

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

SENATE BILL 1676

By: McCortney

AS INTRODUCED

An Act relating to the Oklahoma Housing Finance Agency; amending 68 O.S. 2021, Section 2357.403, which relates to the Oklahoma Affordable Housing Act; prohibiting the agency from refusing applications or providing eligibility statements contingent upon certain location; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 2021, 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. "Allocation year" means the year for which the Oklahoma Housing Finance Agency allocates credits pursuant to this section;

2. "Eligibility statement" means a statement authorized and issued by the Oklahoma Housing Finance Agency certifying that a given project qualifies for the Oklahoma Affordable Housing Tax Credit authorized by this section. The Oklahoma Housing Finance Agency, under Title 330, Oklahoma Housing Finance Agency, Chapter

1 36, Affordable Housing Tax Credit Program Rules, shall promulgate
2 rules establishing criteria upon which the eligibility statements
3 will be issued. The eligibility statement shall specify the amount
4 of Oklahoma Affordable Housing Tax Credits allocated to a qualified
5 project. The Oklahoma Housing Finance Agency shall only authorize
6 the tax credits created by this section to qualified projects which
7 are placed in service after July 1, 2015, but which shall not be
8 used to reduce tax liability accruing prior to January 1, 2016;

9 3. "Federal low-income housing tax credit" means the federal
10 tax credit as provided in Section 42 of the Internal Revenue Code of
11 1986, as amended;

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

14 5. "Qualified project" means a qualified low-income building as
15 that term is defined in Section 42 of the Internal Revenue Code of
16 1986, as amended; and

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

22 C. For qualified projects placed in service after July 1, 2015,
23 the amount of state tax credits created by this section which are
24 allocated to a project shall be equal to that of the federal low-

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

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

17 E. An insurance company claiming a credit against state premium
18 tax or retaliatory tax or any other tax imposed by Section 624 or
19 628 of Title 36 of the Oklahoma Statutes shall not be required to
20 pay any additional retaliatory tax under Section 628 of Title 36 of
21 the Oklahoma Statutes as a result of claiming the credit. The
22 credit may fully offset any retaliatory tax imposed by Section 628
23 of Title 36 of the Oklahoma Statutes.

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

3 G. Any credit claimed but not used in a taxable year may be
4 carried forward two (2) subsequent taxable years.

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

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

21 J. The Oklahoma Housing Finance Agency or the Oklahoma Tax
22 Commission may require the filing of additional documentation
23 necessary to determine the accuracy of a tax credit claimed.
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1 K. The Oklahoma Affordable Housing Act shall undergo a review
2 every five (5) years by a committee of nine (9) persons, to be
3 appointed three persons each by the Governor, President Pro Tempore
4 of the ~~Oklahoma State~~ Senate, and the Speaker of the ~~Oklahoma~~ House
5 of Representatives.

6 L. The Oklahoma Housing Finance Agency is prohibited from
7 refusing to accept applications or provide eligibility statements
8 for projects, contingent upon a project's location within the
9 political boundaries of any county or municipality for an allocation
10 year.

11 SECTION 2. This act shall become effective November 1, 2022.

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