

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1875

By: Wells

COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; authorizing income tax credit for certain qualified costs related to housing development; defining terms; specifying amount of tax credit; providing for imposition of certain standards pursuant to Federal Housing Administration Section 203(b) program; providing exception; imposing minimum requirements for qualified expenses incurred; imposing requirements with respect to transfer of title to developed real property; providing for carryover of unused credits; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.101 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Applicable federal standard" means the requirements imposed by the Federal Housing Administration under the Section 203(b) program;

2. "Qualified cost" means the acquisition of land, the expenses associated with financing the acquisition of materials, labor costs and other expenses incurred for the development and construction of qualified housing in a targeted smaller community;

3. "Qualified housing" means single family residential dwellings either constructed on a foundation or capable of being affixed in a permanent manner to real property with or without the use of a foundation, but shall not mean a "mobile home"; and

4. "Targeted smaller communities" means cities and towns with a population less than twenty-five thousand (25,000) persons according to the latest Federal Decennial Census or the most recent available population estimate produced by the United States Census Bureau, but shall not include a community located within a Metropolitan Statistical Area (MSA).

B. For taxable years beginning after December 31, 2001, there shall be allowed as a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes an amount equal to thirty percent (30%) of the qualified cost for expenses associated with the acquisition and development of qualified housing located in targeted smaller communities. To qualify for the credit authorized by this section, the housing must meet applicable federal standards as defined by the Federal Housing Administration in the Section 203(b) program. Notwithstanding any provisions of federal law which could prohibit preconstructed housing from qualifying pursuant to the Section 203(b) program, such preconstructed housing shall be eligible as an expense for purposes of the income tax credit authorized by this section.

C. In order to claim all or any part of the income tax credit authorized by this section, the tax credit claimant must have incurred direct actual expenses equal to at least One Million Dollars (\$1,000,000.00) prior to the first taxable year for which any credit is claimed for land acquisition, materials acquisition, labor costs or other qualified expenses for purposes of constructing qualified housing in targeted smaller communities.

D. The credit authorized by this section shall not be claimed for any expense incurred unless the credit is claimed with respect to a specific parcel or parcels or a subdivided lot or subdivided lots of real property upon which there has been constructed a complete single-family residential dwelling meeting the requirements of the Federal Housing Administration Section 203(b) program.

E. No credit otherwise authorized by this section may be claimed by a taxpayer unless title to the completed single-family residential dwelling has been transferred to a qualified home buyer pursuant to the requirements of the Section 203(b) program administered by the Federal Housing Administration.

F. The credit authorized by this section shall not be used to reduce the income tax liability of any taxpayer below zero. Any credit not used in a taxable year for which the credit was originally claimed may be carried over, in order, to each of the five (5) succeeding taxable years.

SECTION 2. This act shall become effective January 1, 2002.

48-1-6263 MAH 6/12/15