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PART CC

47 Section 1. The public housing law is amended by adding a new article
48 2-A to read as follows:

49 ARTICLE 2-A
50 NEW YORK STATE LOW INCOME HOUSING TAX CREDIT PROGRAM
51 SECTION 21. DEFINITIONS.
52 22. ALLOWANCE OF CREDIT, AMOUNT AND LIMITATIONS.

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1 23. PROJECT MONITORING.
2 24. CREDIT RECAPTURE.
3 25. REGULATIONS, COORDINATION WITH FEDERAL LOW-INCOME
HOUSING
4 CREDIT PROVISIONS.
5 S 21. DEFINITIONS. 1. (A) "APPLICABLE PERCENTAGE" MEANS THE
APPROPRI-
6 ATE PERCENTAGE (DEPENDING ON WHETHER A BUILDING IS NEW, EXISTING,
OR
7 FEDERALLY SUBSIDIZED) PRESCRIBED BY THE SECRETARY OF THE TREASURY
FOR
8 PURPOSES OF SECTION 42 OF THE INTERNAL REVENUE CODE FOR THE MONTH
WHICH
9 IS THE EARLIER OF
10 (I) THE MONTH IN WHICH THE ELIGIBLE LOW-INCOME BUILDING IS PLACED
IN
11 SERVICE, OR
12 (II) THE ELECTION OF THE TAXPAYER,
13 (A) THE MONTH IN WHICH THE TAXPAYER AND THE COMMISSIONER ENTER INTO
AN
14 AGREEMENT WITH RESPECT TO SUCH BUILDING (WHICH IS BINDING ON THE
COMMIS-
15 SIONER, THE TAXPAYER, AND ALL SUCCESSORS IN INTEREST) AS TO THE
HOUSING
16 CREDIT DOLLAR AMOUNT TO BE ALLOCATED TO SUCH BUILDING, OR
17 (B) IN THE CASE OF ANY BUILDING TO WHICH SUBSECTION (H) (4) (B) OF
SUCH
18 SECTION 42 APPLIES, THE MONTH IN WHICH THE TAX-EXEMPT OBLIGATIONS
ARE
19 ISSUED.
20 (B) A MONTH MAY BE ELECTED UNDER SUBPARAGRAPH (II) OF PARAGRAPH (A)
OF
21 THIS SUBDIVISION ONLY IF THE ELECTION IS MADE NOT LATER THAN THE
FIFTH
22 DAY AFTER THE CLOSE OF SUCH MONTH. SUCH ELECTION, ONCE MADE, SHALL
BE
23 IRREVOCABLE.
24 (C) IF, AS OF THE CLOSE OF ANY TAXABLE YEAR IN THE CREDIT PERIOD,
THE
25 QUALIFIED BASIS OF AN ELIGIBLE LOW-INCOME BUILDING EXCEEDS SUCH BASIS
AS
26 OF THE CLOSE OF THE FIRST YEAR OF THE CREDIT PERIOD, THE
APPLICABLE
27 PERCENTAGE WHICH SHALL APPLY TO SUCH EXCESS SHALL BE TWO-THIRDS OF
THE

28 APPLICABLE PERCENTAGE ORIGINALLY ASCRIBED TO SUCH BUILDING.
29 2. "COMPLIANCE PERIOD" MEANS, WITH RESPECT TO ANY BUILDING, THE
PERIOD
30 OF FIFTEEN TAXABLE YEARS BEGINNING WITH THE FIRST TAXABLE YEAR OF
THE
31 CREDIT PERIOD WITH RESPECT TO SUCH BUILDING.
32 3. "CREDIT PERIOD" MEANS, WITH RESPECT TO ANY ELIGIBLE LOW-
INCOME
33 BUILDING, THE PERIOD OF TEN TAXABLE YEARS BEGINNING WITH
34 (A) THE TAXABLE YEAR IN WHICH THE BUILDING IS PLACED IN SERVICE, OR
35 (B) AT THE ELECTION OF THE TAXPAYER, THE SUCCEEDING TAXABLE YEAR,
36 BUT ONLY IF THE BUILDING IS AN ELIGIBLE LOW-INCOME BUILDING AS OF
THE
37 CLOSE OF THE FIRST YEAR OF SUCH PERIOD. THE ELECTION UNDER PARAGRAPH
(B)
38 OF THIS SUBDIVISION, ONCE MADE, SHALL BE IRREVOCABLE.
39 4. "ELIGIBILITY STATEMENT" MEANS A STATEMENT ISSUED BY THE
COMMISSION-
40 ER CERTIFYING THAT A BUILDING IS AN ELIGIBLE LOW-INCOME BUILDING.
SUCH
41 STATEMENT SHALL SET FORTH THE TAXABLE YEAR IN WHICH SUCH BUILDING
IS
42 PLACED IN SERVICE, THE DOLLAR AMOUNT OF LOW-INCOME HOUSING CREDIT
ALLO-
43 CATED BY THE COMMISSIONER TO SUCH BUILDING AS PROVIDED IN
SUBDIVISION
44 FIVE OF SECTION TWENTY-TWO OF THIS ARTICLE, THE APPLICABLE
PERCENTAGE
45 AND MAXIMUM QUALIFIED BASIS WITH RESPECT TO SUCH BUILDING TAKEN
INTO
46 ACCOUNT IN DETERMINING SUCH DOLLAR AMOUNT, SUFFICIENT INFORMATION
TO
47 IDENTIFY EACH SUCH BUILDING AND THE TAXPAYER OR TAXPAYERS WITH
RESPECT
48 TO EACH SUCH BUILDING, AND SUCH OTHER INFORMATION AS THE
COMMISSIONER,
49 IN CONSULTATION WITH THE COMMISSIONER OF TAXATION AND FINANCE,
SHALL
50 PRESCRIBE. SUCH STATEMENT SHALL BE FIRST ISSUED FOLLOWING THE CLOSE
OF
51 THE FIRST TAXABLE YEAR IN THE CREDIT PERIOD, AND THEREAFTER, TO
THE
52 EXTENT REQUIRED BY THE COMMISSIONER OF TAXATION AND FINANCE,
FOLLOWING
53 THE CLOSE OF EACH TAXABLE YEAR OF THE COMPLIANCE PERIOD.
54 5. "ELIGIBLE LOW-INCOME BUILDING" MEANS A BUILDING LOCATED IN
THIS
55 STATE WHICH EITHER

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1 (A) IS A QUALIFIED LOW-INCOME BUILDING AS DEFINED IN SECTION 42(C)
OF
2 THE INTERNAL REVENUE CODE, OR
3 (B) WOULD BE A QUALIFIED LOW-INCOME BUILDING UNDER SUCH SECTION IF
THE

4 20-50 TEST SPECIFIED IN SUBSECTION (G) (1) OF SUCH SECTION WERE
DISRE-
5 GARDED AND THE 40-60 TEST SPECIFIED IN SUCH SUBSECTION (REQUIRING
THAT
6 AT LEAST FORTY PERCENT OF RESIDENTIAL UNITS BE BOTH RENT-RESTRICTED
AND
7 OCCUPIED BY INDIVIDUALS WHOSE INCOME IS SIXTY PERCENT OR LESS OF
AREA
8 MEDIAN GROSS INCOME) WERE A 40-90 TEST.

9 6. "QUALIFIED BASIS" OF AN ELIGIBLE LOW-INCOME BUILDING MEANS
THE
10 QUALIFIED BASIS OF SUCH BUILDING DETERMINED UNDER SECTION 42(C) OF
THE
11 INTERNAL REVENUE CODE, OR WHICH WOULD BE DETERMINED UNDER SUCH
SECTION
12 IF THE 40-90 TEST SPECIFIED IN PARAGRAPH (B) OF SUBDIVISION FIVE OF
THIS
13 SECTION APPLIED UNDER SUCH SECTION 42 TO DETERMINE IF SUCH BUILDING
WERE
14 PART OF A QUALIFIED LOW-INCOME HOUSING PROJECT.

15 7. REFERENCES IN THIS ARTICLE TO SECTION 42 OF THE INTERNAL
REVENUE
16 CODE SHALL MEAN SUCH SECTION AS AMENDED FROM TIME TO TIME.

17 S 22. ALLOWANCE OF CREDIT, AMOUNT AND LIMITATIONS. 1. A
TAXPAYER
18 SUBJECT TO TAX UNDER ARTICLE NINE-A, TWENTY-TWO, THIRTY-TWO
OR
19 THIRTY-THREE OF THE TAX LAW WHICH OWNS AN INTEREST IN ONE OR MORE
ELIGI-
20 BLE LOW-INCOME BUILDINGS SHALL BE ALLOWED A CREDIT AGAINST SUCH TAX
FOR
21 THE AMOUNT OF LOW-INCOME HOUSING CREDIT ALLOCATED BY THE COMMISSIONER
TO
22 EACH SUCH BUILDING. EXCEPT AS PROVIDED IN SUBDIVISION TWO OF
THIS
23 SECTION, THE CREDIT AMOUNT SO ALLOCATED SHALL BE ALLOWED AS A
CREDIT
24 AGAINST THE TAX FOR THE TEN TAXABLE YEARS IN THE CREDIT PERIOD.

25 2. ADJUSTMENT OF FIRST-YEAR CREDIT ALLOWED IN ELEVENTH YEAR. THE
CRED-
26 IT ALLOWABLE FOR THE FIRST TAXABLE YEAR OF THE CREDIT PERIOD
WITH
27 RESPECT TO ANY BUILDING SHALL BE ADJUSTED USING THE RULES OF
SECTION
28 42(F) (2) OF THE INTERNAL REVENUE CODE (RELATING TO FIRST-YEAR
ADJUSTMENT
29 OF QUALIFIED BASIS BY THE WEIGHTED AVERAGE OF LOW-INCOME TO TOTAL
RESI-
30 DENTIAL UNITS), AND ANY REDUCTION IN FIRST-YEAR CREDIT BY REASON OF
SUCH
31 ADJUSTMENT SHALL BE ALLOWABLE FOR THE FIRST TAXABLE YEAR FOLLOWING
THE
32 CREDIT PERIOD.

33 3. AMOUNT OF CREDIT. EXCEPT AS PROVIDED IN SUBDIVISIONS FOUR AND
FIVE
34 OF THIS SECTION, THE AMOUNT OF LOW-INCOME HOUSING CREDIT SHALL BE
THE

35 APPLICABLE PERCENTAGE OF THE QUALIFIED BASIS OF EACH ELIGIBLE LOW-
INCOME
36 BUILDING.

37 4. STATEWIDE LIMITATION. THE AGGREGATE DOLLAR AMOUNT OF CREDIT
WHICH
38 THE COMMISSIONER MAY ALLOCATE TO ELIGIBLE LOW-INCOME BUILDINGS
UNDER
39 THIS ARTICLE SHALL BE TWO MILLION DOLLARS. THE LIMITATION PROVIDED
BY
40 THIS SUBDIVISION APPLIES ONLY TO ALLOCATION OF THE AGGREGATE
DOLLAR
41 AMOUNT OF CREDIT BY THE COMMISSIONER, AND DOES NOT APPLY TO ALLOWANCE
TO

42 A TAXPAYER OF THE CREDIT WITH RESPECT TO AN ELIGIBLE LOW-INCOME
BUILDING
43 FOR EACH YEAR OF THE CREDIT PERIOD.

44 5. BUILDING LIMITATION. THE DOLLAR AMOUNT OF CREDIT ALLOCATED TO
ANY
45 BUILDING SHALL NOT EXCEED THE AMOUNT THE COMMISSIONER DETERMINES
IS
46 NECESSARY FOR THE FINANCIAL FEASIBILITY OF THE PROJECT AND THE
VIABILITY

47 OF THE BUILDING AS AN ELIGIBLE LOW-INCOME BUILDING THROUGHOUT THE
CREDIT

48 PERIOD. IN ALLOCATING A DOLLAR AMOUNT OF CREDIT TO ANY BUILDING,
THE

49 COMMISSIONER SHALL SPECIFY THE APPLICABLE PERCENTAGE AND THE
MAXIMUM

50 QUALIFIED BASIS WHICH MAY BE TAKEN INTO ACCOUNT UNDER THIS ARTICLE
WITH

51 RESPECT TO SUCH BUILDING. THE APPLICABLE PERCENTAGE AND THE
MAXIMUM

52 QUALIFIED BASIS WITH RESPECT TO A BUILDING SHALL NOT EXCEED THE
AMOUNTS

53 DETERMINED IN SUBDIVISIONS ONE AND SIX, RESPECTIVELY, OF SECTION
TWN-

54 TY-ONE OF THIS ARTICLE.

55 6. LONG-TERM COMMITMENT TO LOW-INCOME HOUSING REQUIRED. NO
CREDIT

56 SHALL BE ALLOWED UNDER THIS ARTICLE WITH RESPECT TO A BUILDING FOR
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1 TAXABLE YEAR UNLESS AN EXTENDED LOW-INCOME HOUSING COMMITMENT IS
IN

2 EFFECT AS OF THE END OF SUCH TAXABLE YEAR. FOR PURPOSES OF THIS
SUBDIVI-

3 SION, THE TERM "EXTENDED LOW-INCOME HOUSING COMMITMENT" MEANS AN
AGREE-

4 MENT BETWEEN THE TAXPAYER AND THE COMMISSIONER SUBSTANTIALLY SIMILAR
TO

5 THE AGREEMENT SPECIFIED IN SECTION 42(H)(6)(B) OF THE INTERNAL
REVENUE

6 CODE.

7 7. CREDIT TO SUCCESSOR OWNER. IF A CREDIT IS ALLOWED UNDER
SUBDIVISION

8 ONE OF THIS SECTION WITH RESPECT TO AN ELIGIBLE LOW-INCOME BUILDING
AND
9 SUCH BUILDING (OR AN INTEREST THEREIN) IS SOLD DURING THE CREDIT
PERIOD,
10 THE CREDIT FOR THE PERIOD AFTER THE SALE WHICH WOULD HAVE BEEN
ALLOWABLE
11 UNDER SUCH SUBDIVISION ONE TO THE PRIOR OWNER HAD THE BUILDING NOT
BEEN
12 SOLD SHALL BE ALLOWABLE TO THE NEW OWNER. CREDIT FOR THE YEAR OF
SALE
13 SHALL BE ALLOCATED BETWEEN THE PARTIES ON THE BASIS OF THE NUMBER
OF
14 DAYS DURING SUCH YEAR THAT THE BUILDING OR INTEREST WAS HELD BY EACH.
15 S 23. PROJECT MONITORING. THE COMMISSIONER SHALL ESTABLISH SUCH
PROCE-
16 DURES AS HE DEEMS NECESSARY FOR MONITORING COMPLIANCE OF AN
ELIGIBLE
17 LOW-INCOME BUILDING WITH THE PROVISIONS OF THIS ARTICLE, AND FOR
NOTIFY-
18 ING THE COMMISSIONER OF TAXATION AND FINANCE OF ANY SUCH
NONCOMPLIANCE
19 OF WHICH HE BECOMES AWARE.
20 S 24. CREDIT RECAPTURE. IF, AS OF THE CLOSE OF ANY TAXABLE YEAR IN
THE
21 COMPLIANCE PERIOD, THE AMOUNT OF THE QUALIFIED BASIS OF ANY
BUILDING
22 WITH RESPECT TO THE TAXPAYER IS LESS THAN THE AMOUNT OF SUCH BASIS AS
OF
23 THE CLOSE OF THE PRECEDING TAXABLE YEAR, THE CREDIT UNDER THIS
ARTICLE
24 MAY BE RECAPTURED AS PROVIDED IN SECTION EIGHTEEN OF THE TAX LAW.
25 S 25. REGULATIONS, COORDINATION WITH FEDERAL LOW-INCOME HOUSING
CREDIT
26 PROVISIONS. 1. THE COMMISSIONER SHALL PROMULGATE RULES AND
REGULATIONS
27 NECESSARY TO ADMINISTER THE PROVISIONS OF THIS ACT.
28 2. THE PROVISIONS OF SECTION 42 OF THE INTERNAL REVENUE CODE
SHALL
29 APPLY TO THE CREDIT UNDER THIS ARTICLE, PROVIDED HOWEVER, TO THE
EXTENT
30 SUCH PROVISIONS ARE INCONSISTENT WITH THIS ARTICLE, THE PROVISIONS
OF
31 THIS ARTICLE SHALL CONTROL.
32 S 2. The tax law is amended by adding a new section 18 to read
as
33 follows:
34 S 18. LOW-INCOME HOUSING CREDIT. (A) ALLOWANCE OF CREDIT. A
TAXPAYER
35 SUBJECT TO TAX UNDER ARTICLE NINE-A, TWENTY-TWO, THIRTY-TWO
OR
36 THIRTY-THREE OF THIS CHAPTER SHALL BE ALLOWED A CREDIT AGAINST SUCH
TAX,
37 PURSUANT TO THE PROVISIONS REFERENCED IN SUBDIVISION (D) OF
THIS
38 SECTION, WITH RESPECT TO THE OWNERSHIP OF ELIGIBLE LOW-INCOME
BUILDINGS

39 FOR WHICH AN ELIGIBILITY STATEMENT HAS BEEN ISSUED BY THE
COMMISSIONER
40 OF HOUSING AND COMMUNITY RENEWAL. THE AMOUNT OF THE CREDIT SHALL BE
THE
41 CREDIT AMOUNT FOR EACH SUCH BUILDING ALLOCATED BY SUCH COMMISSIONER
AS
42 PROVIDED IN ARTICLE TWO-A OF THE PUBLIC HOUSING LAW. THE CREDIT
AMOUNT
43 SHALL BE ALLOWED FOR EACH OF THE TEN TAXABLE YEARS IN THE CREDIT
PERIOD,
44 AND ANY REDUCTION IN FIRST-YEAR CREDIT AS PROVIDED IN SUBDIVISION TWO
OF
45 SECTION TWENTY-TWO OF SUCH LAW SHALL BE ALLOWED IN THE ELEVENTH
TAXABLE
46 YEAR.
47 (B) CREDIT RECAPTURE. (1) GENERAL. IF,
48 (A) AS OF THE CLOSE OF ANY TAXABLE YEAR IN THE COMPLIANCE PERIOD,
THE
49 AMOUNT OF THE QUALIFIED BASIS OF ANY BUILDING WITH RESPECT TO
THE
50 TAXPAYER IS LESS THAN
51 (B) THE AMOUNT OF SUCH BASIS AS OF THE CLOSE OF THE PRECEDING
TAXABLE
52 YEAR,
53 (C) THEN THE CREDIT RECAPTURE AMOUNT MUST BE ADDED BACK FOR THE
TAXA-
54 BLE YEAR.
55 (2) CREDIT RECAPTURE AMOUNT. THE CREDIT RECAPTURE AMOUNT IS AN
AMOUNT
56 EQUAL TO THE SUM OF

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1 (A) THE AGGREGATE DECREASE IN THE CREDITS ALLOWED TO THE
TAXPAYER
2 UNDER THIS SECTION FOR ALL PRIOR TAXABLE YEARS WHICH WOULD HAVE
RESULTED
3 IF THE ACCELERATED PORTION OF THE CREDIT ALLOWABLE BY REASON OF
THIS
4 SECTION WERE NOT ALLOWED FOR ALL PRIOR TAXABLE YEARS WITH RESPECT TO
THE
5 EXCESS OF THE AMOUNT DESCRIBED IN SUBPARAGRAPH (B) OF PARAGRAPH (1)
OF
6 THIS SUBDIVISION OVER THE AMOUNT DESCRIBED IN SUBPARAGRAPH (A) OF
SUCH
7 PARAGRAPH, PLUS
8 (B) INTEREST AT THE OVERPAYMENT RATE ESTABLISHED UNDER SECTION
ONE
9 THOUSAND NINETY-SIX OF THIS CHAPTER ON THE AMOUNT DETERMINED
UNDER
10 SUBPARAGRAPH (A) OF THIS PARAGRAPH FOR EACH PRIOR TAXABLE YEAR FOR
THE
11 PERIOD BEGINNING ON THE DUE DATE FOR FILING THE REPORT FOR THE
PRIOR
12 TAXABLE YEAR INVOLVED.
13 (3) ACCELERATED PORTION OF CREDIT. FOR PURPOSES OF PARAGRAPH TWO
OF

14 THIS SUBDIVISION, THE ACCELERATED PORTION OF THE CREDIT FOR THE
PRIOR
15 TAXABLE YEARS WITH RESPECT TO ANY AMOUNT OF BASIS IS THE EXCESS OF
16 (A) THE AGGREGATE CREDIT ALLOWED BY REASON OF THIS SECTION
(WITHOUT
17 REGARD TO THIS SUBDIVISION) FOR SUCH YEARS WITH RESPECT TO SUCH
BASIS,
18 OVER
19 (B) THE AGGREGATE CREDIT WHICH WOULD BE ALLOWABLE BY REASON OF
THIS
20 SECTION FOR SUCH YEARS WITH RESPECT TO SUCH BASIS IF THE AGGREGATE
CRED-
21 IT WHICH WOULD (BUT FOR THIS SUBDIVISION) HAVE BEEN ALLOWED FOR
THE
22 ENTIRE COMPLIANCE PERIOD WERE ALLOWABLE RATABLY OVER FIFTEEN YEARS.
23 (4) SPECIAL RULES. FOR PURPOSES OF THIS SUBDIVISION, THE RULES
OF
24 SECTION 42 (J) (4) (B) AND (C) OF THE INTERNAL REVENUE CODE SHALL APPLY
IN
25 DETERMINING THE CREDIT RECAPTURE AMOUNT.
26 (5) EXCEPTIONS TO RECAPTURE. RECAPTURE UNDER THIS SUBDIVISION
SHALL
27 NOT APPLY TO A REDUCTION IN QUALIFIED BASIS
28 (A) BY REASON OF A CASUALTY LOSS, IF THE COMMISSIONER, IN
CONSULTATION
29 WITH THE COMMISSIONER OF HOUSING AND COMMUNITY RENEWAL, DETERMINES
THAT
30 SUCH LOSS IS RESTORED BY RECONSTRUCTION OR REPLACEMENT WITHIN A
REASON-
31 ABLE PERIOD, OR
32 (B) BY REASON OF A CHANGE IN FLOOR SPACE DEVOTED TO LOW-INCOME
UNITS
33 IN A BUILDING, IF SUCH BUILDING REMAINS AN ELIGIBLE LOW-INCOME
BUILDING
34 AFTER SUCH CHANGE, AND IF THE COMMISSIONER, IN CONSULTATION WITH
THE
35 COMMISSIONER OF HOUSING AND COMMUNITY RENEWAL, DETERMINES THAT
SUCH
36 CHANGE IS DE MINIMIS, OR
37 (C) BY REASON OF ERROR IN COMPLYING WITH LOW-INCOME ELIGIBILITY
TESTS
38 REFERRED TO IN SUBDIVISION FIVE OF SECTION TWENTY-ONE OF THE
PUBLIC
39 HOUSING LAW, IF THE COMMISSIONER, IN CONSULTATION WITH THE
COMMISSIONER
40 OF HOUSING AND COMMUNITY RENEWAL, DETERMINES THAT SUCH ERROR IS
DE
41 MINIMIS.
42 (6) RECAPTURE BY PARTNERS OF A PARTNERSHIP. IN THE CASE OF
OWNERSHIP
43 OF A BUILDING OR INTEREST THEREIN BY A PARTNERSHIP WHICH HAS THIRTY-
FIVE
44 OR MORE PARTNERS, THE PROVISIONS OF SECTION 42 (J) (5) OF THE
INTERNAL
45 REVENUE CODE SHALL APPLY TO ANY RECAPTURE UNDER THIS SUBDIVISION
UNLESS
46 THE PARTNERSHIP ELECTS NOT TO HAVE SUCH PROVISIONS APPLY.

47 (7) BOND IN LIEU OF RECAPTURE. IN THE CASE OF A DISPOSITION OF
A
48 BUILDING OR AN INTEREST THEREIN, THE TAXPAYER SHALL BE DISCHARGED
FROM
49 LIABILITY FOR ANY RECAPTURE UNDER THIS SUBDIVISION BY REASON OF
SUCH
50 DISPOSITION IF THE TAXPAYER FURNISHES TO THE COMMISSIONER A BOND
OR
51 OTHER SECURITY ACCEPTABLE TO THE COMMISSIONER IN AN AMOUNT
SATISFACTORY
52 TO THE COMMISSIONER AND FOR THE PERIOD REQUIRED BY THE COMMISSIONER,
AND
53 IT IS REASONABLY EXPECTED THAT SUCH BUILDING WILL CONTINUE TO BE
OPER-
54 ATED AS AN ELIGIBLE LOW-INCOME BUILDING FOR THE REMAINING
COMPLIANCE
55 PERIOD WITH RESPECT TO SUCH BUILDING.

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1 (C) CONSTRUCTION WITH PUBLIC HOUSING LAW; DEFINITIONS. THE
PROVISIONS
2 OF THIS SECTION SHALL BE CONSTRUED IN CONJUNCTION WITH THE PROVISIONS
OF
3 ARTICLE TWO-A OF THE PUBLIC HOUSING LAW. FOR DEFINITIONS RELATING TO
THE
4 LOW-INCOME HOUSING CREDIT, SEE SECTION TWENTY-ONE OF SUCH LAW.

5 (D) CROSS-REFERENCES. FOR APPLICATION OF THE CREDIT PROVIDED FOR
IN
6 THIS SECTION, SEE THE FOLLOWING PROVISIONS OF THIS CHAPTER:
7 (1) ARTICLE 9-A: SECTION 210: SUBDIVISION 30,
8 (2) ARTICLE 22: SECTION 606: SUBSECTIONS (I) AND (X),
9 (3) ARTICLE 32: SECTION 1456: SUBSECTION (L),
10 (4) ARTICLE 33: SECTION 1511: SUBDIVISION (N).

11 S 3. Section 210 of the tax law is amended by adding a new
subdivi-
12 sion 30 to read as follows:

13 30. LOW-INCOME HOUSING CREDIT. (A) ALLOWANCE OF CREDIT. A
TAXPAYER
14 SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE
WITH
15 RESPECT TO THE OWNERSHIP OF ELIGIBLE LOW-INCOME BUILDINGS, COMPUTED
AS
16 PROVIDED IN SECTION EIGHTEEN OF THIS CHAPTER.

17 (B) APPLICATION OF CREDIT. THE CREDIT AND CARRYOVERS OF SUCH
CREDIT
18 ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL NOT, IN
THE
19 AGGREGATE, REDUCE THE TAX DUE FOR SUCH YEAR TO LESS THAN THE HIGHER
OF
20 THE AMOUNTS PRESCRIBED IN PARAGRAPHS (C) AND (D) OF SUBDIVISION ONE
OF
21 THIS SECTION. HOWEVER, IF THE AMOUNT OF CREDIT OR CARRYOVERS OR
SUCH
22 CREDIT, OR BOTH, ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE
YEAR

23 REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT OF CREDIT OR CARRYOVERS
OF
24 SUCH CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE YEAR MAY BE CARRIED
OVER
25 TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAX FOR
SUCH
26 YEAR OR YEARS.

27 (C) CREDIT RECAPTURE. FOR PROVISIONS REQUIRING RECAPTURE OF
CREDIT,

28 SEE SUBDIVISION (B) OF SECTION EIGHTEEN OF THIS CHAPTER.

29 S 4. Paragraph 1 of subsection (i) of section 606 of the tax law,
as

30 amended by section 2 of part J of chapter 407 of the laws of 1999,
is

31 amended to read as follows:

32 (1) For purposes of determining the application under this section
of

33 the credit provisions enumerated in the following table, a
shareholder

34 of a New York S corporation:

35 (A) shall be treated as the taxpayer with respect to his or her
pro

36 rata share of the corresponding credit base of such corporation,
deter-

37 mined for the corporation's taxable year ending with or within
the

38 shareholder's taxable year and

39 (B) shall be treated as the owner of a new business with respect
to

40 such share if the corporation qualifies as a new business pursuant
to

41 paragraph (j) of subdivision twelve of section two hundred ten of
this

42 chapter, unless the shareholder has previously received a refund
by

43 reason of the application of this subparagraph, or this subsection as
it

44 was in effect for taxable years beginning before nineteen hundred
nine-

45 ty-four.

46
47 With respect to the
48 following credit
49 under this section:
50
51

The corporation's
credit base under
section two hundred ten
or section fourteen
hundred fifty-six of this
chapter is:

52 Investment tax credit
53 under subsection (a)
54

Investment credit base
or qualified
rehabilitation

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expenditures under
subdivision twelve of
section two hundred ten

4	Economic development	Cost or other basis
5	zone investment tax credit	under subdivision
6	under subsection (j)	twelve-B
7		of section two hundred
8		ten
9	Economic development	Eligible wages under
10	zone wage tax credit	subdivision nineteen of
11	under subsection (k)	section two hundred ten
12		or subsection (e) of
13		section fourteen hundred
14		fifty-six
15	Economic development zone	Qualified investments
16	capital tax credit	and contributions under
17	under subsection (l)	subdivision twenty of
18		section two hundred ten
19		or subsection (d) of
20		section fourteen hundred
21		fifty-six
22	Agricultural property tax	Allowable school
23	credit under subsection (n)	district property taxes under
24		subdivision twenty-two of
25		section two hundred ten
26	Credit for employment	Qualified first-year wages or
27	of persons with dis-	qualified second-year wages
28	abilities under	under subdivision twenty-three
29	subsection (o)	of section two hundred ten or
30		subsection (f) of section
31		fourteen hundred fifty-six
32	Employment incentive	Applicable investment credit
33	credit under subsection	base under subdivision
34	(a-1)	twelve-D
35	Economic development	Applicable investment
36	zone employment incentive	credit under subdivision
37	credit under subsection (j-1)	twelve-C
38	Alternative fuels credit	Cost under subdivision
39	under subsection (p)	twenty-four
40	Qualified emerging technology	Applicable credit base under
41	company employment credit	subdivision twelve-E of
42	subsection (q)	section two hundred ten
43	Qualified emerging technology company	Qualified investments under
44	capital tax credit under	subdivision twelve-F of
45	subsection (r)	section two hundred ten
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1	Credit for purchase of an	Cost of an automated external
2	automated external	defibrillator under

3 defibrillator under subdivision twenty-five of
4 subsection (s) section two hundred ten or
5 subsection (j) of section
6 fourteen hundred fifty-six

7 LOW-INCOME HOUSING CREDIT AMOUNT UNDER
8 CREDIT UNDER SUBSECTION (X) SUBDIVISION THIRTY
9 OF SECTION TWO HUNDRED TEN OR
10 SUBSECTION (L) OF SECTION
11 FOURTEEN HUNDRED FIFTY-SIX

12 S 5. Section 606 of the tax law is amended by adding a new
subsection

13 (x) to read as follows:

14 (X) LOW-INCOME HOUSING CREDIT. (1) ALLOWANCE OF CREDIT. A
TAXPAYER

15 SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE
WITH

16 RESPECT TO THE OWNERSHIP OF ELIGIBLE LOW-INCOME BUILDINGS, COMPUTED
AS

17 PROVIDED IN SECTION EIGHTEEN OF THIS CHAPTER.

18 (2) APPLICATION OF CREDIT. IF THE AMOUNT OF CREDIT ALLOWABLE
UNDER

19 THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX
FOR

20 SUCH YEAR, THE EXCESS MAY BE CARRIED OVER TO THE FOLLOWING YEAR
OR

21 YEARS, AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR
OR

22 YEARS.

23 (3) CREDIT RECAPTURE. FOR PROVISIONS REQUIRING RECAPTURE OF
CREDIT,

24 SEE SUBDIVISION (B) OF SECTION EIGHTEEN OF THIS CHAPTER.

25 S 6. Section 1456 of the tax law is amended by adding a new
subsection

26 (l) to read as follows:

27 (L) LOW-INCOME HOUSING CREDIT. (1) ALLOWANCE OF CREDIT. A
TAXPAYER

28 SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE
WITH

29 RESPECT TO THE OWNERSHIP OF ELIGIBLE LOW-INCOME BUILDINGS, COMPUTED
AS

30 PROVIDED IN SECTION EIGHTEEN OF THIS CHAPTER.

31 (2) APPLICATION OF CREDIT. THE CREDIT AND CARRYOVERS OF SUCH
CREDIT

32 ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL NOT, IN
THE

33 AGGREGATE, REDUCE THE TAX DUE FOR SUCH YEAR TO LESS THAN THE MINIMUM
TAX

34 FIXED BY SUBSECTION (B) OF SECTION FOURTEEN HUNDRED FIFTY-FIVE OF
THIS

35 ARTICLE. HOWEVER, IF THE AMOUNT OF CREDIT OR CARRYOVERS OF SUCH
CREDIT,

36 OR BOTH, ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR REDUCES
THE

37 TAX TO SUCH AMOUNT, THEN ANY AMOUNT OF CREDIT OR CARRYOVERS OF
SUCH

38 CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE YEAR MAY BE CARRIED OVER
TO
39 THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S
TAX
40 FOR SUCH YEAR OR YEARS.
41 (3) CREDIT RECAPTURE. FOR PROVISIONS REQUIRING RECAPTURE OF
CREDIT,
42 SEE SUBDIVISION (B) OF SECTION EIGHTEEN OF THIS CHAPTER.
43 S 7. Section 1511 of the tax law is amended by adding a new
subdivi-
44 sion (n) to read as follows:
45 (N) LOW-INCOME HOUSING CREDIT. (1) ALLOWANCE OF CREDIT. A
TAXPAYER
46 SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE
WITH
47 RESPECT TO THE OWNERSHIP OF ELIGIBLE LOW-INCOME BUILDINGS, COMPUTED
AS
48 PROVIDED IN SECTION EIGHTEEN OF THIS CHAPTER.
49 (2) APPLICATION OF CREDIT. THE CREDIT AND CARRYOVERS OF SUCH
CREDIT
50 ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL NOT, IN
THE
51 AGGREGATE, REDUCE THE TAX DUE FOR SUCH YEAR TO LESS THAN THE MINIMUM
TAX
52 FIXED BY PARAGRAPH FOUR OF SUBDIVISION (A) OF SECTION FIFTEEN
HUNDRED
53 TWO OF THIS ARTICLE. HOWEVER, IF THE AMOUNT OF CREDIT OR CARRYOVERS
OF
54 SUCH CREDIT, OR BOTH, ALLOWED UNDER THIS SUBDIVISION FOR ANY
TAXABLE
55 YEAR REDUCES THE TAX TO SUCH AMOUNT, THEN ANY AMOUNT OF CREDIT OR
CARRY-

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1 OVERS OF SUCH CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE YEAR MAY
BE
2 CARRIED OVER TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM
THE
3 TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.
4 (3) CREDIT RECAPTURE. FOR PROVISIONS REQUIRING RECAPTURE OF
CREDIT,
5 SEE SUBDIVISION (B) OF SECTION EIGHTEEN OF THIS CHAPTER.
6 S 8. This act shall take effect immediately.