

FIRST REGULAR SESSION
[P E R F E C T E D]
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 28
100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HEGEMAN.

Offered February 13, 2019.

Senate Substitute adopted, February 13, 2019.

Taken up for Perfection February 13, 2019. Bill declared Perfected and Ordered Printed, as amended.

ADRIANE D. CROUSE, Secretary.

0200S.11P

AN ACT

To repeal sections 135.350 and 135.352, RSMo, and to enact in lieu thereof two new sections relating to low-income housing tax credits.

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

Section A. Sections 135.350 and 135.352, RSMo, are repealed and two new
2 sections enacted in lieu thereof, to be known as sections 135.350 and 135.352, to
3 read as follows:

135.350. As used in [this section] **sections 135.350 to 135.363**, unless
2 the context clearly requires otherwise, the following words and phrases shall
3 mean:

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

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

7 (3) "Eligibility statement", a statement authorized and issued by the
8 commission certifying that a given project qualifies for the Missouri low-income
9 housing tax credit. The commission shall promulgate rules establishing criteria
10 upon which the eligibility statements will be issued. The eligibility statement
11 shall specify the amount of the Missouri low-income housing tax credit
12 allowed. The commission shall only authorize the tax credits to qualified projects
13 which begin after June 18, 1991;

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

14 **(4) "Federal housing credit allocation", the amount of the federal**
15 **low-income housing tax credits allocated to the state under 26 U.S.C.**
16 **Section 42, as amended;**

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

19 **[(5)] (6) "Low-income project", a housing project which has restricted**
20 **rents that do not exceed thirty percent of median income for at least forty percent**
21 **of its units occupied by persons of families having incomes of sixty percent or less**
22 **of the median income, or at least twenty percent of the units occupied by persons**
23 **or families having incomes of fifty percent or less of the median income;**

24 **[(6)] (7) "Median income", those incomes which are determined by the**
25 **federal Department of Housing and Urban Development guidelines and adjusted**
26 **for family size;**

27 **[(7)] (8) "Qualified Missouri project", a qualified low-income building as**
28 **that term is defined in section 42 of the 1986 Internal Revenue Code, as**
29 **amended, which is located in Missouri;**

30 **(9) "State authorization limit", seventy-two and one-half percent**
31 **of the federal housing credit allocation, increased by any amount of**
32 **state tax credits that are recaptured under the provisions of section**
33 **135.355. "State authorization limit" shall not include tax credits**
34 **authorized for projects financed through tax-exempt bond issuance;**

35 **[(8)] (10) "Taxpayer", person, firm or corporation subject to the state**
36 **income tax imposed by the provisions of chapter 143 (except withholding imposed**
37 **by sections 143.191 to 143.265) or a corporation subject to the annual corporation**
38 **franchise tax imposed by the provisions of chapter 147, or an insurance company**
39 **paying an annual tax on its gross premium receipts in this state, or other**
40 **financial institution paying taxes to the state of Missouri or any political**
41 **subdivision of this state under the provisions of chapter 148, or an express**
42 **company which pays an annual tax on its gross receipts in this state.**

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

6 2. For qualified Missouri projects placed in service after January 1, 1997,
7 the Missouri low-income housing tax credit available to a project shall be such

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

12 **3. For all fiscal years beginning on or after July 1, 2019, the**
13 **aggregate amount of tax credits authorized in a fiscal year for projects**
14 **not financed through tax-exempt bond issuance shall not exceed the**
15 **state authorization limit.**

16 [3.] **4. No more than six million dollars in tax credits shall be authorized**
17 **each fiscal year for projects financed through tax-exempt bond issuance. For all**
18 **fiscal years beginning on or after July 1, 2019, no more than four**
19 **million dollars annually in state tax credits shall be authorized each**
20 **fiscal year to projects financed through tax-exempt bond**
21 **issuance. Notwithstanding the provisions of subsection 3 of this section**
22 **to the contrary, to the extent that less than four million dollars in state**
23 **tax credits are authorized to projects financed through tax-exempt**
24 **bond issuance in any fiscal year, such remainder may be, for such fiscal**
25 **year only, added to the annual amount authorized under subsection 3**
26 **of this section to projects that are not financed through tax-exempt**
27 **bond issuance.**

28 [4.] **5. The Missouri low-income housing tax credit shall be taken against**
29 **the taxes and in the order specified pursuant to section 32.115. The credit**
30 **authorized by this section shall not be refundable. Any amount of credit that**
31 **exceeds the tax due for a taxpayer's taxable year may be carried back to any of**
32 **the taxpayer's three prior taxable years or carried forward to any of the**
33 **taxpayer's five subsequent taxable years.**

34 [5.] **6. All or any portion of Missouri tax credits issued in accordance with**
35 **the provisions of sections 135.350 to 135.362 may be allocated to parties who are**
36 **eligible pursuant to the provisions of subsection 1 of this section. Beginning**
37 **January 1, 1995, for qualified projects which began on or after January 1, 1994,**
38 **an owner of a qualified Missouri project shall certify to the director the amount**
39 **of credit allocated to each taxpayer. The owner of the project shall provide to the**
40 **director appropriate information so that the low-income housing tax credit can be**
41 **properly allocated.**

42 [6.] **7. In the event that recapture of Missouri low-income housing tax**
43 **credits is required pursuant to subsection 2 of section 135.355, any statement**

44 submitted to the director as provided in this section shall include the proportion
45 of the state credit required to be recaptured, the identity of each taxpayer subject
46 to the recapture and the amount of credit previously allocated to such taxpayer.

47 [7.] 8. The director of the department may promulgate rules and
48 regulations necessary to administer the provisions of this section. No rule or
49 portion of a rule promulgated pursuant to the authority of this section shall
50 become effective unless it has been promulgated pursuant to the provisions of
51 section 536.024.

✓
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Bill

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