

HB 2158 -- STATE INCOME TAX AND TAX CREDITS

SPONSOR: Wright

Currently, up to \$6 million in low-income housing tax credits can be authorized each fiscal year for projects financed through tax-exempt bond issuance. This bill decreases the maximum amount to \$2 million for each fiscal year beginning on or after July 1, 2015. For projects not financed through tax-exempt bond issuance, the maximum amount of tax credits authorized in a fiscal year must be \$150 million. A taxpayer is ineligible to receive state tax credits under the historic structures rehabilitation tax credit and the low-income housing tax credit for the same project.

For all tax years beginning on or after January 1, 2015, the bill creates new income tax rates and brackets. Currently, the maximum rate is 6% for taxable incomes greater than \$9,000. The new rate maximum will be 6% for taxable incomes greater than \$13,500.

Currently, the total amount of historic structures rehabilitation tax credits that can be approved for each fiscal year cannot exceed \$140 million. The limitation does not apply to approved applications for tax credits for the eligible costs and expenses incurred in the rehabilitation of an eligible property that is a nonincome producing single-family, owner-occupied residential property and is a certified historic structure or a structure in a certified historic district receiving less than \$275,000. For every fiscal year beginning on or after July 1, 2015, the bill specifies that the total amount of tax credits authorized under the tax credit cannot exceed \$90 million.