

SECOND REGULAR SESSION

SENATE BILL NO. 790

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CROWELL.

Read 1st time February 14, 2012, and ordered printed.

TERRY L. SPIELER, Secretary.

5731S.011

AN ACT

To repeal sections 135.352 and 253.550, RSMo, and to enact in lieu thereof two new sections relating to a moratorium on the redemption of certain tax credits, with an emergency clause.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 135.352 and 253.550, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 135.352 and 253.550, to read as follows:

135.352. 1. A taxpayer owning an interest in a qualified Missouri project [shall] **may**, subject to the limitations provided under the provisions of [subsection] **subsections 3 and 7** of this section, be allowed a state tax credit, whether or not allowed a federal tax credit, to be termed the Missouri low-income housing tax credit, if the commission issues an eligibility statement for that project.

2. For qualified Missouri projects placed in service after January 1, 1997, the Missouri low-income housing tax credit available to a project shall be such amount as the commission shall determine is necessary to ensure the feasibility of the project, up to an amount equal to the federal low-income housing tax credit for a qualified Missouri project, for a federal tax period, and such amount [shall] **may** be subtracted from the amount of state tax otherwise due for the same tax period, **subject to the limitations provided under the provisions of subsection 7 of this section.**

3. No more than six million dollars in tax credits shall be authorized each fiscal year for projects financed through tax-exempt bond issuance.

4. The Missouri low-income housing tax credit shall be taken against the

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 taxes and in the order specified pursuant to section 32.115. The credit authorized
19 by this section shall not be refundable. Any amount of credit that exceeds the tax
20 due for a taxpayer's taxable year may be carried back to any of the taxpayer's
21 three prior taxable years or carried forward to any of the taxpayer's five
22 subsequent taxable years.

23 5. All or any portion of Missouri tax credits issued in accordance with the
24 provisions of sections 135.350 to 135.362 may be allocated to parties who are
25 eligible pursuant to the provisions of subsection 1 of this section. Beginning
26 January 1, 1995, for qualified projects which began on or after January 1, 1994,
27 an owner of a qualified Missouri project shall certify to the director the amount
28 of credit allocated to each taxpayer. The owner of the project shall provide to the
29 director appropriate information so that the low-income housing tax credit can be
30 properly allocated.

31 6. In the event that recapture of Missouri low-income housing tax credits
32 is required pursuant to subsection 2 of section 135.355, any statement submitted
33 to the director as provided in this section shall include the proportion of the state
34 credit required to be recaptured, the identity of each taxpayer subject to the
35 recapture and the amount of credit previously allocated to such taxpayer.

36 7. **Beginning on the effective date of this act, no tax credits**
37 **authorized or issued under the provisions of sections 135.350 to 135.363**
38 **shall be allowed or redeemed by the department of revenue until after**
39 **June 30, 2013.**

40 8. The director of the department may promulgate rules and regulations
41 necessary to administer the provisions of this section. No rule or portion of a rule
42 promulgated pursuant to the authority of this section shall become effective
43 unless it has been promulgated pursuant to the provisions of section 536.024.

253.550. 1. Any taxpayer incurring costs and expenses for the
2 rehabilitation of eligible property, which is a certified historic structure or
3 structure in a certified historic district, may, subject to the provisions of this
4 section and section 253.559, receive a credit against the taxes imposed pursuant
5 to chapters 143 and 148, except for sections 143.191 to 143.265, on such taxpayer
6 in an amount equal to twenty-five percent of the total costs and expenses of
7 rehabilitation incurred after January 1, 1998, which shall include, but not be
8 limited to, qualified rehabilitation expenditures as defined under section
9 47(c)(2)(A) of the Internal Revenue Code of 1986, as amended, and the related
10 regulations thereunder, provided the rehabilitation costs associated with

11 rehabilitation and the expenses exceed fifty percent of the total basis in the
12 property and the rehabilitation meets standards consistent with the standards
13 of the Secretary of the United States Department of the Interior for rehabilitation
14 as determined by the state historic preservation officer of the Missouri
15 department of natural resources.

16 2. During the period beginning on January 1, 2010, but ending on or after
17 June 30, 2010, the department of economic development shall not approve
18 applications for tax credits under the provisions of subsections 3 and 8 of section
19 253.559 which, in the aggregate, exceed seventy million dollars, increased by any
20 amount of tax credits for which approval shall be rescinded under the provisions
21 of section 253.559. For each fiscal year beginning on or after July 1, 2010, the
22 department of economic development shall not approve applications for tax credits
23 under the provisions of subsections 3 and 8 of section 253.559 which, in the
24 aggregate, exceed one hundred forty million dollars, increased by any amount of
25 tax credits for which approval shall be rescinded under the provisions of section
26 253.559. The limitations provided under this subsection shall not apply to
27 applications approved under the provisions of subsection 3 of section 253.559 for
28 projects to receive less than two hundred seventy-five thousand dollars in tax
29 credits.

30 3. For all applications for tax credits approved on or after January 1,
31 2010, no more than two hundred fifty thousand dollars in tax credits may be
32 issued for eligible costs and expenses incurred in the rehabilitation of an eligible
33 property which is a nonincome producing single-family, owner-occupied
34 residential property and is either a certified historic structure or a structure in
35 a certified historic district.

36 4. The limitations on tax credit authorization provided under the
37 provisions of subsections 2 and 3 of this section shall not apply to:

38 (1) Any application submitted by a taxpayer, which has received approval
39 from the department prior to January 1, 2010; or

40 (2) Any taxpayer applying for tax credits, provided under this section,
41 which, on or before January 1, 2010, has filed an application with the department
42 evidencing that such taxpayer:

43 (a) Has incurred costs and expenses for an eligible property which exceed
44 the lesser of five percent of the total project costs or one million dollars and
45 received an approved Part I from the Secretary of the United States Department
46 of Interior; or

47 (b) Has received certification, by the state historic preservation officer,
48 that the rehabilitation plan meets the standards consistent with the standards
49 of the Secretary of the United States Department of the Interior, and the
50 rehabilitation costs and expenses associated with such rehabilitation shall exceed
51 fifty percent of the total basis in the property.

52 **5. Beginning on the effective date of this act, no tax credits**
53 **authorized or issued under the provisions of sections 253.550 to 253.559**
54 **shall be allowed or redeemed by the department of revenue until after**
55 **June 30, 2013.**

Section B. Due to the need to ensure adequate state funding for necessary
2 services provided by the state, section A of this act is deemed necessary for the
3 immediate preservation of the public health, welfare, peace and safety, and is
4 hereby declared to be an emergency act within the meaning of the constitution,
5 and section A of this act shall be in full force and effect upon its passage and
6 approval.

✓
Bill

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