credit reservation is requested, and the dates the Part 2 or Amendment describing the phase was approved. Include only the eligible costs and expenses and the amount of the tax credit reservation requested associated with this phase in Sections 4 and 6, below.
 

3B(i). Phase # _____	Amendment # _____	Date Approved _____
3B(ii). All phases of work ( _____ of _____ ) approved in the Part 2 Application		Date Approved _____
  - Is the State Commercial Part 2 pending approval? YES  NO   
Reservation requests will not be approved prior to the Part 2 application approval.
- Estimated Eligible Costs and Expenses \$ \_\_\_\_\_  
If the project is expected to incur at least \$500,000 of eligible costs and expenses, the estimate of the eligible costs and expenses form on Page 3 must be completed by a Certified Public Accountant. Reservation requests will not be approved without required estimated costs and expenses. If this is a phased project, include only the eligible costs and expenses associated with this phase.
- 4A. Estimate of eligible costs and expenses prepared by Certified Public Accountant, on Page 3, completed? YES  NO

ITEMS 5 – 8 CONTINUED ON SECOND PAGE



## Louisiana Historic Rehabilitation Commercial Tax Credit Program Tax Credit Reservation Form

- Will this project, to the best of your knowledge, demonstrate reviewable progress within twenty-four (24) months of the reservation approval? If the project does not demonstrate reviewable progress within twenty-four months of the reservation approval, this reservation request may be rescinded. YES  NO
- Amount of Tax Credit Reservation Requested \$ \_\_\_\_\_  
Estimated Eligible Costs and Expenses x 0.25 (or 0.35 for rural areas) = Tax Credit Reservation Request. If this is a phased project, the tax credit reservation is limited to the phase or phases referenced in Section 3, above.
- Owner or Qualified Lessee Information  
I hereby certify that the information I have provided is, to the best of my knowledge, correct and that I am the owner or qualified lessee of the project referenced above.  
Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Organization \_\_\_\_\_  
Social Security Number or Taxpayer Identification Number \_\_\_\_\_  
Street \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone Number \_\_\_\_\_ Email Address \_\_\_\_\_
- Project Contact (if different than owner)  
Name \_\_\_\_\_ Phone Number \_\_\_\_\_ Email Address \_\_\_\_\_

**UPON COMPLETION, FORM MAY BE REMITTED IN THE FOLLOWING MANNER:**

**PREFERRED Via Dedicated Email: [taxincentives@crt.la.gov](mailto:taxincentives@crt.la.gov)**

Completed reservation forms that have either been signed in wet ink and scanned OR electronically signed may be submitted via dedicated email address used solely for tax credit reservation form submissions. No other documents related to the Federal or State Commercial tax credit applications will be accepted at this address.

**Via USPS:**  
Division of Historic Preservation  
Tax Incentives Staff  
P.O. Box 44247  
Baton Rouge, LA 70804

**Via Overnight Service:**  
Division of Historic Preservation  
Tax Incentives Staff  
Room 409  
1051 N. Third Street  
Baton Rouge, LA 70802

**Via Hand Delivery:**  
Capitol Annex Building  
1051 N. Third Street  
Baton Rouge, LA 70802  
Regular Office Hours:  
Monday – Friday 8:00AM – 5:00PM,  
excluding State holidays

If you have questions regarding the tax credit reservation form, please contact a member of the Division of Historic Preservation's tax incentives staff at (225) 342-8200.



## Louisiana Historic Rehabilitation Commercial Tax Credit Program Tax Credit Reservation Form

**Estimate of Costs and Expenses Prepared by a Certified Public Accountant**

CATEGORY	ESTIMATED TOTAL COSTS AND EXPENSES	ESTIMATED INELIGIBLE COSTS AND EXPENSES	ESTIMATED ELIGIBLE COSTS AND EXPENSES
<b>1. Acquisition Costs</b>			
Land & Building			
Title & Recording			
<b>Total Acquisition Costs</b>			
<b>2. Construction Costs</b>			
Construction Contract			
Other Construction Costs			
<b>Total Construction Costs</b>			
<b>3. Development &amp; Construction Soft Costs</b>			
Accounting Fees			
Appraisal & Market Study			
Architect Fees			
City Agencies/Fire Marshal/Permits & Fees			
Development Fees			
Environmental / Exterior Envelope			
Financing Fees			
Interest During Construction			
Reserves - Lease-Up/Working Capital			
Legal			
Miscellaneous			
Survey/Engineering			
R/E Taxes and Insurance			
Furniture, Fixtures & Equipment			
<b>Total Development &amp; Construction Soft Costs</b>			
<b>Total Development Costs</b>			

State Credit Rate 25% (35% rural)  
State Historic Tax Credit Reservation Requested \$ \_\_\_\_\_

\*This schedule is prepared for the purposes of satisfying the requirements of R.S. 47:6019(c) and all associated regulations. While the final amount of costs actually incurred (in the aggregate and within each line item) may vary materially from the amounts shown, the estimates contained herein are represented to be reasonable as of the date hereof.

Name of Certified Public Accountant:	Name of Applicant:
Certificate Number:	Project Number:
Authorized Signature: _____	Authorized Signature: _____
Date: _____	Date: _____

All sections highlighted in gold MUST be completed; if there is no dollar amount associated with a particular section, enter \$0.

Third page for large projects only, to be completed by a CPA



# Where to Find the Form




Office Of Cultural Development  
 Division Of Historic Preservation  
 Tax Incentives

The Louisiana Division of Historic Preservation presents the

## Historic Tax Credits Webinar Series

2pm Central on Wednesdays

- **August 14th:** State and Federal Historic Tax Credits - The Basics
- **September 18th:** Photo Documentation - Best Practices
- **October 16th:** The Secretary of the Interior Standards for Rehabilitation - An Overview
- **November 13th:** Part 2 Submissions - Best Practices
- **December 11th:** Part 3 Certification - Claiming the Credit featuring the

	Division of Historic Preservation
	National Register
	Section 106 Review <b>1</b>
	<b>Tax Incentives</b>
	Grants
	Certified Local Government
	Louisiana Main Street
<b>2</b>	Stacking the Federal and State Commercial Tax Credit Reservations
	Preservation Resources
	Preservation Professionals
	Education
	Louisiana Historic Standing Structures Survey
	Louisiana State Plan (SHPO)
	About Us
	Employment Opportunities
	



# Where to Find the Form

Office Of Cultural Development  
Division Of Historic Preservation  
Tax Incentives  
State Commercial Tax Credit Reservations

During the 2020 First Extraordinary Session, the Louisiana Legislature capped the amount of state historic tax credits reserved annually. For State Commercial Part 2 applications received by the Department of Culture, Recreation and Tourism on or after January 1, 2021, the maximum aggregate total of tax credit reserved is limited to \$125 million annually. Rules for the administration of the credit cap system were published in the [2021 Louisiana Register, Volume 47 - August Edition](#).

If you have a State Commercial Part 2 application that was submitted to the Division of Historic Preservation on or after January 1, 2021, you are required to complete the Tax Credit Reservation Form. The Louisiana Department of Revenue may not issue any tax credit in excess of a reservation, or without a reservation, for projects that fall under the reservation requirement.

## Estimated Credit Amounts Remaining Under Annual Cap

Last Updated: August 5, 2024

2021 - Reservations for 2021 are closed.

2022 - Reservations for 2022 are closed.

2023 - Reservations for 2023 are closed.

2024 - \$369,307,876.04

2025 - \$125,000,000 + remaining 2024 amount

[Tax Credit Reservation Guidance And Form Instructions](#)

[Fillable Tax Credit Reservation Form \(Form Only\)](#)

\*Opening the documents linked above in a new browser window may cause formatting issues. Please right-click and save to computer prior to opening.

Division of Historic Preservation
National Register
Section 106 Review
Tax Incentives
Grants
Certified Local Government
Louisiana Main Street
Preservation Resources
Preservation Professionals
Education
Louisiana Historic Standing Structures Survey
Louisiana State Plan (SHPO)
About Us
Employment Opportunities



**Thank you!**

**Comments/Feedback Welcome!**

**Part 3 Webinar December 11!**

Division of Historic Preservation

p 225.342.7161

[www.louisianahp.org](http://www.louisianahp.org)

