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AN ACT

RELATING TO TAXATION; AMENDING THE AFFORDABLE HOUSING TAX CREDIT ACT; ALLOWING AFFORDABLE HOUSING TAX CREDITS IN COUNTIES WITH POPULATIONS OF ONE HUNDRED THOUSAND OR MORE; EXPANDING ELIGIBILITY FOR INVESTMENT VOUCHERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-9I-1 NMSA 1978 (being Laws 2005, Chapter 104, Section 17) is amended to read:

"7-9I-1. SHORT TITLE.--Chapter 7, Article 9I NMSA 1978 may be cited as the "Affordable Housing Tax Credit Act"."

Section 2. Section 7-9I-2 NMSA 1978 (being Laws 2005, Chapter 104, Section 18) is amended to read:

"7-9I-2. DEFINITIONS.--As used in the Affordable Housing Tax Credit Act:

A. "affordable housing project" means land acquisition, construction, building acquisition, remodeling, improvement, rehabilitation, conversion or weatherization for residential housing that is approved by the authority and that includes single-family housing or multifamily housing;

B. "authority" means the New Mexico mortgage finance authority;

C. "department" means the taxation and revenue department;

D. "modified combined tax liability" means the

1 total liability for the reporting period for the gross
2 receipts tax imposed by Section 7-9-4 NMSA 1978 together with
3 any tax collected at the same time and in the same manner as
4 the gross receipts tax, such as the compensating tax, the
5 withholding tax, the interstate telecommunications gross
6 receipts tax, the surcharges imposed by Section 63-9D-5 NMSA
7 1978 and the surcharge imposed by Section 63-9F-11 NMSA 1978,
8 minus the amount of any credit other than the affordable
9 housing tax credit applied against any or all of these taxes
10 or surcharges; but "modified combined tax liability" excludes
11 all amounts collected with respect to local option gross
12 receipts taxes and governmental gross receipts taxes; and

13 E. "person" means an individual, county,
14 municipality, tribal government, housing authority,
15 corporation, limited liability company, partnership, joint
16 venture, syndicate, association or nonprofit organization."

17 Section 3. Section 7-9I-3 NMSA 1978 (being Laws 2005,
18 Chapter 104, Section 19) is amended to read:

19 "7-9I-3. INVESTMENT VOUCHERS--ISSUANCE--TRANSFER.--

20 A. The authority may issue an investment voucher
21 to a person who has made an investment of land, buildings,
22 materials, cash or services for an affordable housing project
23 approved by the authority or for a trust fund administered by
24 the authority. The value of the voucher shall equal fifty
25 percent of the amount of cash invested or the fair market

1 value of the land, buildings, materials or services invested
2 by that person. The authority may approve an investment
3 voucher for any affordable housing project in accordance with
4 Subsection B of this section and in accordance with rules
5 adopted by the authority. An investment voucher that is
6 approved for an affordable housing project shall equal fifty
7 percent of the amount of cash invested or the fair market
8 value of land, buildings, materials or services invested in
9 that affordable housing project by a person upon issuance of
10 that investment voucher.

11 B. During the calendar year:

12 (1) beginning on January 1, 2006, the
13 authority may issue or approve investment vouchers in an
14 amount that shall not exceed two hundred thousand dollars
15 (\$200,000) in aggregate value;

16 (2) beginning on January 1, 2007, the
17 authority may issue or approve investment vouchers in an
18 amount that shall not exceed five hundred thousand dollars
19 (\$500,000) in aggregate value; and

20 (3) beginning on January 1, 2008 and during
21 each subsequent calendar year, the authority may issue or
22 approve investment vouchers for each calendar year in an
23 amount that shall not exceed an aggregate value of a base
24 rate of one dollar eighty-five cents (\$1.85) adjusted
25 annually to account for inflation, multiplied by the state

1 population during the calendar year as determined by the
2 United States census bureau.

3 C. Any limitation on the issuance or approval of
4 investment vouchers for a calendar year pursuant to
5 Subsection B of this section shall not apply to an investment
6 voucher issued by the authority during that calendar year
7 that was approved by the authority during a previous calendar
8 year.

9 D. At the beginning of each calendar year that
10 begins on or after January 1, 2009, the department shall make
11 an adjustment for inflation pursuant to Paragraph (3) of
12 Subsection B of this section by multiplying the base rate by
13 a fraction, the numerator of which is the consumer price
14 index for the previous calendar year and the denominator of
15 which is the same index for the 2007 calendar year prior to
16 the calendar year for which a maximum aggregate value is
17 determined for the issuance of investment vouchers pursuant
18 to Paragraph (3) of Subsection B of this section.

19 E. An investment voucher issued by the authority
20 shall be numbered for identification and may be sold,
21 exchanged or otherwise transferred once in whole or in part
22 to one or more persons. The parties to such a transaction
23 shall notify the department and the authority of the sale,
24 exchange or transfer within ten days of the sale, exchange or
25 transfer.

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F. The authority shall adopt rules for the approval, issuance and administration of investment vouchers pursuant to this section."

Section 4. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2010. _____