

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for
2 Senate Bill No. 83, Page 22, Section 92.387, Line 2, by inserting after all of said section and line, the
3 following:
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5 "135.352. 1. A taxpayer owning an interest in a qualified Missouri project shall, subject to
6 the limitations provided under the provisions of subsection 3 of this section, be allowed a state tax
7 credit, whether or not allowed a federal tax credit, to be termed the Missouri low-income housing tax
8 credit, if the commission issues an eligibility statement for that project.

9 2. For qualified Missouri projects placed in service after January 1, 1997, the Missouri
10 low-income housing tax credit available to a project shall be such amount as the commission shall
11 determine is necessary to ensure the feasibility of the project, up to an amount equal to the federal
12 low-income housing tax credit for a qualified Missouri project, for a federal tax period, and such
13 amount shall be subtracted from the amount of state tax otherwise due for the same tax period.

14 3. No more than six million dollars in tax credits shall be authorized each fiscal year for
15 projects financed through tax-exempt bond issuance.

16 4. The Missouri low-income housing tax credit shall be taken against the taxes and in the
17 order specified pursuant to section 32.115. The credit authorized by this section shall not be
18 refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year may be
19 carried back to any of the taxpayer's three prior taxable years or carried forward to any of the
20 taxpayer's five subsequent taxable years.

21 5. All or any portion of Missouri tax credits issued in accordance with the provisions of
22 sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant to the provisions
23 of subsection 1 of this section. Beginning January 1, 1995, for qualified projects which began on or
24 after January 1, 1994, an owner of a qualified Missouri project shall certify to the director the
25 amount of credit allocated to each taxpayer. The owner of the project shall provide to the director
26 appropriate information so that the low-income housing tax credit can be properly allocated.

27 6. In the event that recapture of Missouri low-income housing tax credits is required
28 pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided in
29 this section shall include the proportion of the state credit required to be recaptured, the identity of
30 each taxpayer subject to the recapture and the amount of credit previously allocated to such taxpayer.

31 7. The director of the department may promulgate rules and regulations necessary to
32 administer the provisions of this section. No rule or portion of a rule promulgated pursuant to the
33 authority of this section shall become effective unless it has been promulgated pursuant to the
34 provisions of section 536.024.

35 8. Any entity that receives a tax credit under sections 135.350 through 135.363 shall be
36 deemed to have waived their right to present evidence to the state tax commission in any appeal of
37 their real estate property assessment relating to the ability of property for which the credits were

Action Taken _____ Date _____

1 issued to generate income."; and

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3 Further amend said bill, Page 81, Section 184.865, Line 7, by inserting after all of said section and
4 line, the following:

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6 "253.559. 1. To obtain approval for tax credits allowed under sections 253.545 to 253.559, a
7 taxpayer shall submit an application for tax credits to the department of economic development.
8 Each application for approval, including any applications received for supplemental allocations of
9 tax credits as provided under subsection 8 of this section, shall be prioritized for review and
10 approval, in the order of the date on which the application was postmarked, with the oldest
11 postmarked date receiving priority. Applications postmarked on the same day shall go through a
12 lottery process to determine the order in which such applications shall be reviewed.

13 2. Each application shall be reviewed by the department of economic development for
14 approval. In order to receive approval, an application, other than applications submitted under the
15 provisions of subsection 8 of this section, shall include:

16 (1) Proof of ownership or site control. Proof of ownership shall include evidence that the
17 taxpayer is the fee simple owner of the eligible property, such as a warranty deed or a closing
18 statement. Proof of site control may be evidenced by a leasehold interest or an option to acquire
19 such an interest. If the taxpayer is in the process of acquiring fee simple ownership, proof of site
20 control shall include an executed sales contract or an executed option to purchase the eligible
21 property;

22 (2) Floor plans of the existing structure, architectural plans, and, where applicable, plans of
23 the proposed alterations to the structure, as well as proposed additions;

24 (3) The estimated cost of rehabilitation, the anticipated total costs of the project, the actual
25 basis of the property, as shown by proof of actual acquisition costs, the anticipated total labor costs,
26 the estimated project start date, and the estimated project completion date;

27 (4) Proof that the property is an eligible property and a certified historic structure or a
28 structure in a certified historic district; and

29 (5) Any other information which the department of economic development may reasonably
30 require to review the project for approval.

31 Only the property for which a property address is provided in the application shall be reviewed for
32 approval. Once selected for review, a taxpayer shall not be permitted to request the review of
33 another property for approval in the place of the property contained in such application. Any
34 disapproved application shall be removed from the review process. If an application is removed
35 from the review process, the department of economic development shall notify the taxpayer in
36 writing of the decision to remove such application. Disapproved applications shall lose priority in
37 the review process. A disapproved application, which is removed from the review process, may be
38 resubmitted, but shall be deemed to be a new submission for purposes of the priority procedures
39 described in this section.

40 3. If the department of economic development deems the application sufficient, the taxpayer
41 shall be notified in writing of the approval for an amount of tax credits equal to the amount provided
42 under section 253.550 less any amount of tax credits previously approved. Such approvals shall be
43 granted to applications in the order of priority established under this section and shall require full
44 compliance thereafter with all other requirements of law as a condition to any claim for such credits.

45 4. Following approval of an application, the identity of the taxpayer contained in such
46 application shall not be modified except:

47 (1) The taxpayer may add partners, members, or shareholders as part of the ownership
48 structure, so long as the principal remains the same, provided however, that subsequent to the

1 commencement of renovation and the expenditure of at least ten percent of the proposed
2 rehabilitation budget, removal of the principal for failure to perform duties and the appointment of a
3 new principal thereafter shall not constitute a change of the principal; or

4 (2) Where the ownership of the project is changed due to a foreclosure, deed in lieu of a
5 foreclosure or voluntary conveyance, or a transfer in bankruptcy.

6 5. In the event that the department of economic development grants approval for tax credits
7 equal to the total amount available under subsection 2 of section 253.550, or sufficient that when
8 totaled with all other approvals, the amount available under subsection 2 of section 253.550 is
9 exhausted, all taxpayers with applications then awaiting approval or thereafter submitted for
10 approval shall be notified by the department of economic development that no additional approvals
11 shall be granted during the fiscal year and shall be notified of the priority given to such taxpayer's
12 application then awaiting approval. Such applications shall be kept on file by the department of
13 economic development and shall be considered for approval for tax credits in the order established in
14 this section in the event that additional credits become available due to the rescission of approvals or
15 when a new fiscal year's allocation of credits becomes available for approval.

16 6. All taxpayers with applications receiving approval on or after the effective date of this act
17 shall commence rehabilitation within two years of the date of issuance of the letter from the
18 department of economic development granting the approval for tax credits. "Commencement of
19 rehabilitation" shall mean that as of the date in which actual physical work, contemplated by the
20 architectural plans submitted with the application, has begun, the taxpayer has incurred no less than
21 ten percent of the estimated costs of rehabilitation provided in the application. Taxpayers with
22 approval of a project shall submit evidence of compliance with the provisions of this subsection. If
23 the department of economic development determines that a taxpayer has failed to comply with the
24 requirements provided under this section, the approval for the amount of tax credits for such
25 taxpayer shall be rescinded and such amount of tax credits shall then be included in the total amount
26 of tax credits, provided under subsection 2 of section 253.550, from which approvals may be
27 granted. Any taxpayer whose approval shall be subject to rescission shall be notified of such from
28 the department of economic development and, upon receipt of such notice, may submit a new
29 application for the project.

30 7. To claim the credit authorized under sections 253.550 to 253.559, a taxpayer with
31 approval shall apply for final approval and issuance of tax credits from the department of economic
32 development which, in consultation with the department of natural resources, shall determine the
33 final amount of eligible rehabilitation costs and expenses and whether the completed rehabilitation
34 meets the standards of the Secretary of the United States Department of the Interior for rehabilitation
35 as determined by the state historic preservation officer of the Missouri department of natural
36 resources.

37 For financial institutions credits authorized pursuant to sections 253.550 to 253.561 shall be deemed
38 to be economic development credits for purposes of section 148.064. The approval of all
39 applications and the issuing of certificates of eligible credits to taxpayers shall be performed by the
40 department of economic development. The department of economic development shall inform a
41 taxpayer of final approval by letter and shall issue, to the taxpayer, tax credit certificates. The
42 taxpayer shall attach the certificate to all Missouri income tax returns on which the credit is claimed.

43 8. Except as expressly provided in this subsection, tax credit certificates shall be issued in the
44 final year that costs and expenses of rehabilitation of the project are incurred, or within the
45 twelve-month period immediately following the conclusion of such rehabilitation. In the event the
46 amount of eligible rehabilitation costs and expenses incurred by a taxpayer would result in the
47 issuance of an amount of tax credits in excess of the amount provided under such taxpayer's approval
48 granted under subsection 3 of this section, such taxpayer may apply to the department for issuance of

1 tax credits in an amount equal to such excess. Applications for issuance of tax credits in excess of
2 the amount provided under a taxpayer's application shall be made on a form prescribed by the
3 department. Such applications shall be subject to all provisions regarding priority provided under
4 subsection 1 of this section.

5 9. The department of economic development shall determine, on an annual basis, the overall
6 economic impact to the state from the rehabilitation of eligible property.

7 10. Any entity that receives a tax credit under sections 253.545 through 253.559 shall be
8 deemed to have waived their right to present evidence to the state tax commission in any appeal of
9 their real estate property assessment relating to the ability of property for which the credits were
10 issued to generate income."; and

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12 Further amend said bill by amending the title, enacting clause, and intersectional references
13 accordingly.
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