

117TH CONGRESS  
1ST SESSION

# H. R. 1483

To amend the Internal Revenue Code of 1986 to modify the rehabilitation credit.

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IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 2021

Mr. BLUMENAUER introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to modify the rehabilitation credit.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Revitalizing Econo-  
5 mies, Housing, And Businesses Act of 2021” or as the  
6 “REHAB Act of 2021”.

7 **SEC. 2. MODIFICATION OF REHABILITATION CREDIT.**

8 (a) REINSTATEMENT OF CREDIT FOR QUALIFIED  
9 REHABILITATED BUILDINGS.—

1           (1) IN GENERAL.—Subsection (a) of section 47  
2           of the Internal Revenue Code of 1986 is amended to  
3           read as follows:

4           “(a) DETERMINATION OF CREDIT.—

5                 “(1) IN GENERAL.—For purposes of section 46,  
6           the rehabilitation credit for any taxable year is the  
7           sum of—

8                 “(A) in the case of any qualified rehabili-  
9           tated building other than a certified historic  
10          structure which is placed in service during such  
11          taxable year, 10 percent of the qualified reha-  
12          bilitation expenditures with respect to such  
13          building, and

14                “(B) in the case of any qualified rehabili-  
15          tated building which is a certified historic struc-  
16          ture which is placed in service during such tax-  
17          able year or any of the 4 immediately preceding  
18          taxable years, the ratable share for such taxable  
19          year.

20               “(2) RATABLE SHARE.—For purposes of para-  
21          graph (1)(B), the ratable share for any taxable year  
22          is an amount equal to 20 percent of the qualified re-  
23          habilitation expenditures with respect to the certified  
24          historic structure, as allocated ratably to each of the  
25          5 years to which paragraph (1)(B) applies.”.

1 (2) CONFORMING AMENDMENTS.—

2 (A) Section 47(c) of such Code is amend-  
3 ed—

4 (i) in paragraph (1)—

5 (I) in subparagraph (A), by  
6 amending clause (iii) to read as fol-  
7 lows:

8 “(iii) in the case of any building other  
9 than a certified historic structure, in the  
10 rehabilitation process—

11 “(I) 50 percent or more of the  
12 existing external walls of such build-  
13 ing are retained in place as external  
14 walls,

15 “(II) 75 percent or more of the  
16 existing external walls of such build-  
17 ing are retained in place as internal or  
18 external walls, and

19 “(III) 75 percent or more of the  
20 existing internal structural framework  
21 of such building is retained in place,  
22 and”, and

23 (II) by redesignating subpara-  
24 graphs (B) and (C) as subparagraphs  
25 (C) and (D), respectively, and by in-

1                   serting after subparagraph (A) the  
2                   following new subparagraph:

3                   “(B) BUILDING MUST BE FIRST PLACED  
4                   IN SERVICE BEFORE 1936.—In the case of a  
5                   building other than a certified historic struc-  
6                   ture, a building shall not be a qualified rehabili-  
7                   tated building unless the building was first  
8                   placed in service before 1936.”, and

9                   (ii) in paragraph (2)(B), by amending  
10                  clause (iv) to read as follows:

11                  “(iv) CERTIFIED HISTORIC STRUC-  
12                  TURE, ETC.—Any expenditure attributable  
13                  to the rehabilitation of a certified historic  
14                  structure or a building in a registered his-  
15                  toric district, unless the rehabilitation is a  
16                  certified rehabilitation (within the meaning  
17                  of subparagraph (C)). The preceding sen-  
18                  tence shall not apply to a building in a reg-  
19                  istered historic district if—

20                  “(I) such building was not a cer-  
21                  tified historic structure,

22                  “(II) the Secretary of the Inte-  
23                  rior certified to the Secretary that  
24                  such building is not of historic signifi-  
25                  cance to the district, and

1 “(III) if the certification referred  
 2 to in subclause (II) occurs after the  
 3 beginning of the rehabilitation of such  
 4 building, the taxpayer certifies to the  
 5 Secretary that, at the beginning of  
 6 such rehabilitation, he in good faith  
 7 was not aware of the requirements of  
 8 subclause (II).”.

9 (B) Paragraph (4) of section 145(d) of  
 10 such Code is amended—

11 (i) by striking “of section  
 12 47(c)(1)(B)” each place it appears and in-  
 13 serting “of section 47(c)(1)(C)”, and

14 (ii) by striking “section  
 15 47(c)(1)(B)(i)” and inserting “section  
 16 47(c)(1)(C)(i)”.

17 (b) INCREASE IN CREDIT RATE FOR QUALIFIED RE-  
 18 HABILITATED BUILDINGS OTHER THAN CERTIFIED HIS-  
 19 TORIC STRUCTURES.—Section 47(a)(1) of such Code, as  
 20 amended by subsection (a), is amended by striking “10  
 21 percent” and inserting “15 percent”.

22 (c) MODIFICATION OF DATE BEFORE WHICH BUILD-  
 23 INGS OTHER THAN CERTIFIED HISTORIC STRUCTURES  
 24 MUST BE PLACED IN SERVICE.—Section 47(c)(1)(B) of  
 25 such Code, as amended by subsection (a), is amended by

1 striking “1936” and inserting “the calendar year which  
 2 is 50 years prior to the calendar year in which the building  
 3 is placed in service (within the meaning of subsection  
 4 (b)(1))”.

5 (d) REQUIREMENT THAT BUILDINGS OTHER CER-  
 6 TIFIED HISTORIC STRUCTURES MUST BE CLOSE TO PUB-  
 7 LIC TRANSPORTATION CENTERS.—Section 47(c)(1) of  
 8 such Code, as amended by subsection (a), is amended by  
 9 redesignating subparagraphs (C) and (D) as subpara-  
 10 graphs (D) and (E), respectively, and by inserting after  
 11 subparagraph (B) the following new subparagraph:

12 “(C) BUILDING MUST BE CLOSE TO PUB-  
 13 LIC TRANSPORTATION CENTER.—

14 “(i) IN GENERAL.—In the case of a  
 15 building other than a certified historic  
 16 structure, a building shall not be a quali-  
 17 fied rehabilitated building unless the build-  
 18 ing is not further than one-half mile from  
 19 at least one of the following:

20 “(I) A location which provides  
 21 passenger boarding on a fixed guide-  
 22 way (as defined in section 5302(7) of  
 23 title 49, United States Code), com-  
 24 muter rail passenger transportation  
 25 (as defined in section 24102(3) of

1 title 49, United States Code), or  
2 intercity rail passenger transportation  
3 (as defined in section 24102(4) of  
4 title 49, United States Code).

5 “(II) A planned site for a loca-  
6 tion described in subclause (I) if the  
7 Secretary of Transportation has  
8 issued a full funding grant agreement  
9 with respect to such location under  
10 section 5309(k)(2) of title 49, United  
11 States Code.

12 “(ii) IDENTIFICATION OF QUALIFIED  
13 AREAS.—The Secretary, in consultation  
14 with the Secretary of Transportation, shall  
15 identify areas which are described in clause  
16 (i).”.

17 (e) ELIMINATION OF CERTAIN LODGING RESTRIC-  
18 TIONS ON BUILDINGS OTHER THAN CERTIFIED HISTORIC  
19 STRUCTURES.—Section 50(b)(2)(C) of such Code is  
20 amended by striking “certified historic structure” and in-  
21 serting “qualified rehabilitated building”.

22 (f) REQUIREMENT THAT BUILDINGS THAT ARE NOT  
23 CERTIFIED HISTORIC STRUCTURES AND NOT IN A REG-  
24 ISTERED HISTORIC DISTRICT RECEIVE CERTIFICATION  
25 OF STATUS.—Section 47(c)(1) of such Code, as amended

1 by subsections (a) and (d), is amended by redesignating  
2 subparagraphs (D) and (E) as subparagraphs (E) and  
3 (F), respectively, and by inserting after subparagraph (C)  
4 the following new subparagraph:

5 “(D) BUILDINGS THAT ARE NOT CER-  
6 TIFIED HISTORIC STRUCTURES AND NOT IN  
7 REGISTERED HISTORIC DISTRICT MUST RE-  
8 CEIVE CERTIFICATION OF STATUS.—

9 “(i) IN GENERAL.—In the case of a  
10 building which is neither a certified his-  
11 toric structure nor located in a registered  
12 historic district, such building shall not be  
13 a qualified rehabilitated building unless the  
14 Secretary of the Interior certifies to the  
15 Secretary that such building is—

16 “(I) not a certified historic struc-  
17 ture, and

18 “(II) not in a registered historic  
19 district.

20 “(ii) DETERMINATIONS BY NATIONAL  
21 PARK SERVICE.—To the maximum extent  
22 practicable, the Secretary of the Interior  
23 shall make certifications under clause (i)  
24 within 30 days of the receipt of an applica-  
25 tion for such certification.”.



1       (g) CREDIT FOR CERTAIN RELATED EXPENDI-  
2 TURES.—

3           (1) CREDIT FOR CERTAIN EXPENDITURES FOR  
4 PUBLIC INFRASTRUCTURE.—Section 47(c)(2) of  
5 such Code is amended by adding at the end the fol-  
6 lowing new subparagraph:

7                   “(E) TREATMENT OF CERTAIN EXPENDI-  
8 TURES FOR PUBLIC INFRASTRUCTURE.—

9                           “(i) IN GENERAL.—In the case of any  
10 qualified rehabilitated building, expendi-  
11 tures for qualified public infrastructure (or  
12 improvements thereto) shall be treated for  
13 purposes of this section as qualified reha-  
14 bilitation expenditures with respect to such  
15 building if providing such qualified public  
16 infrastructure is related to such building  
17 and is required by any State or local gov-  
18 ernment.

19                           “(ii) LIMITATION.—The amount treat-  
20 ed as qualified rehabilitation expenditures  
21 with respect to any building under clause  
22 (i) shall not exceed 25 percent of the quali-  
23 fied rehabilitation expenditures with re-  
24 spect to such building (determined after

1 the application of clause (i) and subpara-  
 2 graph (F)).

3 “(iii) BONUS CREDIT AMOUNT.—In  
 4 the case of any amount treated as qualified  
 5 rehabilitation expenditures under clause  
 6 (i), subsection (a)(1) shall be applied by  
 7 substituting ‘25 percent’ for ‘15 percent’.

8 “(iv) QUALIFIED PUBLIC INFRA-  
 9 STRUCTURE.—For purposes of this sub-  
 10 paragraph, the term ‘qualified public infra-  
 11 structure’ means water and sewer lines,  
 12 electrical lines and equipment, tele-  
 13 communications lines and equipment, and  
 14 road and sidewalks, which are located in  
 15 the public right of way and are not owned  
 16 by the taxpayer.”.

17 (2) CREDIT FOR EXPANSION AND ADJACENT  
 18 BUILDINGS WITH RESPECT TO QUALIFIED REHABILI-  
 19 TATED BUILDINGS OTHER THAN CERTIFIED HIS-  
 20 TORIC STRUCTURES.—Section 47(c)(2) of such  
 21 Code, as amended by paragraph (1), is amended by  
 22 adding at the end the following new subparagraph:

23 “(F) TREATMENT OF BUILDING EXPAN-  
 24 SIONS AND CERTAIN ADJACENT BUILDINGS  
 25 WITH RESPECT TO QUALIFIED REHABILITATED

1 BUILDINGS OTHER THAN CERTIFIED HISTORIC  
2 STRUCTURES.—

3 “(i) IN GENERAL.—In the case any  
4 qualified rehabilitated building other than  
5 a certified historic structure—

6 “(I) clause (iii) of subparagraph  
7 (B) shall not apply, and

8 “(II) amounts described in sub-  
9 paragraph (A)(i) which are in connec-  
10 tion with the rehabilitation or con-  
11 struction of a qualified adjacent build-  
12 ing shall be treated as qualified reha-  
13 bilitation expenditures with respect to  
14 such qualified rehabilitated building.

15 “(ii) LIMITATION.—The amount treat-  
16 ed as qualified rehabilitation expenditures  
17 with respect to any qualified rehabilitated  
18 building under clause (i) shall not exceed  
19 100 percent of the qualified rehabilitation  
20 expenditures with respect to such building  
21 (determined without regard to clause (i)  
22 and subparagraph (E)).

23 “(iii) QUALIFIED ADJACENT BUILD-  
24 ING.—For purposes of this subparagraph,  
25 the term ‘qualified adjacent building’

1 means, with respect to any qualified reha-  
 2 bilitated building, any building if such  
 3 building and such qualified rehabilitated  
 4 building are both on the same block.”.

5 (3) EXPENDITURES RELATED TO PUBLIC IN-  
 6 FRASTRUCTURE, ADJACENT BUILDINGS, AND BUILD-  
 7 ING EXPANSIONS DISREGARDED IN DETERMINING IF  
 8 REHABILITATION IS SUBSTANTIAL.—Section  
 9 47(c)(1)(E), as redesignated by subsections (a), (d),  
 10 and (f), is amended by adding at the end the fol-  
 11 lowing new clause:

12 “(iv) CERTAIN EXPENDITURES DIS-  
 13 REGARDED.—Amounts which are otherwise  
 14 treated as qualified rehabilitation expendi-  
 15 tures by reason of subparagraph (E) or  
 16 (F) of paragraph (2) shall not be treated  
 17 as qualified rehabilitation expenditures for  
 18 purposes of this subparagraph.”.

19 (h) BONUS CREDIT FOR RENT-RESTRICTED HOUS-  
 20 ING UNITS.—Section 47 of such Code is amended by add-  
 21 ing at the end the following new subsection:

22 “(e) BONUS CREDIT FOR RENT-RESTRICTED HOUS-  
 23 ING UNITS.—

24 “(1) IN GENERAL.—Subsection (a)(1) shall be  
 25 applied by substituting ‘25 percent’ for ‘15 percent’

1 with respect to so much of the qualified rehabilita-  
2 tion expenditures (determined without regard to sub-  
3 section (c)(2)(E)) with respect to any qualified reha-  
4 bilitated building as are properly allocable to resi-  
5 dential units which are—

6 “(A) rent-restricted (within the meaning of  
7 section 42(g)(2)), and

8 “(B) occupied by individuals whose income  
9 is 100 percent or less of area median gross in-  
10 come (within the meaning of section 42(g)(1)).

11 “(2) FAILURE TO MAINTAIN RENT-RESTRICTION  
12 SUBJECT TO RECAPTURE.—In the case of any fail-  
13 ure to maintain any residential unit taken into ac-  
14 count under paragraph (1) as a residential unit de-  
15 scribed in such paragraph during the recapture pe-  
16 riod, section 50(a) shall apply as though the quali-  
17 fied rehabilitated building ceased to be investment  
18 credit property except that the recapture period and  
19 recapture percentage shall be determined under  
20 paragraph (3) and in determining the increase in tax  
21 under such section in lieu of reducing the credit de-  
22 termined under this section to zero such credit shall  
23 be determined without regard to paragraph (1). The  
24 application of section 50(a) with respect to a build-  
25 ing as described in this paragraph shall not prevent

1 the reapplication of such section to such building if  
2 such building is disposed of or otherwise ceases to  
3 be investment credit property and the tax imposed  
4 under such section by reason of such reapplication  
5 shall be reduced by the tax previously imposed as  
6 described in this paragraph.

7 “(3) RECAPTURE PERIOD; RECAPTURE PER-  
8 CENTAGE.—For purposes of this subsection—

9 “(A) RECAPTURE PERIOD.—The term ‘re-  
10 capture period’ means the 10-year period begin-  
11 ning on the date the building is placed in serv-  
12 ice.

13 “(B) RECAPTURE PERCENTAGE.—The  
14 term ‘recapture percentage’ means—

15 “(i) in the case of a failure described  
16 in paragraph (2) that occurs during the  
17 first year of the recapture period, 100 per-  
18 cent, and

19 “(ii) in the case of such a failure  
20 which occurs during any subsequent year  
21 of the recapture period, the percentage  
22 which is 10 percentage points less than the  
23 percentage which applied for the previous  
24 year (as determined under this subpara-  
25 graph).”.

1 (i) PUBLIC REPORTING.—Section 47 of such Code,  
2 as amended by subsection (h), is amended by adding at  
3 the end the following new subsection:

4 “(f) PUBLIC REPORTING WITH RESPECT TO QUALI-  
5 FIED REHABILITATED BUILDINGS OTHER THAN CER-  
6 TIFIED HISTORIC STRUCTURES.—

7 “(1) IN GENERAL.—No credit shall be allowed  
8 under this section with respect to any qualified reha-  
9 bilitated building other than a certified historic  
10 structure unless the taxpayer submits to the Sec-  
11 retary a report (at such time and in such manner  
12 as the Secretary may provide) which includes the in-  
13 formation described in paragraph (2).

14 “(2) INFORMATION.—The report described in  
15 paragraph (1) shall include the following:

16 “(A) The name of the building and, if ap-  
17 plicable, the name of the project of which such  
18 building is a part.

19 “(B) Each of the following with respect to  
20 the location of the building: city, State, zip  
21 code, 2010 census tract (and whether such  
22 tract is metropolitan statistical area).

23 “(C) The total cost of the building and, if  
24 applicable, the total cost of the project of which  
25 such building is a part.

1           “(D) The total amount of credit allowed  
2           under this section with respect to such building  
3           and, if applicable, with respect to the project of  
4           which such building is a part.

5           “(E) The year the building is placed in  
6           service.

7           “(F) The number of housing units in the  
8           building and number of such housing units  
9           which are rent-restricted (within the meaning of  
10          section 42(g)(2)).

11          “(G) The primary purpose of the building.

12          “(3) REPORTS MADE PUBLICLY AVAILABLE.—  
13          The Secretary shall ensure that reports made under  
14          paragraph (1) are made available to the public.”.

15          (j) EFFECTIVE DATE.—The amendments made by  
16          this section shall apply to property the construction of  
17          which begins after the date of the enactment of this Act.

○