

AMENDMENTS TO LB217

(Amendments to Standing Committee amendments, AM634)

Introduced by Harr, 8.

1           1. Insert the following new sections:

2           Sec. 9. Section 77-2503, Revised Statutes Cumulative Supplement,  
3   2016, is amended to read:

4           77-2503 (1) An owner of an affordable housing project seeking a  
5   Nebraska affordable housing tax credit shall file an application with the  
6   authority on a form prescribed by the authority. A qualified taxpayer  
7   shall be allowed a nonrefundable tax credit if the authority determines  
8   that the project for which tax credits are sought is a qualified project.

9           (2) If the requirements of subsection (1) of this section are met,  
10   the authority shall issue an eligibility statement to the owner of such  
11   qualified project stating the amount of Nebraska affordable housing tax  
12   credits allocated to the qualified project. The amount of such tax  
13   credits shall be the amount of federal low-income housing tax credits  
14   available to such project, except as otherwise provided in subsection (4)  
15   of this section. Tax credits for each building in a qualified project  
16   shall be issued for the first six years of the credit period as defined  
17   in 26 U.S.C. 42(f)(1), except that any reduction in the credit allowable  
18   in the first year of the credit period due to the calculation in 26  
19   U.S.C. 42(f)(2) shall be allowable in the seventh year of the credit  
20   period. The authority shall only allocate tax credits to qualified  
21   projects that are placed in service after January 1, 2018.

22           (3) If the owner of the qualified project is (a) a partnership, (b)  
23   a limited liability company, or (c) a corporation having an election in  
24   effect under subchapter S of the Internal Revenue Code of 1986, as  
25   amended, the The Nebraska affordable housing tax credit shall be  
26   allocated among some or all of the partners, members, or shareholders of

1 the owner of the qualified project in any manner agreed to by such  
2 persons. A qualified taxpayer may transfer, sell, or assign all or part  
3 of his or her ownership interest, including his or her interest in the  
4 tax credits authorized in this section. For any tax year in which such an  
5 interest is transferred, sold, or assigned pursuant to this subsection,  
6 the transferor assignor shall notify the Department of Revenue of the  
7 transfer, sale, or assignment and provide the tax identification number  
8 of the new owner at least thirty days prior to the new owner claiming the  
9 tax credits. The notification shall be in the manner prescribed by the  
10 department file a written statement with his or her tax return specifying  
11 the amount of the credits assigned.

12 (4) The maximum amount of Nebraska affordable housing tax credits  
13 awarded to all qualified projects in any given allocation year shall be  
14 no more than one hundred percent of the total amount of federal low-  
15 income housing tax credits awarded by the authority in the same  
16 allocation year. Notwithstanding any other provision of the Affordable  
17 Housing Tax Credit Act, the authority is prohibited from awarding to a  
18 qualified project any combined amount of federal low-income housing tax  
19 credits and Nebraska affordable housing tax credits that is more than  
20 necessary to make the qualified project financially feasible.

21 (5) Any Nebraska affordable housing tax credits granted under this  
22 section may be used to offset any income taxes due under section 77-2715  
23 or 77-2734.02, any premium and related retaliatory taxes due under  
24 section 44-150 or 77-908, or any franchise taxes due under sections  
25 77-3801 to 77-3807.

26 (6) The tax credit shall not be used to reduce the tax liability of  
27 the qualified taxpayer to less than zero. Any tax credit claimed but not  
28 used in a taxable year may be carried forward.

29 Sec. 10. Section 77-2506, Revised Statutes Cumulative Supplement,  
30 2016, is amended to read:

31 77-2506 If a portion of any federal low-income housing tax credits

1 taken on a qualified project is required to be recaptured or is otherwise  
2 disallowed under 26 U.S.C. 42 during the 6-year period described in  
3 subsection (2) of section 77-2503, a portion of the Nebraska affordable  
4 housing tax credits with respect to such project shall also be recaptured  
5 from the qualified taxpayer who claimed such credits. The percentage of  
6 Nebraska affordable housing tax credits subject to recapture under this  
7 section shall be equal to the percentage of federal low-income housing  
8 tax credits subject to recapture or otherwise disallowed during such  
9 period. Any Nebraska affordable housing tax credits recaptured or  
10 disallowed under this section shall increase the tax liability of ~~be~~  
11 ~~considered income~~ to the qualified taxpayer who claimed the credits ~~in a~~  
12 ~~like amount, and such income shall be recognized by the qualified~~  
13 ~~taxpayer~~ in the year the Department of Revenue declares the tax credits  
14 to be disallowed or recaptured.

15 2. Renumber the remaining sections and correct internal references  
16 accordingly.

17 3. Correct the operative date and repealer sections so that the  
18 sections added by this amendment become operative three calendar months  
19 after the adjournment of this legislative session.