

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

**Offered By**

1 AMEND Senate Substitute for Senate Bill No. 59, Page 1, Section A, Line 3, by inserting after all of  
2 said section and line the following:

3  
4 "32.115. 1. The department of revenue shall grant a tax credit, to be applied in the  
5 following order until used, against:

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

14 2. For proposals approved pursuant to section 32.110:

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

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

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

- 27 (a) An area that is not part of a standard metropolitan statistical area;  
28 (b) A standard metropolitan statistical area but such county has only one city, town or  
29 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.

3  
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 issued for programs  
7 approved under section 32.111 for the fiscal year is less than ten million dollars, such amounts of the  
8 remaining credits may be issued for programs approved under section 32.112 such that the  
9 combined amount awarded under sections 32.111 and 32.112 annually does not exceed eleven  
10 million dollars.

11           5. The total amount of tax credits used for market rate housing in distressed communities  
12 pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all tax  
13 credits authorized pursuant to sections 32.111 and 32.112."; and  
14

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