

Representative Rebecca P. Edwards proposes the following substitute bill:

AFFORDABLE HOUSING AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rebecca P. Edwards

Senate Sponsor: Todd Weiler

LONG TITLE

General Description:

This bill modifies provisions related to housing and community development.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates the Economic Revitalization and Investment Fund;
- ▶ establishes requirements for the distribution of money from the fund;
- ▶ modifies state low-income housing tax credit provisions; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2018:

- ▶ to the Department of Workforce Services -- Economic Revitalization and Investment Fund, as a one-time appropriation:
 - from the General Fund, ~~\$→ [\$4,000,000]~~ \$2,061,000 ←\$; and
- ▶ to the Department of Workforce Services -- Olene Walker Housing Loan Fund, as a one-time appropriation:
 - from the General Fund, ~~\$→ [\$2,000,000]~~ \$500,000 ←\$.

Other Special Clauses:



274 (2) (a) For taxable years beginning on or after January 1, 1995, ~~[there is allowed]~~ a
 275 qualified taxpayer who has been issued a special low-income housing tax credit certificate by
 276 the Utah Housing Corporation may claim a nonrefundable tax credit against taxes otherwise
 277 due under this chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required
 278 to Pay Corporate Franchise or Income Tax~~[, for taxpayers issued an allocation certificate]~~ Act.

279 (b) The tax credit shall be in an amount equal to ~~[the greater of the amount of:]~~ the tax
 280 credit amount specified on the special low-income housing tax credit certificate that the Utah
 281 Housing Corporation issues to a qualified taxpayer under this section.

282 ~~[(i) federal low-income housing tax credit to which the taxpayer is allowed during that~~
 283 ~~year multiplied by the percentage specified in an allocation certificate issued by the Utah~~
 284 ~~Housing Corporation; or]~~

285 ~~[(ii) tax credit specified in the special low-income housing tax credit certificate that the~~
 286 ~~housing sponsor issues to the taxpayer as provided in Subsection (2)(c).]~~

287 ~~[(c) For purposes of Subsection (2)(b)(ii), the tax credit is equal to the product of:]~~

288 ~~[(i) the total amount of low-income housing tax credit under this section that:]~~

289 ~~[(A) a housing sponsor is allowed for a building; and]~~

290 ~~[(B) all of the taxpayers may claim with respect to the building if the taxpayers meet~~
 291 ~~the requirements of this section; and]~~

292 ~~[(ii) the percentage of tax credit a taxpayer may claim:]~~

293 ~~[(A) under this section if the taxpayer meets the requirements of this section; and]~~

294 ~~[(B) as provided in the agreement between the taxpayer and the housing sponsor.]~~

295 ~~[(d)]~~ (c) (i) For ~~[the]~~ a calendar year beginning ~~[on January 1, 1995, through the~~
 296 ~~calendar year beginning on January 1, 2025]~~ on or before December 31, 2016, ~~§~~→ **or on or after**
 296a **January 1, 2018, ←§** the aggregate

297 annual tax credit that the Utah Housing Corporation may allocate for the credit period
 298 described in Section 42(f), Internal Revenue Code, pursuant to this section and Section
 299 **59-10-1010** is an amount equal to the product of:

300 (A) 12.5 cents; and

301 (B) the population of Utah.

302 (ii) For ~~§~~→ **[a]** the ←§ calendar year beginning on ~~§~~→ **[or after]** ←§ January 1, 2017, the
 302a aggregate annual tax

303 credit that the Utah Housing Corporation may allocate for the credit period described in

304 Section 42(f), Internal Revenue Code, pursuant to this section and Section **59-10-1010** is an

584 reallocated within the same time period as provided in Section 42, Internal Revenue Code.

585 (b) Tax credits that are unallocated by the Utah Housing Corporation in any year may
586 be carried over for allocation in subsequent years.

587 [~~(10) (a) Amounts otherwise qualifying for the tax credit, but not allowable because the~~
588 ~~tax credit exceeds the tax, may be carried back three years or may be carried forward five years~~
589 ~~as a tax credit.]~~

590 (10) (a) If a tax credit is not claimed by a qualified taxpayer in the year in which it is
591 earned because the tax credit is more than the tax owed by the qualified taxpayer, the tax credit
592 may be carried back three years or may be carried forward five years as a credit against the tax.

593 (b) Carryover tax credits under Subsection (10)(a) shall be applied against the tax:

594 (i) before the application of the tax credits earned in the current year; and

595 (ii) on a first-earned first-used basis.

596 (11) Any tax credit taken in this section may be subject to an annual audit by the
597 commission.

598 (12) The Utah Housing Corporation shall annually provide an electronic report to the
599 Revenue and Taxation Interim Committee which shall include at least:

600 (a) the purpose and effectiveness of the tax credits; and

601 (b) the benefits of the tax credits to the state.

602 (13) The commission may, in consultation with the Utah Housing Corporation,
603 promulgate rules to implement this section.

604 **Section 10. Appropriation for expendable funds and accounts.**

605 The Legislature has reviewed the following expendable funds for the fiscal year
606 beginning July 1, 2017, and ending June 30, 2018. These amounts are additions to amounts
607 otherwise reviewed for fiscal year 2018. The Legislature authorizes the State Division of
608 Finance to transfer amounts among funds and accounts as indicated. Outlays and expenditures
609 from the recipient funds may be made without further legislative action according to a fund's
610 applicable authorizing statute.

611 To Department of Workforce Services -- Economic Revitalization
612 and Investment Fund

613 From General Fund, One-time ~~\$~~→ [~~\$4,000,000~~ | \$2,061,000 ←~~\$~~

614 Schedule of Programs:

615 Economic Revitalization and
 616 Investment Fund $\hat{\$} \rightarrow$ [~~\$4,000,000~~] \$2,061,000 $\leftarrow \hat{\$}$
 617 To Department of Workforce Services -- Olene Walker Housing Loan Fund
 618 From General Fund, One-time $\hat{\$} \rightarrow$ [\$2,000,000] \$500,000 $\leftarrow \hat{\$}$
 619 Schedule of Programs:
 620 Olene Walker Housing Loan Fund $\hat{\$} \rightarrow$ [~~\$2,000,000~~] \$500,000 $\leftarrow \hat{\$}$

621 The Legislature intends that $\hat{\$} \rightarrow$ ~~†~~

622 ~~———— (1) up to \$1,000,000 of the one-time appropriation to the Olene Walker Housing Fund~~
 623 ~~be used by the Housing and Community Development Division to provide funding for~~
 624 ~~transit-oriented development; and~~

625 ~~———— (2)]~~ $\leftarrow \hat{\$}$ up to $\hat{\$} \rightarrow$ [~~\$1,000,000~~] \$500,000 $\leftarrow \hat{\$}$ of the one-time appropriation to the Olene
 625a Walker Housing $\hat{\$} \rightarrow$ Loan $\leftarrow \hat{\$}$ Fund

626 be used by the Housing and Community Development Division to develop a pilot program for
 627 reimbursing persons under certain limited circumstances who provide housing to tenants using
 628 Federal Housing Choice Vouchers.

629 Section 11. **Retrospective operation.**

630 The amendments to Sections [59-7-607](#) and [59-10-1010](#) have retrospective operation for
 631 a taxable year beginning on or after January 1, 2017.