

BILL SUMMARY
2nd Session of the 54th Legislature

Bill No.:	HB 3099
Version:	CS
Request Number:	10276
Author:	Rep. Jackson
Date:	3/3/2014
Impact:	Tax Commission: FY-15 Decrease: \$3.48 Million Increasing in Subsequent Fiscal Years

Research Analysis

HB3099 creates the Oklahoma Affordable Housing Act. The measure creates a state version of the federal low-income housing tax credit effective tax year 2015. The state credit will match the amount of the federal credits awarded for a qualified project and be administered by the Oklahoma Housing Finance Agency. The credit will be nonrefundable; however, any amount of credit not used may be carried forward for up to five years.

Furthermore, the measure requires the credit to be reviewed every five years by a committee of nine persons appointed by the Speaker, Pro Tempore of the Senate and Governor.

Prepared By: Quyen Do

Fiscal Analysis

Credits may only be claimed upon completion and occupancy of a qualifying project (information provided by industry sources).

Tax Commission analysis:

The federal credits are claimed in equal amounts over a 10 year period. The state credit mirrors the federal credit. As a result, the estimated impact for the first year of this proposal is an \$8.7 million decrease in revenue for tax year 2015, and an additional \$8.7 million each subsequent year, for the next ten (10) years. (See Table 1 below).

The anticipated change in state revenue will be a revenue decrease of \$3.48 million in FY 15. It is expected state revenue will decrease by \$12.18 million in FY 15 and an additional \$8.7 million in each FY thereafter. The full impact of this proposed legislation will be in FY 25 with a projected revenue decrease of \$90.48 million. (See Table 2 below).

Tax year	Annual Allocation									
2015	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000
2016		\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000
2017			\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000
2018				\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000
2019					\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000
2020						\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000
2021							\$8,700,000	\$8,700,000	\$8,700,000	\$8,700,000
2022								\$8,700,000	\$8,700,000	\$8,700,000
2023									\$8,700,000	\$8,700,000
2024										\$8,700,000
Total	\$8,700,000	\$17,400,000	\$26,100,000	\$34,800,000	\$43,500,000	\$52,200,000	\$60,900,000	\$69,600,000	\$78,300,000	\$87,000,000

Table 2 below shows the estimated FY effects.

FY CONVERSION	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Tax year 2014	\$ 8,700,000	\$ 3,480,000	\$ 5,220,000								
Tax year 2015	\$ 17,400,000	\$ 6,960,000	\$10,440,000								
Tax year 2016	\$ 26,100,000		\$10,440,000	\$15,660,000							
Tax year 2017	\$ 34,800,000			\$13,920,000	\$20,880,000						
Tax year 2018	\$ 43,500,000				\$17,400,000	\$26,100,000					
Tax year 2019	\$ 52,200,000					\$20,880,000	\$31,320,000				
Tax year 2020	\$ 60,900,000						\$24,360,000	\$36,540,000			
Tax year 2021	\$ 69,600,000							\$27,840,000	\$41,760,000		
Tax year 2022	\$ 78,300,000								\$31,320,000	\$46,980,000	
Tax year 2023	\$ 87,000,000									\$34,800,000	\$ 52,200,000
Tax year 2024	\$ 95,700,000										\$ 38,280,000
FY TOTAL	\$ 3,480,000	\$12,180,000	\$20,380,000	\$29,580,000	\$38,280,000	\$46,980,000	\$55,680,000	\$64,380,000	\$73,080,000	\$81,780,000	\$ 90,480,000

Prepared By: Mark Tygret

Other Considerations

None.