

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

March 19, 2018

Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

SB18-007 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend reengrossed bill, page 2, line 9, strike "(7)" and substitute "(3),
2 (4), and (7)".

3 Page 2, strike line 11 and substitute "**developments.** (3) If an owner of
4 a qualified development receiving an allocation of a credit is a
5 partnership, limited liability company, S corporation, or similar
6 pass-through entity, the owner may allocate the credit among its partners,
7 shareholders, members, or other constituent taxpayers in any manner
8 agreed to by such persons REGARDLESS OF WHETHER ANY SUCH PERSONS
9 ARE DEEMED A PARTNER FOR FEDERAL INCOME TAX PURPOSES. The owner
10 shall certify to the department the amount of credit allocated to each
11 PARTNER, SHAREHOLDER, MEMBER, OR OTHER constituent taxpayer. Each
12 PARTNER, SHAREHOLDER, MEMBER, OR OTHER constituent taxpayer ~~shall~~
13 ~~be~~ ADMITTED AS A PARTNER, SHAREHOLDER, MEMBER, OR OTHER
14 CONSTITUENT OF THE OWNER PRIOR TO THE FILING OF A TAX CREDIT
15 CLAIMING THE CREDIT IS allowed to claim such amount subject to any
16 restrictions set forth in this part 21.

17 (4) No credit shall be allocated pursuant to this part 21 unless the
18 qualified development is the subject of a recorded restrictive covenant
19 requiring the development to be maintained and operated as a qualified
20 development, and is in accordance with the accessibility and adaptability
21 requirements of the federal tax credits and Title VIII of the "Civil Rights
22 Act of 1968", as amended by the "Fair Housing Amendments Act of
23 1988", for a period of fifteen taxable years, or such longer period as may

1 be agreed to between the authority and the owner, beginning with the first
2 taxable year of the credit period UNLESS CORRECTED WITHIN THE TIME
3 PROVIDED BY SEC. 42(h)(6)(J) OF THE INTERNAL REVENUE CODE AS
4 APPLICABLE TO THE COVENANT DESCRIBED IN THIS SUBSECTION (4).
5 (7) During each calendar year of the ~~five-year~~ period".

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