

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 2941</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>9188</b>
<b>Author:</b>	<b>Rep. Nichols</b>
<b>Date:</b>	<b>2/16/2020</b>
<b>Impact:</b>	<b>Tac Commission:</b>
	<b>Revenue Decrease</b>
	<b>FY-22: (\$1,000,000)</b>
	<b>Additional (\$1,000,000) Each Subsequent Year</b>

**Research Analysis**

HB 2941, as introduced, increases, from \$4 million to \$5 million, the annual cap on the amount of tax credits authorized pursuant to the Oklahoma Affordable Housing Act.

Prepared By: Quyen Do

**Fiscal Analysis**

Analysis provided by the Tax Commission:

HB 2941 amends the Oklahoma affordable housing income tax credit (68 O.S. § 2357.403) by increasing the annual cap from \$4.0 million to \$5.0 million.

The amount of state tax credits available equal the amount of federal low-income housing tax credits for a qualified project, but cannot exceed \$4.0 million per allocation year. The federal credit is claimed in equal amounts over a 10 year period. The state credit mirrors the federal credit. For allocation year 2019, \$15 million federal low-income housing tax credits and \$4.0 million state low-income housing tax credits were awarded for Oklahoma projects.<sup>1</sup> The tax credit is nonrefundable; any unused credit may be carried forward for a period of two years.

For purposes of this analysis it is assumed the additional \$1.0 million will be allocated by the OHFA in 2021 at their May and November Board of Trustees meetings.<sup>2</sup> The estimated impact for the first year of this proposal is a \$1.0 million decrease in revenue for tax year 2021. Changes to withholding or estimated tax payments are not expected; therefore a projected decrease of \$1.0 million should occur in FY 22 when the 2021 income tax returns are filed and an additional \$1.0 million in each FY thereafter. The full impact of this proposed legislation will be in FY 31 with a projected revenue decrease of \$10 million.

---

<sup>1</sup> Email from Corey Bornemann, Housing Development Allocation Specialist, OHFA, dated February 3, 2020.

<sup>2</sup> The owner of a qualified project receiving Oklahoma affordable housing income tax credits submits, at the time of filing an Oklahoma income tax return, an eligibility statement from OHFA. The statement is issued to the owner for the project after all final cost certifications and accountant reports have been submitted to OHFA and OHFA has performed a final underwriting to ensure the final amount of credits the project is eligible to receive. With an effective date of November 1, 2020, it is assumed the earliest the additional \$1.0 million could be claimed is tax year 2021.

Prepared By: Mark Tygret

**Other Considerations**

None.

© 2020 Oklahoma House of Representatives, see Copyright Notice at [www.okhouse.gov](http://www.okhouse.gov)