

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for
2 Senate Bill No. 92, Page 1, Section A, Line 4, by inserting after all of said section and line the
3 following:
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5 "32.115. 1. The department of revenue shall grant a tax credit, to be applied in the
6 following order until used, against:

- 7 (1) The annual tax on gross premium receipts of insurance companies in chapter 148;
8 (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section
9 148.030;
10 (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;
11 (4) The tax on other financial institutions in chapter 148;
12 (5) The corporation franchise tax in chapter 147;
13 (6) The state income tax in chapter 143; and
14 (7) The annual tax on gross receipts of express companies in chapter 153.

15 2. For proposals approved pursuant to section 32.110:

16 (1) The amount of the tax credit shall not exceed ~~[fifty]~~ seventy percent of the total amount
17 contributed during the taxable year by the business firm or, in the case of a financial institution,
18 where applicable, during the relevant income period in programs approved pursuant to section
19 32.110;

20 (2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy
21 percent may be allowed for contributions to programs where activities fall within the scope of
22 special program priorities as defined with the approval of the governor in regulations promulgated
23 by the director of the department of economic development;

24 (3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for
25 contributions to programs located in any community shall be equal to seventy percent of the total
26 amount contributed where such community is a city, town or village which has fifteen thousand or
27 less inhabitants as of the last decennial census and is located in a county which is either located in:

- 28 (a) An area that is not part of a standard metropolitan statistical area;
29 (b) A standard metropolitan statistical area but such county has only one city, town or
30 village which has more than fifteen thousand inhabitants; or

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1 (c) A standard metropolitan statistical area and a substantial number of persons in such
2 county derive their income from agriculture.

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4 Such community may also be in an unincorporated area in such county as provided in subdivision
5 (1), (2) or (3) of this subsection. Except in no case shall the total economic benefit of the combined
6 federal and state tax savings to the taxpayer exceed the amount contributed by the taxpayer during
7 the tax year;

8 (4) Such tax credit allocation, equal to seventy percent of the total amount contributed, shall
9 not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000 and any
10 subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit allocation
11 is committed, the tax credit allocation for such programs shall then be equal to fifty percent credit of
12 the total amount contributed. Regulations establishing special program priorities are to be
13 promulgated during the first month of each fiscal year and at such times during the year as the
14 public interest dictates. Such credit shall not exceed two hundred and fifty thousand dollars
15 annually except as provided in subdivision (5) of this subsection. No tax credit shall be approved
16 for any bank, bank and trust company, insurance company, trust company, national bank, savings
17 association, or building and loan association for activities that are a part of its normal course of
18 business. Any tax credit not used in the period the contribution was made may be carried over the
19 next five succeeding calendar or fiscal years until the full credit has been claimed. Except as
20 otherwise provided for proposals approved pursuant to section 32.111, 32.112 or 32.117, in no event
21 shall the total amount of all other tax credits allowed pursuant to sections 32.100 to 32.125 exceed
22 thirty-two million dollars in any one fiscal year, of which six million shall be credits allowed
23 pursuant to section 135.460. If six million dollars in credits are not approved, then the remaining
24 credits may be used for programs approved pursuant to sections 32.100 to 32.125;

25 (5) The credit may exceed two hundred fifty thousand dollars annually and shall not be
26 limited if community services, crime prevention, education, job training, physical revitalization or
27 economic development, as defined by section 32.105, is rendered in an area defined by federal or
28 state law as an impoverished, economically distressed, or blighted area or as a neighborhood
29 experiencing problems endangering its existence as a viable and stable neighborhood, or if the
30 community services, crime prevention, education, job training, physical revitalization or economic
31 development is limited to impoverished persons.

32 3. For proposals approved pursuant to section 32.111:

33 (1) The amount of the tax credit shall not exceed fifty-five percent of the total amount
34 invested in affordable housing assistance activities or market rate housing in distressed communities
35 as defined in section 135.530 by a business firm. Whenever such investment is made in the form of
36 an equity investment or a loan, as opposed to a donation alone, tax credits may be claimed only
37 where the loan or equity investment is accompanied by a donation which is eligible for federal
38 income tax charitable deduction, and where the total value of the tax credits herein plus the value of
39 the federal income tax charitable deduction is less than or equal to the value of the donation. Any

1 tax credit not used in the period for which the credit was approved may be carried over the next ten
2 succeeding calendar or fiscal years until the full credit has been allowed. If the affordable housing
3 units or market rate housing units in distressed communities for which a tax is claimed are within a
4 larger structure, parts of which are not the subject of a tax credit claim, then expenditures applicable
5 to the entire structure shall be reduced on a prorated basis in proportion to the ratio of the number of
6 square feet devoted to the affordable housing units or market rate housing units in distressed
7 communities, for purposes of determining the amount of the tax credit. The total amount of tax
8 credit granted for programs approved pursuant to section 32.111 for the fiscal year beginning July 1,
9 1991, shall not exceed two million dollars, to be increased by no more than two million dollars each
10 succeeding fiscal year, until the total tax credits that may be approved reaches ten million dollars in
11 any fiscal year;

12 (2) For any year during the compliance period indicated in the land use restriction
13 agreement, the owner of the affordable housing rental units for which a credit is being claimed shall
14 certify to the commission that all tenants renting claimed units are income eligible for affordable
15 housing units and that the rentals for each claimed unit are in compliance with the provisions of
16 sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit the records and
17 accounts of the owner to verify such certification;

18 (3) In the case of owner-occupied affordable housing units, the qualifying owner occupant
19 shall, before the end of the first year in which credits are claimed, certify to the commission that the
20 occupant is income eligible during the preceding two years, and at the time of the initial purchase
21 contract, but not thereafter. The qualifying owner occupant shall further certify to the commission,
22 before the end of the first year in which credits are claimed, that during the compliance period
23 indicated in the land use restriction agreement, the cost of the affordable housing unit to the
24 occupant for the claimed unit can reasonably be projected to be in compliance with the provisions of
25 sections 32.100 to 32.125. Any succeeding owner occupant acquiring the affordable housing unit
26 during the compliance period indicated in the land use restriction agreement shall make the same
27 certification;

28 (4) If at any time during the compliance period the commission determines a project for
29 which a proposal has been approved is not in compliance with the applicable provisions of sections
30 32.100 to 32.125 or rules promulgated therefor, the commission may within one hundred fifty days
31 of notice to the owner either seek injunctive enforcement action against the owner, or seek legal
32 damages against the owner representing the value of the tax credits, or foreclose on the lien in the
33 land use restriction agreement, selling the project at a public sale, and paying to the owner the
34 proceeds of the sale, less the costs of the sale and less the value of all tax credits allowed herein.
35 The commission shall remit to the director of revenue the portion of the legal damages collected or
36 the sale proceeds representing the value of the tax credits. However, except in the event of
37 intentional fraud by the taxpayer, the proposal's certificate of eligibility for tax credits shall not be
38 revoked.

1 4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall not
2 exceed fifty-five percent of the total amount contributed to a neighborhood organization by business
3 firms. Any tax credit not used in the period for which the credit was approved may be carried over
4 the next ten succeeding calendar or fiscal years until the full credit has been allowed. The total
5 amount of tax credit granted for programs approved pursuant to section 32.112 shall not exceed one
6 million dollars for each fiscal year. In the event the total amount of tax credits granted for programs
7 approved under section 32.111 for the fiscal year is less than ten million dollars, such amount may
8 be granted for programs approved under section 32.112 such that the combined amount awarded
9 under sections 32.111 and 32.112 annually does not exceed eleven million dollars.

10 5. The total amount of tax credits used for market rate housing in distressed communities
11 pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all tax
12 credits authorized pursuant to sections 32.111 and 32.112."; and

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