

COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB4031 _____
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: Meloyde Blancett

Adopted: _____

Reading Clerk

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

PROPOSED COMMITTEE
SUBSTITUTE
FOR
HOUSE BILL 4031

By: Blancett

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; defining terms; creating tax credit for landlords for certain rental properties; limiting amount of credit in certain circumstances; requiring landlords to apply for eligibility; requiring Oklahoma Housing Finance Agency make certain determinations; providing for certification of eligibility for credit; limiting application of credit; allowing carryover of credit; setting annual credits cap; authorizing Oklahoma Housing Finance Agency and Oklahoma Tax Commission to promulgate rules; 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 2357.502 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Dwelling unit" means an individual housing unit in an apartment building, individual housing unit in multifamily residential housing, single-family residence, or any similar individual housing unit;

1 2. "Eligible census tract" means a census tract in Oklahoma in
2 which less than ten percent (10%) of the residents live below the
3 poverty level, as defined by the United States government and
4 determined by the most recent Federal Decennial Census;

5 3. "Eligible housing area" means an eligible census tract in
6 Oklahoma;

7 4. "Housing authority" means a housing authority created under
8 the Oklahoma Housing Authorities Act or other government agency that
9 is authorized by the United States government under the United
10 States Housing Act of 1937, 42 U.S.C. § 1437 et seq. to administer a
11 housing choice voucher program, or the authorized agent of such a
12 housing authority that is authorized to act upon that authority's
13 behalf. Housing authority includes the Oklahoma Housing Finance
14 Agency;

15 5. "Housing choice voucher" means tenant-based assistance by a
16 housing authority pursuant to 42 U.S.C. § 1437f et seq.;

17 6. "Participating landlord" means any person engaged in the
18 business of the rental of dwelling units who is:

19 a. subject to the Oklahoma Residential Landlord and
20 Tenant Act, and

21 b. performs obligations under a contract with a housing
22 authority relating to the rental of qualified housing
23 units; and
24

1 7. "Qualified housing unit" means a dwelling unit that is
2 located in an eligible housing area for which a portion of the rent
3 is paid by a housing authority which payment is pursuant to a
4 housing choice voucher program.

5 B. For taxable years beginning after December 31, 2022, and
6 ending not later than December 31, 2025, there shall be allowed a
7 credit against the tax imposed pursuant to Section 2355 of Title 68
8 of the Oklahoma Statutes in the amount equal to ten percent (10%) of
9 the fair market value of the rent for the unit, computed for that
10 portion of the taxable year in which the unit was rented by a
11 participating landlord to a tenant participating in a housing choice
12 voucher program, for a participating landlord renting a qualified
13 housing unit.

14 C. If the same parcel of real property contains four (4) or
15 more dwelling units and the total number of qualified housing units
16 on the parcel in the relevant taxable year exceeds twenty-five
17 percent (25%) of the total dwelling units on the parcel, then the
18 tax credit under this section shall apply only to a limited number
19 of qualified housing units with regard to such parcel of real
20 property, with the limited number being equal to twenty-five percent
21 (25%) of the total dwelling units on such parcel of real property in
22 the taxable year.

23 D. Participating landlords shall apply to the Oklahoma Housing
24 Finance Agency for eligibility for tax credits under this section.

1 The Oklahoma Housing Finance Agency shall determine the credit
2 amount allowable to the participating landlord for the taxable year
3 and shall also determine the fair market value of the rent for the
4 qualified housing unit based on the fair market rent approved by the
5 United States Department of Housing and Urban Development as the
6 basis for the tenant-based assistance provided through the housing
7 choice voucher program for the qualified housing unit. In issuing
8 eligibility for the credits authorized pursuant to the provisions of
9 this section, the Oklahoma Housing Finance Agency shall provide a
10 written certification to the participating landlord, which
11 certification shall report the amount of the tax credit approved by
12 the Agency. The participating landlord shall attach the
13 certification to the applicable income tax return.

14 D. The credit authorized pursuant to the provisions of this
15 section may not be used to reduce the tax liability of the taxpayer
16 to less than zero (0).

17 E. To the extent not used, the tax credit authorized by the
18 provisions of this section may be carried over, in order, to each of
19 the five (5) subsequent taxable years.

20 F. The total credits authorized pursuant to this section for
21 all taxpayers shall not exceed Two Hundred and Fifty Thousand
22 Dollars (\$250,000.00) annually. In the event the total tax credits
23 authorized by this section exceed Two Hundred and Fifty Thousand
24 Dollars (\$250,000.00) in any calendar year, the Tax Commission shall

1 permit any excess over Two Hundred and Fifty Thousand Dollars
2 (\$250,000.00), but shall factor such excess into the percentage
3 adjustment formula for subsequent years. The Tax Commission shall
4 annually calculate and publish by the first day of the affected year
5 a percentage by which the credits authorized by this section shall
6 be reduced so the total amount of credits used to offset tax does
7 not exceed Two Hundred and Fifty Thousand Dollars (\$250,000.00) per
8 year. The formula to be used for the percentage adjustment shall be
9 Two Hundred and Fifty Thousand Dollars (\$250,000.00) divided by the
10 credits claimed in the second preceding year.

11 G. The Oklahoma Housing Finance Agency and the Oklahoma Tax
12 Commission shall promulgate rules necessary to implement and
13 administer the credit authorized in this section.

14 SECTION 2. This act shall become effective January 1, 2023.

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