

SUBCOMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3099 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by
inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Mike Jackson

Adopted: _____

Reading Clerk

STATE OF OKLAHOMA

2nd Session of the 54th Legislature (2014)

PROPOSED SUBCOMMITTEE
SUBSTITUTE
FOR
HOUSE BILL NO. 3099

By: Jackson

PROPOSED SUBCOMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; enacting the Oklahoma Affordable Housing Act; defining terms; authorizing tax credits for certain housing; specifying total amount of credits authorized; requiring certain action by Oklahoma Housing Finance Agency; providing certain entities not subject to additional liabilities for insurance-premium-related taxes based on use of credit; prohibiting use of tax credits to reduce tax liability below specific amount; authorizing carry-forward of tax credits; prescribing procedures for documentation; providing for recapture of tax credits based upon provisions of the Internal Revenue Code of 1986, as amended; prescribing method for recapture; authorizing Oklahoma Housing Finance Agency or Oklahoma Tax Commission to require additional documentation; providing for review of Oklahoma Affordable Housing Act; providing for creation of committee; specifying membership; 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 2357.403 of Title 68, unless there is created a duplication in numbering, reads as follows:

1 A. This act shall be known and may be cited as the "Oklahoma
2 Affordable Housing Act".

3 B. As used in this section:

4 1. "Allocation year" means the year for which the Oklahoma
5 Housing Finance Agency awards credits pursuant to this section;

6 2. "Eligibility statement" means a statement authorized and
7 issued by the Oklahoma Housing Finance Agency certifying that a
8 given project qualifies for the Oklahoma Affordable Housing Tax
9 Credit authorized by this section. The Oklahoma Housing Finance
10 Agency, under Title 330 Oklahoma Housing Finance Agency Chapter 36
11 Affordable Housing Tax Credit Program Rules, shall promulgate rules
12 establishing criteria upon which the eligibility statements will be
13 issued. The eligibility statement shall specify the amount of
14 Oklahoma Affordable Housing Tax Credits allocated to a qualified
15 project. The Oklahoma Housing Finance Agency shall only authorize
16 the tax credits created by this section to qualified projects which
17 are placed in service after December 31, 2014, and which begin
18 generating credits during calendar year 2015 or any calendar year
19 thereafter;

20 3. "Federal low-income housing tax credit" means the federal tax
21 credit as provided in Section 42 of the Internal Revenue Code of
22 1986, as amended;

23 4. "Oklahoma Affordable Housing Tax Credit" means the tax credit
24 created by this section;

1 5. "Qualified project" means a qualified low-income building as
2 that term is defined in Section 42 of the Internal Revenue Code of
3 1986, as amended, which is located in this state;

4 6. "State low-income housing tax credit" means a state tax
5 credit which is awarded by any state in conjunction with an award of
6 the federal low-income housing tax credit; and

7 7. "Taxpayer" means a person, firm or corporation subject to the
8 tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes or
9 an insurance company subject to the tax imposed by Section 624 or
10 628 of Title 36 of the Oklahoma Statutes or other financial
11 institution subject to the tax imposed by Section 2370 of Title 68
12 of the Oklahoma Statutes.

13 C. For qualified projects placed in service after December 31,
14 2014, the amount of state tax credits created by this section which
15 are available to a project shall be equal to that of the federal low-
16 income housing tax credits for a qualified project. The total
17 Oklahoma Affordable Housing Tax Credits made available to all
18 qualified projects for an allocation year shall be equal to the
19 annual federal low-income housing tax credits available to the state
20 for the same allocation year.

21 D. A taxpayer owning an interest in an investment in a qualified
22 project shall be allowed Oklahoma Affordable Housing Tax Credits
23 under this section if the Oklahoma Housing Finance Agency issues an
24 eligibility statement for such project, which tax credit shall be

1 allocated among some or all of the partners, members or shareholders
2 of the taxpayer owning such interest in any manner agreed to by such
3 partners, members or shareholders. Such taxpayer may assign its
4 interest in the investment.

5 E. An insurance company claiming a credit against state premium
6 tax or retaliatory tax or any other tax imposed by Section 624 or 628
7 of Title 36 of the Oklahoma Statutes shall not be required to pay
8 any additional retaliatory tax under Section 628 of Title 36 of the
9 Oklahoma Statutes as a result of claiming the credit. The credit
10 may fully offset any retaliatory tax imposed by Section 628 of Title
11 36 of the Oklahoma Statutes.

12 F. The credit authorized by this section shall not be used to
13 reduce the tax liability of the taxpayer to less than zero (\$0.00).

14 G. Any credit claimed but not used in a taxable year may be
15 carried forward to each of the five (5) subsequent taxable years.

16 H. The owner of a qualified project eligible for the credit
17 authorized by this section shall submit, at the time of filing the
18 tax return with the Oklahoma Tax Commission, an eligibility
19 statement from the Oklahoma Housing Finance Agency. In the case of
20 failure to attach the eligibility statement, no credit under this
21 section shall be allowed with respect to such project for that year
22 until required documents are provided to the Tax Commission.

23 I. If under Section 42 of the Internal Revenue Code of 1986, as
24 amended, a portion of any federal low-income housing credits taken on

1 a qualified project is required to be recaptured during the first ten
2 (10) years after a project is placed in service, the taxpayer
3 claiming Oklahoma Affordable Housing Tax Credits with respect to such
4 project shall also be required to recapture a portion of such
5 credits. The amount of Oklahoma Affordable Housing Tax Credits
6 subject to recapture shall be proportionally equal to the amount of
7 federal low-income housing credits subject to recapture.

8 J. The Oklahoma Housing Finance Agency or the Oklahoma Tax
9 Commission may require the filing of additional documentation
10 necessary to determine the accuracy of a tax credit claimed.

11 K. The Oklahoma Affordable Housing Act shall undergo a review
12 every five (5) years by a committee of nine (9) persons, to be
13 appointed three persons each by the Governor, President Pro Tempore of
14 the Oklahoma State Senate and the Speaker of the Oklahoma House of
15 Representatives.

16 SECTION 2. This act shall become effective January 1, 2015.

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18 54-2-10038 MAH 02/13/14
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