HB 1208 -- ECONOMIC DEVELOPMENT HOUSING TAX CREDITS

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NEIGHBORHOOD ASSISTANCE TAX CREDITS

The bill specifies that no tax credits for economic development under the Development Tax Credit Program in Sections 32.100 to 32.125, RSMo, can be authorized after August 28, 2017 or issued after June 30, 2018, and any credit issued before July 1, 2018, that is not redeemed in the period the contribution was made, can be carried forward as allowed and will be administered under Section 620.2020.

LOW-INCOME HOUSING TAX CREDITS

The bill specifies that the amount of Missouri low-income housing tax credits under Sections 135.350 to 135.363 available to a qualified Missouri project after July 1, 2018 will be such amount as the commission determines is necessary to ensure the feasibility of the project for a five-year tax period, caps the credit at $80 million in any fiscal year beginning on or after July 1, 2018, removes the option for the credit to be carried forward five years, and adds new requirements and restrictions along with the eligibility statement to be submitted to the commission. A qualified Missouri project must rent at least 40% of its units to individuals or families who earn at least 50% of the median income of the area or rent at least 60% of its units to individuals or families who earn at least 60% of the median income of the area.

Currently, no more than $6 million in tax credits can be authorized each fiscal year for projects financed through tax-exempt bond issuance. The bill specifies that no tax credits can be authorized after June 30, 2018, for projects financed through tax-exempt bond issuance.

The bill specifies that a taxpayer that receives historic structures rehabilitation tax credits under Sections 253.545 to 253.559 is not eligible to receive low-income housing tax credits for the same project.

REHABILITATION AND CONSTRUCTION OF RESIDENCES IN DISTRESSED COMMUNITIES AND CENSUS BLOCKS TAX CREDITS

Currently, any taxpayer who incurs eligible costs for a new residence located in a distressed community or within a census block group or for a multiple unit condominium can receive a tax credit equal to 15% of such costs against his or her tax liability up to $40,000 per new residence in any ten-year period. The bill adds a cap of $1 million annually and requires the Department of Revenue when issuing the credits, to distribute the credits evenly between eligible residences and qualifying residences.