

1 ENGROSSED HOUSE  
2 BILL NO. 3099

By: Jackson, McNiell, Denney,  
Morrissette, Pittman and  
Virgin of the House

3  
4 and

5 Marlatt and Griffin of the  
6 Senate

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8  
9 [ revenue and taxation - Oklahoma Affordable Housing  
10 Act - tax credits - effective date ]  
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13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 1. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 2357.403 of Title 68, unless  
16 there is created a duplication in numbering, reads as follows:

17 A. This act shall be known and may be cited as the "Oklahoma  
18 Affordable Housing Act".

19 B. As used in this section:

20 1. "Allocation year" means the year for which the Oklahoma  
21 Housing Finance Agency awards credits pursuant to this section;

22 2. "Eligibility statement" means a statement authorized and  
23 issued by the Oklahoma Housing Finance Agency certifying that a  
24 given project qualifies for the Oklahoma Affordable Housing Tax

1 Credit authorized by this section. The Oklahoma Housing Finance  
2 Agency, under Title 330 Oklahoma Housing Finance Agency Chapter 36  
3 Affordable Housing Tax Credit Program Rules, shall promulgate rules  
4 establishing criteria upon which the eligibility statements will be  
5 issued. The eligibility statement shall specify the amount of  
6 Oklahoma Affordable Housing Tax Credits allocated to a qualified  
7 project. The Oklahoma Housing Finance Agency shall only authorize  
8 the tax credits created by this section to qualified projects which  
9 are placed in service after December 31, 2014, and which begin  
10 generating credits during calendar year 2015 or any calendar year  
11 thereafter;

12 3. "Federal low-income housing tax credit" means the federal tax  
13 credit as provided in Section 42 of the Internal Revenue Code of  
14 1986, as amended;

15 4. "Oklahoma Affordable Housing Tax Credit" means the tax credit  
16 created by this section;

17 5. "Qualified project" means a qualified low-income building as  
18 that term is defined in Section 42 of the Internal Revenue Code of  
19 1986, as amended, which is located in this state;

20 6. "State low-income housing tax credit" means a state tax  
21 credit which is awarded by any state in conjunction with an award of  
22 the federal low-income housing tax credit; and

23 7. "Taxpayer" means a person, firm or corporation subject to the  
24 tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes or

1 an insurance company subject to the tax imposed by Section 624 or  
2 628 of Title 36 of the Oklahoma Statutes or other financial  
3 institution subject to the tax imposed by Section 2370 of Title 68  
4 of the Oklahoma Statutes.

5 C. For qualified projects placed in service after December 31,  
6 2014, the amount of state tax credits created by this section which  
7 are available to a project shall be equal to that of the federal low-  
8 income housing tax credits for a qualified project. The total  
9 Oklahoma Affordable Housing Tax Credits made available to all  
10 qualified projects for an allocation year shall be equal to the  
11 annual federal low-income housing tax credits available to the state  
12 for the same allocation year.

13 D. A taxpayer owning an interest in an investment in a qualified  
14 project shall be allowed Oklahoma Affordable Housing Tax Credits  
15 under this section if the Oklahoma Housing Finance Agency issues an  
16 eligibility statement for such project, which tax credit shall be  
17 allocated among some or all of the partners, members or shareholders  
18 of the taxpayer owning such interest in any manner agreed to by such  
19 partners, members or shareholders. Such taxpayer may assign its  
20 interest in the investment.

21 E. An insurance company claiming a credit against state premium  
22 tax or retaliatory tax or any other tax imposed by Section 624 or 628  
23 of Title 36 of the Oklahoma Statutes shall not be required to pay  
24 any additional retaliatory tax under Section 628 of Title 36 of the

1 Oklahoma Statutes as a result of claiming the credit. The credit  
2 may fully offset any retaliatory tax imposed by Section 628 of Title  
3 36 of the Oklahoma Statutes.

4 F. The credit authorized by this section shall not be used to  
5 reduce the tax liability of the taxpayer to less than zero (\$0.00).

6 G. Any credit claimed but not used in a taxable year may be  
7 carried forward to each of the five (5) subsequent taxable years.

8 H. The owner of a qualified project eligible for the credit  
9 authorized by this section shall submit, at the time of filing the  
10 tax return with the Oklahoma Tax Commission, an eligibility  
11 statement from the Oklahoma Housing Finance Agency. In the case of  
12 failure to attach the eligibility statement, no credit under this  
13 section shall be allowed with respect to such project for that year  
14 until required documents are provided to the Tax Commission.

15 I. If under Section 42 of the Internal Revenue Code of 1986, as  
16 amended, a portion of any federal low-income housing credits taken on  
17 a qualified project is required to be recaptured during the first ten  
18 (10) years after a project is placed in service, the taxpayer  
19 claiming Oklahoma Affordable Housing Tax Credits with respect to such  
20 project shall also be required to recapture a portion of such  
21 credits. The amount of Oklahoma Affordable Housing Tax Credits  
22 subject to recapture shall be proportionally equal to the amount of  
23 federal low-income housing credits subject to recapture.

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1 J. The Oklahoma Housing Finance Agency or the Oklahoma Tax  
2 Commission may require the filing of additional documentation  
3 necessary to determine the accuracy of a tax credit claimed.

4 K. The Oklahoma Affordable Housing Act shall undergo a review  
5 every five (5) years by a committee of nine (9) persons, to be  
6 appointed three persons each by the Governor, President Pro Tempore of  
7 the Oklahoma State Senate and the Speaker of the Oklahoma House of  
8 Representatives.

9 SECTION 2. This act shall become effective January 1, 2015.

10 Passed the House of Representatives the 11th day of March, 2014.

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Presiding Officer of the House  
of Representatives

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Passed the Senate the \_\_\_ day of \_\_\_\_\_, 2014.

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Presiding Officer of the Senate

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