

1 **SENATE FLOOR VERSION**

2 February 14, 2018

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 953

By: Griffin

6
7 [tax credits - Oklahoma Affordable Housing Act -
8 definition - carryforward period - effective date]
9

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

11 SECTION 1. AMENDATORY Section 1, Chapter 421, O.S.L.
12 2014 (68 O.S. Supp. 2017, Section 2357.403), is amended to read as
13 follows:

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

16 B. As used in this section:

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

19 2. "Eligibility statement" means a statement authorized and
20 issued by the Oklahoma Housing Finance Agency certifying that a
21 given project qualifies for the Oklahoma Affordable Housing Tax
22 Credit authorized by this section. The Oklahoma Housing Finance
23 Agency, under Title 330, Oklahoma Housing Finance Agency, Chapter
24 36, Affordable Housing Tax Credit Program Rules, shall promulgate

1 rules establishing criteria upon which the eligibility statements
2 will be issued. The eligibility statement shall specify the amount
3 of Oklahoma Affordable Housing Tax Credits allocated to a qualified
4 project. The Oklahoma Housing Finance Agency shall only authorize
5 the tax credits created by this section to qualified projects which
6 are placed in service after July 1, 2015, but which shall not be
7 used to reduce tax liability accruing prior to January 1, 2016;

8 3. "Federal low-income housing tax credit" means the federal tax
9 credit as provided in Section 42 of the Internal Revenue Code of
10 1986, as amended;

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

13 5. "Qualified project" means a qualified low-income building as
14 that term is defined in Section 42 of the Internal Revenue Code of
15 1986, as amended, which is not financed with tax-exempt bonds and is
16 located in this state in a county with a population of less than ~~one~~
17 ~~hundred fifty thousand (150,000)~~ three hundred thousand (300,000)
18 according to the latest Federal Decennial Census; and

19 6. "Taxpayer" means a person, firm or corporation subject to the
20 tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes or
21 an insurance company subject to the tax imposed by Section 624 or
22 628 of Title 36 of the Oklahoma Statutes or other financial
23 institution subject to the tax imposed by Section 2370 of Title 68
24 of the Oklahoma Statutes.

1 C. For qualified projects placed in service after July 1, 2015,
2 the amount of state tax credits created by this section which are
3 allocated to a project shall be equal to that of the federal low-
4 income housing tax credits for a qualified project. The total
5 Oklahoma Affordable Housing Tax Credits allocated to all qualified
6 projects for an allocation year shall not exceed Four Million Dollars
7 (\$4,000,000.00). For purposes of this section, the "credit period"
8 shall mean the period of ten (10) taxable years and "placed in
9 service" shall have the same meaning as is applicable under the
10 federal credit program.

11 D. A taxpayer owning an interest in an investment in a qualified
12 project shall be allowed Oklahoma Affordable Housing Tax Credits
13 under this section for tax years beginning on or after January 1,
14 2016, if the Oklahoma Housing Finance Agency issues an eligibility
15 statement for such project, which tax credit shall be allocated
16 among some or all of the partners, members or shareholders of the
17 taxpayer owning such interest in any manner agreed to by such
18 partners, members or shareholders. Such taxpayer may assign its
19 interest in the investment.

20 E. An insurance company claiming a credit against state premium
21 tax or retaliatory tax or any other tax imposed by Section 624 or 628
22 of Title 36 of the Oklahoma Statutes shall not be required to pay
23 any additional retaliatory tax under Section 628 of Title 36 of the
24 Oklahoma Statutes as a result of claiming the credit. The credit

1 may fully offset any retaliatory tax imposed by Section 628 of Title
2 36 of the Oklahoma Statutes.

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

5 G. Any credit claimed but not used in a taxable year which
6 begins on or after January 1, 2019, may be carried forward to each of
7 the ~~five (5)~~ two (2) subsequent taxable years.

8 H. The owner of a qualified project eligible for the credit
9 authorized by this section shall submit, at the time of filing the
10 tax return with the Oklahoma Tax Commission, an eligibility
11 statement from the Oklahoma Housing Finance Agency. In the case of
12 failure to attach the eligibility statement, no credit under this
13 section shall be allowed with respect to such project for that year
14 until required documents are provided to the Tax Commission.

15 I. If under Section 42 of the Internal Revenue Code of 1986, as
16 amended, a portion of any federal low-income housing credits taken on
17 a qualified project is required to be recaptured during the first ten
18 (10) years after a project is placed in service, the taxpayer
19 claiming Oklahoma Affordable Housing Tax Credits with respect to such
20 project shall also be required to recapture a portion of such
21 credits. The amount of Oklahoma Affordable Housing Tax Credits
22 subject to recapture shall be proportionally equal to the amount of
23 federal low-income housing credits subject to recapture.

24

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

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

9 SECTION 2. This act shall become effective January 1, 2019.

10 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
11 February 14, 2018 - DO PASS AS AMENDED
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