

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend SS/Senate Bill No. 15, Page 1, Section TITLE, Line 4,

2 by striking "property taxes" and inserting in lieu thereof
 3 the following: "taxation"; and

4 Further amend said bill and page, Section A, line 4, by
 5 inserting after all of said line the following:

6 "32.115. 1. The department of revenue shall grant a
 7 tax credit, to be applied in the following order until used,
 8 against:

9 (1) The annual tax on gross premium receipts of
 10 insurance companies in chapter 148;

11 (2) The tax on banks determined pursuant to
 12 subdivision (2) of subsection 2 of section 148.030;

13 (3) The tax on banks determined in subdivision (1) of
 14 subsection 2 of section 148.030;

15 (4) The tax on other financial institutions in chapter
 16 148;

17 (5) The corporation franchise tax in chapter 147;

18 (6) The state income tax in chapter 143; and

19 (7) The annual tax on gross receipts of express
 20 companies in chapter 153.

21 2. For proposals approved pursuant to section 32.110:

22 (1) The amount of the tax credit shall not exceed
 23 fifty percent of the total amount contributed during the
 24 taxable year by the business firm or, in the case of a
 25 financial institution, where applicable, during the relevant

26 income period in programs approved pursuant to section
27 32.110;

28 (2) Except as provided in subsection 2 or 5 of this
29 section, a tax credit of up to seventy percent may be
30 allowed for contributions to programs where activities fall
31 within the scope of special program priorities as defined
32 with the approval of the governor in regulations promulgated
33 by the director of the department of economic development;

34 (3) Except as provided in subsection 2 or 5 of this
35 section, the tax credit allowed for contributions to
36 programs located in any community shall be equal to seventy
37 percent of the total amount contributed where such community
38 is a city, town or village which has fifteen thousand or
39 less inhabitants as of the last decennial census and is
40 located in a county which is either located in:

41 (a) An area that is not part of a standard
42 metropolitan statistical area;

43 (b) A standard metropolitan statistical area but such
44 county has only one city, town or village which has more
45 than fifteen thousand inhabitants; or

46 (c) A standard metropolitan statistical area and a
47 substantial number of persons in such county derive their
48 income from agriculture.

49 Such community may also be in an unincorporated area in such
50 county as provided in subdivision (1), (2) or (3) of this
51 subsection. Except in no case shall the total economic
52 benefit of the combined federal and state tax savings to the
53 taxpayer exceed the amount contributed by the taxpayer
54 during the tax year;

55 (4) Such tax credit allocation, equal to seventy
56 percent of the total amount contributed, shall not exceed
57 four million dollars in fiscal year 1999 and six million
58 dollars in fiscal year 2000 and any subsequent fiscal year.

59 When the maximum dollar limit on the seventy percent tax
60 credit allocation is committed, the tax credit allocation
61 for such programs shall then be equal to fifty percent
62 credit of the total amount contributed. Regulations
63 establishing special program priorities are to be
64 promulgated during the first month of each fiscal year and
65 at such times during the year as the public interest
66 dictates. Such credit shall not exceed two hundred and
67 fifty thousand dollars annually except as provided in
68 subdivision (5) of this subsection. No tax credit shall be
69 approved for any bank, bank and trust company, insurance
70 company, trust company, national bank, savings association,
71 or building and loan association for activities that are a
72 part of its normal course of business. Any tax credit not
73 used in the period the contribution was made may be carried
74 over the next five succeeding calendar or fiscal years until
75 the full credit has been claimed. Except as otherwise
76 provided for proposals approved pursuant to section 32.111,
77 32.112 or 32.117, in no event shall the total amount of all
78 other tax credits allowed pursuant to sections 32.100 to
79 32.125 exceed thirty-two million dollars in any one fiscal
80 year, of which six million shall be credits allowed pursuant
81 to section 135.460. If six million dollars in credits are
82 not approved, then the remaining credits may be used for
83 programs approved pursuant to sections 32.100 to 32.125;

84 (5) The credit may exceed two hundred fifty thousand
85 dollars annually and shall not be limited if community
86 services, crime prevention, education, job training,
87 physical revitalization or economic development, as defined
88 by section 32.105, is rendered in an area defined by federal
89 or state law as an impoverished, economically distressed, or
90 blighted area or as a neighborhood experiencing problems
91 endangering its existence as a viable and stable

92 neighborhood, or if the community services, crime
93 prevention, education, job training, physical revitalization
94 or economic development is limited to impoverished persons.

95 3. For proposals approved pursuant to section 32.111:

96 (1) The amount of the tax credit shall not exceed
97 fifty-five percent of the total amount invested in
98 affordable housing assistance activities or market rate
99 housing in distressed communities as defined in section
100 135.530 by a business firm. Whenever such investment is
101 made in the form of an equity investment or a loan, as
102 opposed to a donation alone, tax credits may be claimed only
103 where the loan or equity investment is accompanied by a
104 donation which is eligible for federal income tax charitable
105 deduction, and where the total value of the tax credits
106 herein plus the value of the federal income tax charitable
107 deduction is less than or equal to the value of the
108 donation. Any tax credit not used in the period for which
109 the credit was approved may be carried over the next ten
110 succeeding calendar or fiscal years until the full credit
111 has been allowed. If the affordable housing units or market
112 rate housing units in distressed communities for which a tax
113 is claimed are within a larger structure, parts of which are
114 not the subject of a tax credit claim, then expenditures
115 applicable to the entire structure shall be reduced on a
116 prorated basis in proportion to the ratio of the number of
117 square feet devoted to the affordable housing units or
118 market rate housing units in distressed communities, for
119 purposes of determining the amount of the tax credit. The
120 total amount of tax credit granted for programs approved
121 pursuant to section 32.111 for the fiscal year beginning
122 July 1, 1991, shall not exceed two million dollars, to be
123 increased by no more than two million dollars each

124 succeeding fiscal year, until the total tax credits that may
125 be approved reaches ten million dollars in any fiscal year;

126 (2) For any year during the compliance period
127 indicated in the land use restriction agreement, the owner
128 of the affordable housing rental units for which a credit is
129 being claimed shall certify to the commission that all
130 tenants renting claimed units are income eligible for
131 affordable housing units and that the rentals for each
132 claimed unit are in compliance with the provisions of
133 sections 32.100 to 32.125. The commission is authorized, in
134 its discretion, to audit the records and accounts of the
135 owner to verify such certification;

136 (3) In the case of owner-occupied affordable housing
137 units, the qualifying owner occupant shall, before the end
138 of the first year in which credits are claimed, certify to
139 the commission that the occupant is income eligible during
140 the preceding two years, and at the time of the initial
141 purchase contract, but not thereafter. The qualifying owner
142 occupant shall further certify to the commission, before the
143 end of the first year in which credits are claimed, that
144 during the compliance period indicated in the land use
145 restriction agreement, the cost of the affordable housing
146 unit to the occupant for the claimed unit can reasonably be
147 projected to be in compliance with the provisions of
148 sections 32.100 to 32.125. Any succeeding owner occupant
149 acquiring the affordable housing unit during the compliance
150 period indicated in the land use restriction agreement shall
151 make the same certification;

152 (4) If at any time during the compliance period the
153 commission determines a project for which a proposal has
154 been approved is not in compliance with the applicable
155 provisions of sections 32.100 to 32.125 or rules promulgated
156 therefor, the commission may within one hundred fifty days

157 of notice to the owner either seek injunctive enforcement
158 action against the owner, or seek legal damages against the
159 owner representing the value of the tax credits, or
160 foreclose on the lien in the land use restriction agreement,
161 selling the project at a public sale, and paying to the
162 owner the proceeds of the sale, less the costs of the sale
163 and less the value of all tax credits allowed herein. The
164 commission shall remit to the director of revenue the
165 portion of the legal damages collected or the sale proceeds
166 representing the value of the tax credits. However, except
167 in the event of intentional fraud by the taxpayer, the
168 proposal's certificate of eligibility for tax credits shall
169 not be revoked.

170 4. For proposals approved pursuant to section 32.112,
171 the amount of the tax credit shall not exceed fifty-five
172 percent of the total amount contributed to a neighborhood
173 organization by business firms. Any tax credit not used in
174 the period for which the credit was approved may be carried
175 over the next ten succeeding calendar or fiscal years until
176 the full credit has been allowed. The total amount of tax
177 credit granted for programs approved pursuant to section
178 32.112 shall not exceed one million dollars for each fiscal
179 year. For any fiscal year in which the total amount of tax
180 credits authorized for programs approved pursuant to section
181 32.111 is less than ten million dollars, such amount not
182 authorized may be authorized for programs approved pursuant
183 to section 32.112 during the same fiscal year, provided that
184 the total combined amount of tax credits for programs
185 approved pursuant to sections 32.111 and 32.112 during the
186 fiscal year does not exceed eleven million dollars.

187 5. The total amount of tax credits used for market
188 rate housing in distressed communities pursuant to sections
189 32.100 to 32.125 shall not exceed thirty percent of the

190 total amount of all tax credits authorized pursuant to
191 sections 32.111 and 32.112."; and
192 Further amend the title and enacting clause accordingly.