

## **Proposed Text of California Code of Regulations**

### **Title 4.**

### **Division 17.**

### **Chapter 3 State Historic Rehabilitation Tax Credit**

*(A new chapter and regulations to be added to the California Code of Regulations.)*

#### **Regulation 11010. State Historic Rehabilitation Tax Credit Authority and Function**

Senate Bill No. 451 (Chapter 703, Statutes of 2019) added Revenue and Taxation Code sections 17053.91 and 23691 to allow a taxpayer that receives a tax credit allocation to claim a credit against those taxes for each taxable year beginning on or after January 1, 2021, and before January 1, 2027, for the rehabilitation of certified historic structures. This program is called the State Historic Rehabilitation Tax Credit (SHRTC) program and the program tax credits are allocated on a first-come, first-served basis by the California Tax Credit Allocation Committee (CTCAC) in conjunction with the Office of Historic Preservation (OHP). These regulations implement and make more specific CTCAC's responsibility for awarding and allocating the program tax credits.

#### *Credits*

*Note: Authority cited: Sections 17053.91 and 23691, Revenue and Taxation Code.  
Reference: Sections 17053.91 and 23691, Revenue and Taxation Code.*

#### **Regulation 11011. Definitions.**

- (a) "Committee" means the CTCAC governing board, as specified in section 50199.8 of the Health and Safety Code.
- (b) "CTCAC" means the California Tax Credit Allocation Committee.
- (c) "Approved Project" means a project deemed approved by the Office of Historic Preservation to apply to CTCAC for program tax credits issued under Revenue and Taxation Code sections 17053.91 and 23691.
- (d) "OHP" means the Office of Historic Preservation designated by Public Resources Code section 5024.6 to administer historic preservation programs within California.
- (e) "OHP Regulations" or "OHP Regulation" means the regulations promulgated by OHP and located in title 14 of the California Code of Regulations, sections 4859.01 through 4859.06, to administer the SHRTC program.

- (f) "Principal Residence" has the same meaning as in Revenue and Taxation Code section 19585.
- (g) "Qualified Residence" has the same meaning as in Revenue and Taxation Code section 17053.91.
- (h) "Qualified Rehabilitation Expenditure" has the same meaning as in Revenue and Taxation Code sections 17053.91 and 23691.
- (i) "Taxable Year" has the same meaning as in Revenue and Taxation Code sections 17010 and 23041.

#### *Credits*

*Note: Authority cited: Sections 17053.91 and 23691, Revenue and Taxation Code. Reference: Sections 17053.91 and 23691, Revenue and Taxation Code.*

#### **Regulation 11012. Joint Application and Compliance Process.**

- (a) Applicants for program tax credits shall use the CTCAC and OHP joint SHRTC (v. 5/24) Application and Instructions incorporated by reference in the OHP Regulations (title 14 of the California Code of Regulations, section 4859.03) and available on the SHRTC webpage at [ohp.parks.ca.gov](http://ohp.parks.ca.gov). Consistent with OHP Regulations applications for program tax credits include the Initial Project Application form (v. 5/24) and the Completed Project Application form (v. 5/24). In addition to the requirements of this Chapter, applicants shall meet all requirements prescribed in the OHP Regulations.
- (b) For any Approved Project, OHP shall forward the Initial Project Application to CTCAC for an initial tax credit allocation determination, consistent with OHP Regulations and Revenue and Taxation Code sections 17053.91 and 23691. CTCAC shall review applications within 30 days of receipt from OHP and notify the applicant and OHP of any initial tax credit allocation determination after such allocation determination is approved by the Committee at a public general Committee meeting.
- (c) After receipt of any Completed Project Application from OHP, CTCAC shall review the Completed Project Application to determine a final approved program tax credit allocation, consistent with OHP Regulations and Revenue and Taxation Code sections 17053.91 and 23691.
- (d) CTCAC Fees.
  - (1) Processing Fee. A fee in the amount \$500 for Qualified Residence projects and \$1,000 for all other projects shall be submitted to CTCAC at the time OHP notifies the applicant that it forwarded the Initial Project Application to CTCAC.

- (2) Administrative Fee. For projects allocated a program tax credit pursuant to this chapter, a fee in the amount equal to two percent of the program tax credit allocation shall be submitted to CTCAC within ten (10) calendar days after the applicant receives notification from OHP that it forwarded the Completed Project Application to CTCAC.
- (e) Any applicant allocated program tax credits for Qualified Residence projects pursuant to this chapter not already owning and occupying the Qualified Residence as the applicant's Principal Residence must occupy the Qualified Residence as their Principal Residence within two years after the applicant submits the Completed Project Application (v. 5/24) to OHP.
- (f) CTCAC may request any additional information from the applicant necessary to determine compliance with this Chapter and Revenue and Taxation Code section 17053.91.

*Credits*

*Note: Authority cited: Sections 17053.91 and 23691, Revenue and Taxation Code.*

*Reference: Sections 17053.91 and 23691, Revenue and Taxation Code.*