

**BILL SUMMARY**  
1<sup>st</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1411</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>5603</b>
<b>Author:</b>	<b>Rep. Nichols</b>
<b>Date:</b>	<b>2/4/2019</b>
<b>Impact:</b>	<b>\$0</b>

**Annual Credit Cap Unchanged**

**Research Analysis**

HB1411, expands eligibility for the Oklahoma Affordable Housing Tax Credit by removing the population limit for *qualified project*. Currently, a *qualified project* is defined as a low-income building that meets IRS standards and is located in a county with a population of less than 150,000.

Prepared By: Quyen Do

**Fiscal Analysis**

Tax Commission analysis:

HB 1411 amends the Oklahoma Affordable Housing Tax Credit (68 O.S. § 2357.403) by eliminating the population restriction<sup>1</sup> in the definition of "qualified project".

Under current law, the Oklahoma tax credit is for qualified projects placed in service after July 1, 2015. "Qualified project" means *a qualified low-income building as that term is defined in Section 42 of the Internal Revenue Code of 1986, as amended, which is located in this state, and is also located in a county with a population of less than one hundred fifty thousand (150,000) according to the latest Federal Decennial Census*. A taxpayer owning an interest in an investment in a qualified project is allowed a state tax credit if the Oklahoma Housing Finance Agency issues an eligibility statement for that project. The amount of state tax credits available equal the amount of federal low-income housing tax credits for a qualified project, but cannot exceed \$4 million per allocation year, which can be claimed in equal amounts over a ten (10) year period. For allocation year 2017, \$9.1 million federal low-income housing tax credits were awarded for Oklahoma projects.<sup>2</sup> The tax credit is nonrefundable; any unused credit may be carried forward for a period of five (5) years.

No impact on tax collections is anticipated due to the cap of \$4.0 million per allocation year.

<sup>1</sup> A qualified project must be located in a county with a population of less than one hundred fifty thousand (150,000) according to the latest Federal Decennial Census.

<sup>2</sup> [http://www.novoco.com/low\\_income\\_housing/lihtc/federal\\_lihtc.php](http://www.novoco.com/low_income_housing/lihtc/federal_lihtc.php)

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**Other Considerations**

None.

