



Volume 2011 - March 30

Governor Barbour Signs "Historic" Legislation

On March 30, 2011 Governor Haley Barbour signed into law House Bill 1311, amending Section 27-7-22.31 of the Mississippi Code, related to tax credits generated in connection with the rehabilitation of certified historic structures. Under the previous law, if the tax credit exceeded the taxpayer's tax liability, the taxpayer could carry the tax credit forward for a ten year period. For project owners that generate more than \$250,000 in tax credits, the new legislation gives taxpayers the option to elect a refund in the amount of 75% of the excess credit to be paid over a two year period. The new legislation requires project owners that are pass-through entities, such as limited liability companies, to make the election at the entity level. It also provides that unused credits generated prior to January 1, 2011, that have been allocated to a pass-through entity will be eligible for the 75% refund.

The new legislation ensures that project owners will receive a greater economic benefit from the tax credits generated. Under the previous law, since many project owners did not have the necessary tax liability to utilize the tax credits, the project owners would partner with investors that would make contributions to the project owners in return for an allocation of the tax credits. For various reasons, the amount contributed by investors usually represented less than 75% of the amount of the tax credits. It is anticipated that most project owners will now elect to receive the 75% refund instead.

In addition to the increased benefits for the project owners, the new legislation should also result in a less expensive program for the State of Mississippi. For those project owners that elect the refund option, the State will be paying 75 cents per every \$1 in tax credit, instead of foregoing the entire \$1 in revenue.

Contact Us



[Michael J. Bradshaw, Jr.](#) is a member of the firm's [Public Finance and Incentives Group](#). He can be contacted via e-mail at michael.bradshaw@butlersnow.com, and he is licensed to practice in Georgia.



[Jetson G. Hollingsworth](#) is a member of the firm's [Public Finance and Incentives Group](#). He can be contacted via e-mail at jet.hollingsworth@butlersnow.com, and he is licensed to practice in Mississippi.

[ABOUT BUTLER SNOW](#)

[TAX GROUP](#)

[LATEST NEWS](#)

[CONTACT US](#)

BUTLER SNOW has been a leading presence in the legal community for more than 55 years. With 170 attorneys, the firm provides a broad range of services to clients on a regional and national basis from its offices in Ridgeland and Gulfport, Mississippi, Memphis, Tennessee, and New Orleans, Louisiana.

© 2011 PLANNING NOTES is published by the Taxation Group of Butler, Snow, O'Mara, Stevens & Cannada, PLLC on selected issues. The contents of PLANNING NOTES are intended for general informational purposes only, are not intended to be comprehensive with respect to the subject matter, and are not intended to create an attorney-client relationship with any user. An attorney-client relationship can only be established after we confirm that there would be no conflict of interest and we determine that we are otherwise able to accept the representation. PLANNING NOTES is not designed or intended to provide legal or other professional advice, as any such advice requires the consideration of the facts of the specific situation.

IRS Circular 230 Disclosure: As required by U.S. Treasury Regulations, you are hereby advised that any federal tax advice contained in this communication or any attachment does not constitute a formal tax opinion. Accordingly, any federal tax advice contained in this communication or any attachment is not intended, or written to be used, and cannot be used, by any recipient for the purpose of avoiding penalties that may be asserted by the Internal Revenue Service.

Free background information is available upon request.

This is an advertisement.



[Jordan B. Monsour](#) is a member of the firm's [Public Finance and Incentives Group](#). He can be contacted via e-mail at jordan.monsour@butlersnow.com, and he is licensed to practice in Louisiana.



[John B. \(Jack\) Nichols](#) is a member of the firm's [Taxation](#) and [Business Services](#) Groups. He can be contacted via e-mail at jack.nichols@butlersnow.com, and he is licensed to practice in Mississippi and Tennessee.



[Kenneth A. \(Kap\) Primos III](#) is a member of the firm's [Business Services Group](#). He can be contacted via e-mail at kap.primos@butlersnow.com, and he is licensed to practice in Mississippi.



[Kimberly E. Smith](#) is a member of the firm's [Public Finance and Incentives Group](#). She can be contacted via email at kim.smith@butlersnow.com, and she is licensed to practice in Mississippi.

You are a member of the Butler Snow Planning Notes Newsletter distribution list.

[Unsubscribe](#) <<Email Address>> from this list.

Our mailing address is:
Butler, Snow, O'Mara, Stevens and Cannada, PLLC
1020 Highland Colony Pkwy
Suite 1400
Ridgeland, MS 39157

[Add us to your address book](#)

Copyright (C) 2011 Butler, Snow, O'Mara, Stevens and Cannada, PLLC All rights reserved.

[Forward](#) this email to a friend
[Update your profile](#)

