House File 2453 - Introduced

HOUSE FILE 2453
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2415)
(SUCCESSOR TO HSB 624)

A BILL FOR

An Act relating to the administration of the historic preservation and cultural and entertainment district tax credit program by the department of cultural affairs, providing for fees, and including applicability provisions.
BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 16.188, subsection 3, paragraph b, subparagraph (1), Code 2014, is amended to read as follows:

(1) Projects that are eligible for historic preservation and cultural and entertainment district tax credits under section ~~404A.1~~ 404A.2.

Sec. 2. Section 404A.1, Code 2014, is amended by striking the section and inserting in lieu thereof the following:

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, 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.

Sec. 3. Section 404A.2, Code 2014, is amended by striking the section and inserting in lieu thereof the following:

404A.2 Historic preservation and cultural and entertainment district tax credit.

1. An eligible taxpayer who has entered into an agreement under section 404A.3 is eligible to receive a historic preservation and cultural and entertainment district tax credit in an amount not to exceed twenty-five percent of the qualified rehabilitation expenditures of a qualified rehabilitation project.

2. The tax credit shall be allowed against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432. An individual may claim a tax credit under this section of a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. For an individual claiming a tax credit of an estate or trust, the amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the estate or trust. For an individual claiming a tax credit of a partnership, limited liability company, or S corporation, the amount claimed by the partner, member, or shareholder, respectively, shall be based upon the amounts designated by the eligible partnership, S corporation, or limited liability company, as applicable.

3. Any credit in excess of the taxpayer's tax liability for the tax year shall be refunded with interest computed under section 422.25. In lieu of claiming a refund, a taxpayer may elect to have the overpayment shown on the taxpayer's final, completed return credited to the tax liability for the following year.

4. *a.* To claim a tax credit under this section, a taxpayer shall include one or more tax credit certificates with the taxpayer's tax return.

b. The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the amount of the credit, the name of the eligible taxpayer, any other information required by the department of revenue, and a place for the name and tax identification number of a transferee and the amount of the tax credit being transferred.

c. The tax credit certificate, unless rescinded by the department, shall be accepted by the department of revenue as payment for taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, subject to any conditions or restrictions placed by the department or the department of revenue upon the face of the tax credit certificate and subject to the limitations of this program.

5. *a.* Tax credit certificates issued under section 404A.3 may be transferred to any person. Within ninety days of transfer, the transferee shall submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee's name, tax identification number, and address, the denomination that each replacement tax credit certificate is to carry, and any other information required by the department of revenue. However, tax credit certificate amounts of less than the minimum amount established by rule of the department of revenue shall not be transferable.

b. Within thirty days of receiving the transferred tax credit certificate and the transferee's statement, the department of revenue shall issue one or more replacement tax credit certificates to the transferee. Each replacement tax credit certificate must contain the information required for the original tax credit certificate and must have the same expiration date that appeared on the transferred tax credit certificate.

c. A tax credit shall not be claimed by a transferee under this section until a replacement tax credit certificate identifying the transferee as the proper holder has been issued. The transferee may use the amount of the tax credit transferred against the taxes imposed in chapter 422, divisions II, III, and V, and in chapter 432, for any tax year the original transferor could have claimed the tax credit. Any consideration received for the transfer of the tax credit shall not be included as income under chapter 422, divisions II, III, and V. Any consideration paid for the transfer of the tax credit shall not be deducted from income under chapter 422, divisions II, III, and V.

6. For purposes of the individual and corporate income taxes and the franchise tax, the increase in the basis of the rehabilitated property that would otherwise result from the qualified rehabilitation expenditures shall be reduced by the amount of the credit computed under this section.

Sec. 4. Section 404A.3, Code 2014, is amended by striking the section and inserting in lieu thereof the following:

404A.3 Application and registration —— agreement —— compliance and examination.

1. *Application and fees.*

a. An eligible taxpayer seeking historic preservation and cultural and entertainment district tax credits provided in section 404A.2 shall make application to the department in the manner prescribed by the department.

b. The department may accept applications on a continuous basis or may accept applications, or one or more components of an application, during one or more application periods.

c. The application shall include any information deemed necessary by the department to evaluate the eligibility under the program of the applicant and the rehabilitation project, the amount of projected qualified rehabilitation expenditures of a rehabilitation project, and the amount and source of all funding for a rehabilitation project. An applicant shall have the burden of proof to demonstrate to the department that the applicant is an eligible taxpayer and the project is a qualified rehabilitation project under the program.

d. The department may establish criteria for the use of electronic or other alternative filing or submission methods for any application, document, or payment requested or required under this program. Such criteria may provide for the acceptance of a signature in a form other than the handwriting of a person.

e. (1) The department may charge application and other fees to eligible taxpayers who apply to participate in the program. The amount of such fees shall be determined based on the costs of the department associated with administering the program.

(2) Fees collected by the department pursuant to this paragraph shall be deposited with the department pursuant to section 303.9, subsection 1.

2. *Registration.*

a. Upon review of the application, the department may register a qualified rehabilitation project under the program. If the department registers the project, the department shall make a preliminary determination as to the amount of tax credits for which the project qualifies.

b. After registering the qualified rehabilitation project, the department shall notify the eligible taxpayer of successful registration under the program. The notification shall include the amount of tax credits under section 404A.2 for which the qualified rehabilitation project has received a tentative award and a statement that the amount is a preliminary determination only.

3. *Agreement.*

a. Upon successful registration of a qualified rehabilitation project, the eligible taxpayer shall enter into an agreement with the department for the successful completion of all requirements of the program.

b. The agreement shall contain, at a minimum, the following provisions:

(1) The amount of the tax credit award. An eligible taxpayer has no right to receive a tax credit certificate or claim a tax credit until all requirements of the agreement and subsections 4 and 5 have been satisfied. The amount of tax credit included on a tax credit certificate issued under this section shall be contingent upon verification by the department of the amount of final qualified rehabilitation expenditures.

(2) The rehabilitation work to be performed.

(3) The budget of the qualified rehabilitation project, including the projected qualified rehabilitation expenditures and the source and amount of all funding received or anticipated to be received.

(4) The commencement date of the qualified rehabilitation project, which shall not be later than the end of the fiscal year in which the agreement is entered into.

(5) The completion date of the qualified rehabilitation project, which shall be within thirty-six months of the commencement date.

4. *Compliance.*

a. The eligible taxpayer shall, for the length of the agreement, annually certify to the department compliance with the requirements of the agreement. The certification shall be made at such time as the department shall determine in the agreement.

b. The eligible taxpayer shall have the burden of proof to demonstrate to the department that all requirements of the agreement are satisfied. The taxpayer shall notify the department in a timely manner of any changes in the qualification of the rehabilitation project or in the eligibility of the taxpayer to claim the tax credit provided under this chapter, or of any other change that may have a negative impact on the eligible taxpayer's ability to successfully complete any requirement under the agreement.

c. If after entering into the agreement the eligible taxpayer or the qualified rehabilitation project no longer meets the requirements of the agreement, the department may find the taxpayer in default under the agreement and may revoke the tax credit award. The department of revenue, upon notification by the department of a default, shall seek repayment of the value of any such tax credit already claimed, and the failure to make such a repayment may be treated by the department of revenue in the same manner as a failure to pay the tax shown due or required to be shown due with the filing of a return or deposit form.

5. *Examination of project by certified public accountant.*

a. An eligible taxpayer shall engage a certified public accountant authorized to practice in this state to conduct an examination of the project in accordance with the American institute of certified public accountants' statements on standards for attestation engagements. Upon completion of the qualified rehabilitation project, the eligible taxpayer shall submit the examination to the department, along with a statement of the amount of final qualified rehabilitation expenditures and any other information deemed necessary by the department or the department of revenue in order to verify that all requirements of the agreement have been satisfied.

b. Notwithstanding paragraph *"a"*, the department may waive the examination requirement in this subsection if all the following requirements are satisfied:

(1) The final qualified rehabilitation expenditures of the qualified rehabilitation project, as verified by the department, do not exceed one hundred thousand dollars.

(2) The qualified rehabilitation project is funded exclusively by private funding sources.

c. Upon review of the examination, if applicable, the department shall verify that all requirements of the agreement have been satisfied and shall verify the amount of final qualified rehabilitation expenditures. After consultation with the department of revenue, the department may issue a tax credit certificate to the eligible taxpayer stating the amount of tax credit under section 404A.2 the eligible taxpayer may claim. The department shall issue the tax credit certificate not later than 60 days following the completion of the examination review, if applicable, and the verifications and consultation required under this paragraph.

6. Notwithstanding any other provision of this chapter to the contrary, the amount of tax credit issued on a tax credit certificate to an eligible taxpayer shall not exceed the amount of tax credit award provided for in the agreement.

7. Notwithstanding any other provision of this chapter to the contrary, the department may waive the requirements of subsections 1 through 4 for qualified rehabilitation projects with final qualified rehabilitation expenditures of seven hundred fifty thousand dollars or less and may establish by rule different application, registration, agreement, compliance, or other requirements relating to such projects.

8. The department may for good cause amend an agreement.

Sec. 5. Section 404A.4, Code 2014, is amended by striking the section and inserting in lieu thereof the following:

404A.4 Aggregate tax credit award limit.

1. *a.* Except as provided in subsections 2 and 3, the department shall not award in any one fiscal year an amount of tax credits provided in section 404A.2 in excess of forty-five million dollars.

b. Of the tax credits that may be awarded in a fiscal year pursuant to paragraph *"a"*, at least five percent of the dollar amount of the tax credits shall be allocated for purposes of new qualified rehabilitation projects with final qualified rehabilitation expenditures of seven hundred fifty thousand dollars or less.

2. *a.* The amount of a tax credit that is awarded during a fiscal year beginning on or after July 1, 2016, and that is irrevocably declined or revoked on or before June 30 of the next fiscal year may be awarded under section 404A.3 during the fiscal year in which the declination or revocation occurs.

b. The amount of a tax credit that was reserved prior to the effective date of this Act under section 404A.4, Code 2014, for use in a fiscal year beginning before July 1, 2016, that is irrevocably declined or revoked on or after the effective date of this Act, but before July 1, 2016, may be awarded under section 404A.3 during the fiscal year in which such declination or revocation occurs. Such tax credits awarded shall not be claimed by a taxpayer in a fiscal year that is earlier than the fiscal year for which the tax credits were originally reserved.

c. The amount of a tax credit that was available for approval by the state historical preservation office of the department under section 404A.4, Code 2014, in a fiscal year beginning on or after July 1, 2010, but before July 1, 2014, that was required to be allocated to new projects with final qualified rehabilitation costs of five hundred thousand dollars or less, or seven hundred fifty thousand dollars or less, as the case may be, and that was not finally approved by the state historical preservation office, may be awarded under section 404A.3 during the fiscal years beginning on or after July 1, 2014, but before July 1, 2016.

d. Tax credits awarded pursuant to this subsection shall not be considered for purposes of calculating the aggregate tax credit award limit in subsection 1.

3. *a.* If during the fiscal year beginning July 1, 2016, or any fiscal year thereafter, the department awards an amount of tax credits that is less than the maximum aggregate tax credit award limit specified in subsection 1, the difference between the amount so awarded and the amount specified in subsection 1, not to exceed ten percent of the amount specified in subsection 1, may be carried forward to the succeeding fiscal year and awarded during that fiscal year.

b. Tax credits awarded pursuant to this subsection shall not be considered for purposes of calculating the aggregate tax credit award limit in subsection 1.

Sec. 6. Section 404A.5, Code 2014, is amended to read as follows:

404A.5 Economic impact — recommendations.

1. The department ~~of cultural affairs~~, in consultation with the department of revenue, shall be responsible for keeping the general assembly and the legislative services agency informed on the overall economic impact to the state of ~~the rehabilitation of eligible properties~~ qualified rehabilitation projects.

2. An annual report shall be filed which shall include but is not limited to data on the number and potential value of qualified rehabilitation projects begun during the latest twelve-month period, the total historic preservation and cultural and entertainment district tax credits originally ~~granted~~ awarded or tax credit certificates originally issued during that period, the potential reduction in state tax revenues as a result of all awarded or issued tax credits still ~~unused~~ unclaimed and eligible for refund, and the potential increase in local property tax revenues as a result of the qualified rehabilitated projects.

3. The department ~~of cultural affair~~s, to the extent it is able, shall provide recommendations on whether ~~a~~ the limit on tax credits should be ~~established~~ changed, the need for a broader or more restrictive definition of ~~eligible property~~ qualified rehabilitation project, and other adjustments to the tax credits under this chapter.

Sec. 7. NEW SECTION. **404A.6 Rules.**

The department and the department of revenue shall each adopt rules to jointly administer this chapter.

Sec. 8. Section 422.11D, Code 2014, is amended by striking the section and inserting in lieu thereof the following:

422.11D Historic preservation and cultural and entertainment district tax credit.

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by a historic preservation and cultural and entertainment district tax credit allowed under section 404A.2.

Sec. 9. Section 422.33, subsection 10, Code 2014, is amended by striking the subsection and inserting in lieu thereof the following:

10. The taxes imposed under this division shall be reduced by a historic preservation and cultural and entertainment district tax credit allowed under section 404A.2.

Sec. 10. Section 422.60, subsection 4, Code 2014, is amended by striking the subsection and inserting in lieu thereof the following:

4. The taxes imposed under this division shall be reduced by a historic preservation and cultural and entertainment district tax credit allowed under section 404A.2.

Sec. 11. Section 432.12A, Code 2014, is amended by striking the section and inserting in lieu thereof the following:

432.12A Historic preservation and cultural and entertainment district tax credit.

The taxes imposed under this chapter shall be reduced by a historic preservation and cultural and entertainment district tax credit allowed under section 404A.2.

Sec. 12. APPLICABILITY. Unless otherwise provided in this Act, this Act applies to agreements entered into by the department and an eligible taxpayer on or after the effective date of this Act, and rehabilitation projects for which a project application was approved and tax credits reserved prior to the effective date of this Act shall be governed by sections 404A.1 through 404A.5, Code 2014.

EXPLANATION

The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.

This bill changes the historic preservation and cultural and entertainment district tax credit program (program) administered pursuant to Code chapter 404A.

Under current law, a taxpayer may receive a tax credit in an amount equal to 25 percent of the qualified rehabilitation costs incurred in rehabilitating properties eligible to be listed on the national register of historic places, historic properties in areas eligible to be designated local historic districts, local landmarks, or barns constructed prior to 1937. The credit is available against the individual and corporate income tax, the franchise tax, and the insurance companies tax. To be eligible for the tax credit, the rehabilitation costs must exceed certain threshold amounts depending on the type of property involved. The aggregate amount of tax credits that may be approved per fiscal year is $45 million, a certain amount of which is required to be allocated between projects with final qualified rehabilitation costs of $750,000 or less, projects located in certified cultural and entertainment districts or associated with Iowa great places agreements, disaster recovery projects, and projects that involve the creation of more than 500 new permanent jobs.

Under current law, a taxpayer is also required to apply to and receive approval from the state historic preservation office of the department of cultural affairs for a rehabilitation project. The project must meet the statutory requirements and the criteria established in administrative rules by the historic preservation office. Tax credits for an approved rehabilitation project may be reserved by a taxpayer for up to three years, but such reservations shall not exceed an aggregate of $45 million per fiscal year. Approved rehabilitation projects must be started and completed within a certain time period. Upon completion of the rehabilitation project a certificate of completion is obtained from the state historic preservation office and a tax credit certificate is issued. Tax credits are refundable and may be transferred to another person.

Under the bill, an eligible taxpayer may receive a tax credit not to exceed 25 percent of the qualified rehabilitation expenditures of a qualified rehabilitation project.

A "qualified rehabilitation project" is defined in the bill as a project for the rehabilitation of property that meets three requirements. First, it must be property listed on the national register of historic places, historic property in an area eligible to be designated a local historic district, a local landmark, or a barn constructed prior to 1937. Second, the property must meet the physical criteria and standards for rehabilitation established by the department of cultural affairs (department) by administrative rule. To the extent applicable, such criteria and standards are required to be consistent with United States secretary of the interior's standards for rehabilitation. Third, the project must have qualified rehabilitation expenditures that, in the case of commercial property, equal or exceed the lesser of at least $50,000 or 50 percent of the assessed value of the property, excluding the land, prior to rehabilitation; or in the case of all other property, must equal the lesser of at least $25,000 or 25 percent of the assessed value, excluding the land, prior to rehabilitation.

"Qualified rehabilitation expenditures" means the same as defined in section 47 of the Internal Revenue Code (IRC). However, the bill provides that if the eligible taxpayer is a nonprofit corporation, an expenditure will be considered a "qualified rehabilitation expenditure" if it is one made for structural components, as defined in 26 C.F.R. §1.48-1(e)(2), or if it is an architectural or engineering fee, site survey fee, legal expense, insurance premium, or development fee. "Qualified rehabilitation expenditures" may include expenditures incurred prior to the date the agreement is entered into by the eligible taxpayer and the department, but excludes expenditures financed by federal, state, or local government grants or forgivable loans unless otherwise allowed under IRC §47. "Eligible taxpayer" and "nonprofit corporation" are both defined in the bill.

Under the bill, an eligible taxpayer seeking the tax credit must apply to the department. The department may prescribe the timing, form, content, and method of application, and may also establish criteria for the use of electronic or other alternative filing methods for applications, documents, or payments. The application must contain certain information as specified in the bill and the taxpayer making the application has the burden of proof to demonstrate eligibility under the program. The department is allowed to charge application or other fees based on the costs of the department associated with the program.

If the project in the application meets the definition of a qualified rehabilitation project, the department may register it under the program. The bill requires the department to notify the eligible taxpayer of successful registration under the program and of the amount of tax credits for which the project has received a tentative award.

The bill requires the agreement to cover a number of provisions, including the amount of the tax credit award, the rehabilitation work to be performed, the budget of the qualified rehabilitation project, and the project's commencement and completion dates. The commencement date shall not be later than the end of the fiscal year in which the agreement is entered into, and the completion date, which is the date the property is placed in service, must be within 36 months of the commencement date. The agreement shall provide that an eligible taxpayer has no right to receive a tax credit certificate or claim a tax credit until all requirements of the agreement and the program have been satisfied, and that the amount of tax credit included on a tax credit certificate shall be contingent upon verification by the department of the amount of final qualified rehabilitation expenditures. The program requires that the eligible taxpayer annually certify to the department the eligible taxpayer's continuing compliance with the agreement, and timely notify the department of any changes that may negatively impact eligibility under the program. The eligible taxpayer will have the burden of proof to demonstrate that all requirements of the agreement are satisfied. The department may find the eligible taxpayer in default if any of the requirements are not met, and may revoke the tax credit award. Upon default, the department of revenue is required to seek recovery of any tax credit claimed. Finally, upon completion of the qualified rehabilitation project, the program requires the eligible taxpayer to submit an examination of the project conducted by a certified public accountant authorized to practice in this state. The department is allowed to waive the examination requirement if the final qualified rehabilitation expenditures do not exceed $100,000 and the project is exclusively funded by private funding sources.

After reviewing the examination, if applicable, the department shall verify the final qualified rehabilitation expenditures and that all requirements of the agreement were satisfied. Following that, the department may issue within 60 days a tax credit certificate stating the amount of tax credit that may be claimed, but such amount shall not exceed the amount of the tax credit award provided for in the agreement.

For projects with final qualified rehabilitation expenditures of $750,000 or less, the bill allows the department to waive the application, registration, agreement, compliance, and other requirements established in the bill and establish different requirements by rule.

The bill requires the department to allocate at least 5 percent of the total amount of tax credits it can award per fiscal year to new projects with final qualified rehabilitation expenditures of $750,000 or less, and prohibits the department from awarding more than $45 million in tax credits per fiscal year, with four exceptions. First, any tax credit that is awarded during a fiscal year beginning on or after July 1, 2016, and that is irrevocably declined or revoked on or before June 30 of the next fiscal year, may be awarded during the fiscal year in which the declination or revocation occurs without regard to the $45 million cap. Second, any tax credit that was reserved under current law before the effective date of the bill for use in a fiscal year beginning before July 1, 2016, and that is irrevocably declined or revoked on or after the effective date of the bill, but before July 1, 2016, may be awarded during the fiscal year in which the declination or revocation occurs, without regard to the $45 million cap. However, such credits shall not be claimed before the fiscal year for which they were originally reserved. Third, any amount of tax credit that was available for approval under current law during fiscal years 2010-2011, 2011-2012, 2012-2013, or 2013-2014, that was required to be allocated to new projects with final qualified rehabilitation costs of $500,000 or less, or $750,000 or less, as the case may be, and that was not finally approved, may be awarded during fiscal years 2014-2015 and 2015-2016 without regard to the $45 million cap. Fourth, if the department awards during fiscal year 2016-2017, or any fiscal year thereafter, an amount of tax credits that is less than the $45 million cap, the department may carry forward the difference between the amount so awarded and the $45 million cap, not to exceed 10 percent of the cap, to the succeeding fiscal year for award during that fiscal year, without regard to the $45 million cap.

The bill makes several technical changes to Code section 404A.5, which governs the department's reporting and recommendation duties, to reference qualified rehabilitation projects and to properly reflect that tax credits will be awarded instead of granted and tax credit certificates issued.

The bill requires the department and the department of revenue to adopt rules to jointly administer the program.

Unless otherwise provided in the bill, the bill applies to agreements entered into by the department and an eligible taxpayer on or after the effective date of the bill, and rehabilitation projects for which a project application was approved and tax credits reserved prior to the effective date of the bill shall be governed by current law.