

HOUSE No. 3662

The Commonwealth of Massachusetts

PRESENTED BY:

Rodney M. Elliott

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to affordable housing solutions.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Rodney M. Elliott</i>	<i>16th Middlesex</i>	<i>1/19/2023</i>

HOUSE No. 3662

By Representative Elliott of Lowell, a petition (accompanied by bill, House, No. 3662) of Rodney M. Elliott for legislation to provide certain tax credits for the development of affordable housing or housing insecurity facilities. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act relative to affordable housing solutions.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 62 of the General Laws is hereby amended by inserting after
2 section 6N the following section:-

3 Section 6O. (a) For the purposes of this section, the following terms shall, unless the
4 context clearly requires otherwise, have the following meanings:

5 “Affordable housing”, as defined in section 38D of chapter 121B.

6 “Commissioner”, the commissioner of revenue.

7 “Department”, the department of housing and community development.

8 “Housing insecurity facility”, a facility providing temporary housing for persons facing
9 housing insecurity, including homeless shelters, veterans’ shelters, emergency shelters and
10 domestic violence shelters.

11 “Vacant property”, an abandoned or otherwise neglected commercial or residential
12 property.

13 “Qualified development expenditure”, an expenditure or cost directly incurred in
14 connection with the development of a vacant property into affordable housing or a housing
15 insecurity facility, as approved by the department of housing and community development.

16 (b) (1) A taxpayer that is not a business corporation subject to the excise under chapter 63
17 shall be allowed a credit against the tax liability imposed by this chapter equal to 25 per cent of
18 the taxpayer’s total qualified development expenditures incurred during the taxable year, with a
19 maximum credit of \$750,000 per taxpayer in any 1 taxable year.

20 (2) The commissioner shall apply the credit against the liability of the taxpayer as
21 determined on its return, as first reduced by any other available credits, and shall then refund to
22 the taxpayer the balance of the credits. If the amount of the credit allowed under this section
23 exceeds the taxpayer's tax liability, the commissioner shall treat the excess as an overpayment
24 and shall pay the taxpayer the entire amount of the excess. Any amount of the tax credit that
25 exceeds the tax due for a taxable year may be carried forward by the taxpayer to any of the 5
26 subsequent taxable years.

27 (3) The commissioner, in consultation with the department, shall authorize annually tax
28 credits under this subsection together with section 38NN of chapter 63 in an amount not to
29 exceed \$20,000,000 per taxable year. No credits shall be allowed under this section except to the
30 extent authorized in this section.

31 (c) For a taxpayer to qualify for the credit provided for under this section, the taxpayer
32 shall file an application with the department, including a summary of qualified development

33 expenditures. The department shall approve the summary of qualified development expenditures
34 and provide notice to the commissioner. Any qualified development expenditures applicable to
35 this credit shall be treated for purposes of this section as made on the date that the department
36 provides notice of the certification to the commissioner.

37 (d) Annually, not later than September 1, the department shall file a report with the clerks
38 of the house of representatives and the senate, the house and senate committees on ways and
39 means, the joint committee on housing and the joint committee on revenue identifying the total
40 amount of tax credits claimed and the total amount of tax credits refunded pursuant to this
41 section in the preceding fiscal year.

42 (e) The department, in consultation with the commissioner, shall promulgate regulations
43 or other guidelines necessary for the administration and implementation of this section.

44 SECTION 2. Chapter 63 of the General Laws is hereby amended by inserting after
45 section 38MM the following section:-

46 Section 38NN. (a) For the purposes of this section, the following terms shall, unless the
47 context clearly requires otherwise, have the following meanings:

48 “Affordable housing”, as defined in section 38D of chapter 121B.

49 “Commissioner”, the commissioner of revenue.

50 “Department”, the department of housing and community development.

51 “Housing insecurity facility”, a facility providing temporary housing for persons facing
52 housing insecurity, including homeless shelters, veterans’ shelters, emergency shelters and
53 domestic violence shelters.

54 “Vacant property”, an abandoned or otherwise neglected commercial or residential
55 property.

56 “Qualified development expenditure”, an expenditure or cost directly incurred in
57 connection with the development of a vacant property into affordable housing or a housing
58 insecurity facility, as approved by the department of housing and community development.

59 (b) (1) A business corporation engaged in business in the commonwealth shall be allowed
60 a credit against its excise due under this chapter in an amount equal to 25 per cent of the total
61 qualified development expenditures incurred during the taxable year, with a maximum credit of
62 \$750,000 per business corporation in any 1 taxable year. No credits shall be allowed under this
63 section except to the extent authorized in this section.

64 (2) The commissioner shall apply the credit against the liability of the business
65 corporation as determined on its return, as first reduced by any other available credits, and shall
66 then refund to the business corporation the balance of the credits. If the amount of the credit
67 allowed under this section exceeds the business corporation’s tax liability, the commissioner
68 shall treat the excess as an overpayment and shall pay the business corporation the entire amount
69 of the excess. Any amount of the tax credit that exceeds the tax due for a taxable year may be
70 carried forward by the business corporation to any of the 5 subsequent taxable years.

71 (3) The commissioner, in consultation with the department, shall authorize annually tax
72 credits under this subsection together with section 6O of chapter 62 in an amount not to exceed
73 \$20,000,000 per taxable year.

74 (c) For a business corporation to qualify for the credit provided for under this section, the
75 business corporation shall file an application with the department, including a summary of

76 qualified development expenditures. The department shall approve the summary of qualified
77 development expenditures and provide notice to the commissioner. Any qualified development
78 expenditures applicable to this credit shall be treated for purposes of this section as made on the
79 date that the department provides notice of the certification to the commissioner.

80 (d) Annually, not later than September 1, the department shall file a report with the clerks
81 of the house of representatives and the senate, the house and senate committees on ways and
82 means, the joint

83 committee on housing and the joint committee on revenue identifying the total amount of
84 tax credits claimed and the total amount of tax credits refunded pursuant to this section in the
85 preceding fiscal year.

86 (e) The department, in consultation with the commissioner, shall promulgate regulations
87 or other guidelines necessary for the administration and implementation of this section.