

1 STATE OF OKLAHOMA

2 2nd Session of the 56th Legislature (2018)

3 HOUSE BILL 3055

By: Hilbert

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5  
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending  
8 Section 1, Chapter 421, O.S.L. 2014 (68 O.S. Supp.  
9 2017, Section 2357.403), which relates to affordable  
10 housing tax credits; modifying period of time for  
11 which tax credits may be claimed; providing for  
12 authorized carryover of credits allocated prior to  
13 designated date; modifying provisions related to  
14 review of tax credit; and providing an effective  
15 date.

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

17 SECTION 1. AMENDATORY Section 1, Chapter 421, O.S.L.  
18 2014 (68 O.S. Supp. 2017, Section 2357.403), is amended to read as  
19 follows:

20 Section 2357.403 A. This act shall be known and may be cited  
21 as the "Oklahoma Affordable Housing Act".

22 B. As used in this section:

23 1. "Allocation year" means the year for which the Oklahoma  
24 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

1 given project qualifies for the Oklahoma Affordable Housing Tax  
2 Credit authorized by this section. The Oklahoma Housing Finance  
3 Agency, under Title 330, Oklahoma Housing Finance Agency, Chapter  
4 36, Affordable Housing Tax Credit Program Rules, shall promulgate  
5 rules establishing criteria upon which the eligibility statements  
6 will be issued. The eligibility statement shall specify the amount  
7 of Oklahoma Affordable Housing Tax Credits allocated to a qualified  
8 project. The Oklahoma Housing Finance Agency shall only authorize  
9 the tax credits created by this section to qualified projects which  
10 are placed in service after July 1, 2015, but which shall not be  
11 used to reduce tax liability accruing prior to January 1, 2016;

12 3. "Federal low-income housing tax credit" means the federal  
13 tax credit as provided in Section 42 of the Internal Revenue Code of  
14 1986, as amended;

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

17 5. "Qualified project" means a qualified low-income building as  
18 that term is defined in Section 42 of the Internal Revenue Code of  
19 1986, as amended, which is located in this state in a county with a  
20 population of less than one hundred fifty thousand (150,000)  
21 according to the latest Federal Decennial Census; and

22 6. "Taxpayer" means a person, firm or corporation subject to  
23 the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes  
24 or an insurance company subject to the tax imposed by Section 624 or

1 628 of Title 36 of the Oklahoma Statutes or other financial  
2 institution subject to the tax imposed by Section 2370 of Title 68  
3 of the Oklahoma Statutes.

4 C. ~~For~~ Subject to the restriction imposed by subsection D of  
5 this section, for qualified projects placed in service after July 1,  
6 2015, the amount of state tax credits created by this section which  
7 are allocated to a project shall be equal to that of the federal  
8 low-income housing tax credits for a qualified project. The total  
9 Oklahoma Affordable Housing Tax Credits allocated to all qualified  
10 projects for an allocation year shall not exceed Four Million  
11 Dollars (\$4,000,000.00). For purposes of this section, the "credit  
12 period" shall mean the period of ten (10) taxable years and "placed  
13 in service" shall have the same meaning as is applicable under the  
14 federal credit program.

15 D. A taxpayer owning an interest in an investment in a  
16 qualified project shall be allowed Oklahoma Affordable Housing Tax  
17 Credits under this section for tax years beginning on or after  
18 January 1, 2016, and ending not later than December 31, 2018, if the  
19 Oklahoma Housing Finance Agency issues an eligibility statement for  
20 such project, which tax credit shall be allocated among some or all  
21 of the partners, members or shareholders of the taxpayer owning such  
22 interest in any manner agreed to by such partners, members or  
23 shareholders. Such taxpayer may assign its interest in the  
24 investment.

1 E. An insurance company claiming a credit against state premium  
2 tax or retaliatory tax or any other tax imposed by Section 624 or  
3 628 of Title 36 of the Oklahoma Statutes shall not be required to  
4 pay any additional retaliatory tax under Section 628 of Title 36 of  
5 the Oklahoma Statutes as a result of claiming the credit. The  
6 credit may fully offset any retaliatory tax imposed by Section 628  
7 of Title 36 of the Oklahoma Statutes.

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

10 G. Any credit claimed but not used in a taxable year may be  
11 carried forward to each of the five (5) subsequent taxable years.  
12 The provisions of this subsection shall be applicable to tax credits  
13 allocated not later than December 31, 2018.

14 H. The owner of a qualified project eligible for the credit  
15 authorized by this section shall submit, at the time of filing the  
16 tax return with the Oklahoma Tax Commission, an eligibility  
17 statement from the Oklahoma Housing Finance Agency. In the case of  
18 failure to attach the eligibility statement, no credit under this  
19 section shall be allowed with respect to such project for that year  
20 until required documents are provided to the Tax Commission.

21 I. If under Section 42 of the Internal Revenue Code of 1986, as  
22 amended, a portion of any federal low-income housing credits taken  
23 on a qualified project is required to be recaptured during the first  
24 ten (10) years after a project is placed in service, the taxpayer

1 claiming Oklahoma Affordable Housing Tax Credits with respect to  
2 such project shall also be required to recapture a portion of such  
3 credits. The amount of Oklahoma Affordable Housing Tax Credits  
4 subject to recapture shall be proportionally equal to the amount of  
5 federal low-income housing credits subject to recapture.

6 J. The Oklahoma Housing Finance Agency or the Oklahoma Tax  
7 Commission may require the filing of additional documentation  
8 necessary to determine the accuracy of a tax credit claimed.

9 ~~K. The Oklahoma Affordable Housing Act shall undergo a review  
10 every five (5) years by a committee of nine (9) persons, to be  
11 appointed three persons each by the Governor, President Pro Tempore  
12 of the Oklahoma State Senate and the Speaker of the Oklahoma House  
13 of Representatives.~~

14 SECTION 2. This act shall become effective November 1, 2018.

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