

**404A.1 Definitions.**

For purposes of [this chapter](#), unless the context otherwise requires:

1. “*Completion date*” means the date on which property that is the subject of a qualified rehabilitation project is placed in service, as that term is used in section 47 of the Internal Revenue Code.

2. “*Department*” means the department of cultural affairs.

3. “*Eligible taxpayer*” means the owner of the property that is the subject of a qualified rehabilitation project, or another person who will qualify for the federal rehabilitation credit allowed under section 47 of the Internal Revenue Code with respect to the property that is the subject of a qualified rehabilitation project.

4. “*Nonprofit organization*” means an organization described in section 501 of the Internal Revenue Code unless the exemption is denied under section 501, 502, 503, or 504 of the Internal Revenue Code. “*Nonprofit organization*” does not include a governmental body, as that term is defined in [section 362.2](#).

5. “*Program*” shall mean the historic preservation and cultural and entertainment district tax credit program set forth in [this chapter](#).

6. a. “*Qualified rehabilitation expenditures*” means the same as defined in section 47 of the Internal Revenue Code. Notwithstanding the foregoing sentence, expenditures incurred by an eligible taxpayer that is a nonprofit organization shall be considered “*qualified rehabilitation expenditures*” if they are any of the following:

(1) Expenditures made for structural components, as that term is defined in 26 C.F.R. §1.48-1(e)(2).

(2) Expenditures made for architectural and engineering fees, site survey fees, legal expenses, insurance premiums, and development fees.

b. “*Qualified rehabilitation expenditures*” does not include those expenditures financed by federal, state, or local government grants or forgivable loans unless otherwise allowed under section 47 of the Internal Revenue Code.

c. “*Qualified rehabilitation expenditures*” may include expenditures incurred prior to the date an agreement is entered into under [section 404A.3, subsection 3](#).

7. “*Qualified rehabilitation project*” means a project for the rehabilitation of property in this state that meets all of the following criteria:

a. The property is at least one of the following:

(1) Property listed on the national register of historic places or eligible for such listing.

(2) Property designated as of historic significance to a district listed in the national register of historic places or eligible for such designation.

(3) Property or district designated a local landmark by a city or county ordinance.

(4) A barn constructed prior to 1937.

b. The property meets the physical criteria and standards for rehabilitation established by the department by rule. To the extent applicable, the physical standards and criteria shall be consistent with the United States secretary of the interior’s standards for rehabilitation.

c. The project has qualified rehabilitation expenditures that meet or exceed the following:

(1) In the case of commercial property, expenditures totaling at least fifty thousand dollars or fifty percent of the assessed value of the property, excluding the land, prior to rehabilitation, whichever is less.

(2) In the case of property other than commercial property, including but not limited to barns constructed prior to 1937, expenditures totaling at least twenty-five thousand dollars or twenty-five percent of the assessed value, excluding the land, prior to rehabilitation, whichever is less.

[2000 Acts, ch 1194, §3, 20; 2002 Acts, ch 1003, §1, 5; 2005 Acts, ch 150, §20, 21; 2007 Acts, ch 165, §1, 9; 2011 Acts, ch 99, §1, 6; 2011 Acts, ch 130, §30, 35; 2013 Acts, ch 112, §1; 2014 Acts, ch 1093, §12; 2014 Acts, ch 1118, §2, 12](#)

2014 amendment to section by 2014 Acts, ch 1118, applies to agreements entered into by the department and an eligible taxpayer on or after July 1, 2014; 2014 Acts, ch 1118, §12

See Code editor’s note on simple harmonization at the end of Vol VI  
Section stricken and rewritten