

COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2354 _____
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: Leslie Osborn

Adopted: _____

Reading Clerk

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

PROPOSED COMMITTEE
SUBSTITUTE
FOR
HOUSE BILL NO. 2354

By: Osborn (Leslie) and Wallace
of the House

and

David and Fields of the
Senate

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; amending
Section 1, Chapter 421, O.S.L. 2014 (68 O.S. Supp.
2016, Section 2357.403), which relates to the
Oklahoma Affordable Housing Act; modifying date
related to eligibility for tax credit; modifying
amount of credits available during specified time
period; and providing an effective date.

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

SECTION 1. AMENDATORY Section 1, Chapter 421, O.S.L.
2014 (68 O.S. Supp. 2016, Section 2357.403), is amended to read as
follows:

Section 2357.403 A. This act shall be known and may be cited
as the "Oklahoma Affordable Housing Act".

B. As used in this section:

1 1. "Allocation year" means the year for which the Oklahoma
2 Housing Finance Agency allocates credits pursuant to this section;

3 2. "Eligibility statement" means a statement authorized and
4 issued by the Oklahoma Housing Finance Agency certifying that a
5 given project qualifies for the Oklahoma Affordable Housing Tax
6 Credit authorized by this section. The Oklahoma Housing Finance
7 Agency, under Title 330, Oklahoma Housing Finance Agency, Chapter
8 36, Affordable Housing Tax Credit Program Rules, shall promulgate
9 rules establishing criteria upon which the eligibility statements
10 will be issued. The eligibility statement shall specify the amount
11 of Oklahoma Affordable Housing Tax Credits allocated to a qualified
12 project. The Oklahoma Housing Finance Agency shall only authorize
13 the tax credits created by this section to qualified projects which
14 are placed in service after July 1, 2015, but which shall not be
15 used to reduce tax liability accruing prior to January 1, 2016;

16 3. "Federal low-income housing tax credit" means the federal tax
17 credit as provided in Section 42 of the Internal Revenue Code of
18 1986, as amended;

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

21 5. "Qualified project" means a qualified low-income building as
22 that term is defined in Section 42 of the Internal Revenue Code of
23 1986, as amended, which is located in this state in a county with a
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1 population of less than one hundred fifty thousand (150,000)
2 according to the latest Federal Decennial Census; and

3 6. "Taxpayer" means a person, firm or corporation subject to the
4 tax imposed by Section 2355 of ~~Title 68 of the Oklahoma Statutes~~
5 this title or an insurance company subject to the tax imposed by
6 Section 624 or 628 of Title 36 of the Oklahoma Statutes or other
7 financial institution subject to the tax imposed by Section 2370 of
8 ~~Title 68 of the Oklahoma Statutes~~ this title.

9 C. For qualified projects placed in service after July 1, 2015,
10 but not later than July 1, 2022, the amount of state tax credits
11 created by this section which are allocated to a project shall be
12 equal to that of the federal low-income housing tax credits for a
13 qualified project. The total Oklahoma Affordable Housing Tax Credits
14 allocated to all qualified projects for an allocation year shall not
15 exceed ~~Four Million Dollars (\$4,000,000.00)~~ Two Million Dollars
16 (\$2,000,000.00). For purposes of this section, the "credit period"
17 shall mean the period of ten (10) taxable years and "placed in
18 service" shall have the same meaning as is applicable under the
19 federal credit program.

20 D. A taxpayer owning an interest in an investment in a qualified
21 project shall be allowed Oklahoma Affordable Housing Tax Credits
22 under this section for tax years beginning on or after January 1,
23 2016, if the Oklahoma Housing Finance Agency issues an eligibility
24 statement for such project, which tax credit shall be allocated

1 among some or all of the partners, members or shareholders of the
2 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 November 1, 2017.
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