

By: Senator(s) Blackmon

To: Housing; Finance

SENATE BILL NO. 2485

1 AN ACT ENTITLED THE "MISSISSIPPI WORKFORCE AND SENIOR
 2 AFFORDABLE HOUSING ACT"; TO PROVIDE FOR A MISSISSIPPI HOUSING TAX
 3 CREDIT EQUAL TO THE FEDERAL HOUSING TAX CREDIT WITH RESPECT TO
 4 QUALIFIED HOUSING PROJECTS PLACED IN SERVICE AFTER JANUARY 1,
 5 2022; TO DEFINE QUALIFIED PROJECTS IN TERMS OF RESTRICTED RENT
 6 AMOUNTS AND MEDIAN INCOME LIMITS ON PERSONS OCCUPYING THE UNITS;
 7 AND FOR RELATED PURPOSES.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

9 **SECTION 1.** (1) This act may be cited as the "Mississippi
 10 Workforce and Senior Affordable Housing Act."

11 (2) As used in this section:

12 (a) "Eligibility statement" means a statement
 13 authorized and issued by the Mississippi Development Authority
 14 certifying that a given project qualifies for the Mississippi
 15 housing tax credit.

16 (b) "Federal housing tax credit" means the federal tax
 17 credit as provided in Section 42 of the Internal Revenue Code of
 18 1986, as amended.



19 (c) "Median income" means those incomes that are
20 determined by the federal Department of Housing and Urban
21 Development guidelines and adjusted for family size.

22 (d) "Project" means a housing project that has
23 restricted rents that do not exceed thirty percent (30%) of income
24 for at least forty percent (40%) of its units occupied by persons
25 or families having incomes of sixty percent (60%) or less of the
26 median income, or at least twenty percent (20%) of the units
27 occupied by persons or families having incomes of fifty percent
28 (50%) or less of the median income.

29 (e) "Qualified project" means a qualified low-income
30 building as that term is defined in Section 42 of the Internal
31 Revenue Code of 1986, as amended, that is located in Mississippi
32 and receives approval for tax credits from the Mississippi
33 Development Authority provided pursuant to this section.

34 (f) "Taxpayer" means a sole proprietor, partnership,
35 corporation of any classification, limited liability company, or
36 association taxable as a business entity that is subject to
37 Mississippi taxes.

38 (2) (a) A state tax credit pursuant to this section may be
39 claimed against Mississippi income taxes, corporate license fees
40 and insurance premium taxes imposed pursuant to law, to be termed
41 the Mississippi housing tax credit, and is allowed with respect to
42 each qualified project placed in service after January 1, 2022,



43 and before December 31, 2031, in an amount equal to the federal
44 housing tax credit allowed with respect to such qualified project.

45 (b) If under Section 42 of the Internal Revenue Code of
46 1986, as amended, a portion of any federal housing tax credit
47 taken on a project is required to be recaptured, the taxpayer
48 claiming any state tax credit with respect to such project also is
49 required to recapture a portion of any state tax credit authorized
50 by this section. The state recapture amount is equal to the
51 proportion of the state tax credit claimed by the taxpayer that
52 equals the proportion the federal recapture amount bears to the
53 original federal housing tax credit amount subject to recapture.

54 (c) In the event that recapture of any Mississippi
55 housing tax credit is required, any amended return submitted to
56 the Department of Revenue, as provided in this section, shall
57 include the proportion of the state tax credit required to be
58 recaptured, the identity of each taxpayer subject to the
59 recapture, and the amount of tax credit previously allocated to
60 such taxpayer.

61 (d) The total amount of the tax credit allowed by this
62 section for a taxable year may not exceed the taxpayer's income
63 tax liability. Any unused tax credit may be carried forward to
64 apply to the taxpayer's next five (5) succeeding years' tax
65 liability. The taxpayer may not apply the credit against any
66 prior tax years' tax liability.



67 (e) The tax credit allowed by this section, and any
68 recaptured tax credit, must be allocated among some or all of the
69 partners, members, or shareholders of the entity owning the
70 project in any manner agreed to by such persons, regardless of
71 whether such persons are allocated or allowed any portion of the
72 federal housing tax credit with respect to the project.

73 (3) (a) The Mississippi Development Authority shall
74 promulgate rules establishing criteria upon which the eligibility
75 statements are issued which must include consideration of evidence
76 of local support for the project. The eligibility statement must
77 specify the amount of the Mississippi housing tax credit allowed.

78 (b) The Mississippi Development Authority may not issue
79 an eligibility statement until the taxpayer provides a report to
80 the authority detailing how the state credit authorized by this
81 section will benefit the tenants of the project, once placed in
82 service, including, but not limited to, reduced rent, or why the
83 state credit authorized by this section is necessary to undertake
84 the project.

85 (4) The Mississippi Department of Revenue, in consultation
86 with the Mississippi Home Corporation and the Mississippi
87 Development Authority, may adopt rules and policies necessary to
88 implement and administer the provisions of this section.

89 **SECTION 2.** This act shall take effect and be in force from
90 and after July 1, 2022.

