

SECOND REGULAR SESSION

SENATE BILL NO. 690

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR NASHEED.

Pre-filed December 1, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5044S.01I

AN ACT

To amend chapter 135, RSMo, by adding thereto three new sections relating to a low-income housing tax credit for veterans.

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

Section A. Chapter 135, RSMo, is amended by adding thereto three new sections, to be known as sections 135.1700, 135.1705, and 135.1710, to read as follows:

135.1700. As used in this section, unless the context clearly requires otherwise, the following words and phrases shall mean:

(1) "Commission", the Missouri housing development commission, or its successor agency;

(2) "Director", director of the department of revenue;

(3) "Eligibility statement", a statement authorized and issued by the commission certifying that a given project qualifies for the Missouri low-income housing tax credit. The commission shall promulgate rules establishing criteria upon which the eligibility statements will be issued. The eligibility statement shall specify the amount of the Missouri low-income housing tax credit allowed. The commission shall only authorize the tax credits to qualified projects which begin after June 18, 2016;

(4) "Federal low-income housing tax credit", the federal tax credit as provided in section 42 of the 1986 Internal Revenue Code, as amended;

(5) "Median income", those incomes which are determined by the federal Department of Housing and Urban Development guidelines and adjusted for family size;

(6) "Qualified Missouri project", a qualified low-income building

21 as that term is defined in section 42 of the 1986 Internal Revenue Code,
22 as amended, which is located in Missouri;

23 (7) "Taxpayer", person, firm or corporation subject to the state
24 income tax imposed by the provisions of chapter 143 (except
25 withholding imposed by sections 143.191 to 143.265) or a corporation
26 subject to the annual corporation franchise tax imposed by the
27 provisions of chapter 147, or an insurance company paying an annual
28 tax on its gross premium receipts in this state, or other financial
29 institution paying taxes to the state of Missouri or any political
30 subdivision of this state under the provisions of chapter 148, or an
31 express company which pays an annual tax on its gross receipts in this
32 state;

33 (8) "Veteran", any person who is a citizen of this state who has
34 been separated under honorable conditions from the Armed Forces of
35 the United States who served on active duty during peacetime or
36 wartime for at least six consecutive months, unless released early as a
37 result of a service-connected disability or a reduction in force at the
38 convenience of the government, or any member of a reserve or National
39 Guard component who has satisfactorily completed at least six years of
40 service or who was called or ordered to active duty by the President
41 and participated in any campaign or expedition for which a campaign
42 badge or service medal has been authorized;

43 (9) "Veteran's low-income housing project", a housing project
44 which has restricted rents that do not exceed thirty percent of median
45 income for at least forty percent of its units occupied by veterans or
46 their spouses having incomes of sixty percent or less of the median
47 income, or at least twenty percent of the units occupied by veterans or
48 their spouses having incomes of fifty percent or less of the median
49 incomes.

135.1705. 1. A taxpayer owning an interest in a qualified
2 Missouri project shall, subject to the limitations provided under the
3 provisions of subsection 3 of this section, be allowed a state tax credit,
4 whether or not allowed a federal tax credit, to be termed the Missouri
5 veteran's low-income housing tax credit, if the commission issues an
6 eligibility statement for that project.

7 2. For qualified Missouri projects placed in service after January
8 1, 2016, the Missouri veteran's low-income housing tax credit available

9 to a project shall be such amount as the commission shall determine is
10 necessary to ensure the feasibility of the project, up to an amount equal
11 to the federal low-income housing tax credit for a qualified Missouri
12 project, for a federal tax period, and such amount shall be subtracted
13 from the amount of state tax otherwise due for the same tax period.

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

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

24 5. All or any portion of Missouri tax credits issued in accordance
25 with the provisions of sections 135.1700 to 135.1730 may be allocated to
26 parties who are eligible pursuant to the provisions of subsection 1 of
27 this section. For qualified projects which began on or after January 1,
28 2016, an owner of a qualified Missouri project shall certify to the
29 director the amount of credit allocated to each taxpayer. The owner of
30 the project shall provide to the director appropriate information so
31 that the veteran's low-income housing tax credit can be properly
32 allocated.

33 6. In the event that recapture of Missouri veteran's low-income
34 housing tax credits is required pursuant to subsection 2 of section
35 135.1710, any statement submitted to the director as provided in this
36 section shall include the proportion of the state credit required to be
37 recaptured, the identity of each taxpayer subject to the recapture and
38 the amount of credit previously allocated to such taxpayer.

39 7. The director of the department may promulgate rules and
40 regulations necessary to administer the provisions of this section. Any
41 rule or portion of a rule, as that term is defined in section 536.010 that
42 is created under the authority delegated in this section shall become
43 effective only if it complies with and is subject to all of the provisions
44 of chapter 536, and, if applicable, section 536.028. This section and
45 chapter 536 are nonseverable and if any of the powers vested with the

46 general assembly pursuant to chapter 536, to review, to delay the
47 effective date, or to disapprove and annul a rule are subsequently held
48 unconstitutional, then the grant of rulemaking authority and any rule
49 proposed or adopted after August 28, 2016, shall be invalid and void.

135.1710. 1. The owner of a qualified Missouri project eligible for
2 the Missouri veteran's low-income housing tax credit shall submit, at
3 the time of filing the owner's return, an eligibility statement. In the
4 case of failure to attach the eligibility statement, no credit under this
5 section shall be allowed with respect to such project for that year until
6 these copies are provided to the department of revenue.

7 2. If under Section 42 of the 1986 Internal Revenue Code, as
8 amended, a portion of any federal low-income housing credits taken on
9 a veteran's low-income housing project is required to be recaptured
10 only during the first ten years after a project is placed in service, the
11 taxpayer claiming state credits with respect to such project shall also
12 be required to recapture a portion of any state credits authorized by
13 this section. The state recapture amount shall be equal to the
14 proportion of the state credit claimed by the taxpayer that equals the
15 proportion the federal recapture amount bears to the original federal
16 low-income housing credit amount subject to recapture.

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