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:

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

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

(4) No credit shall be allocated pursuant to this part 21 unless the qualified development is the subject of a recorded restrictive covenant requiring the development to be maintained and operated as a qualified development, and is in accordance with the accessibility and adaptability requirements of the federal tax credits and Title VIII of the "Civil Rights Act of 1968", as amended by the "Fair Housing Amendments Act of 1988", for a period of fifteen taxable years, or such longer period as may
be agreed to between the authority and the owner, beginning with the first taxable year of the credit period UNLESS CORRECTED WITHIN THE TIME PROVIDED BY SEC. 42(h)(6)(J) OF THE INTERNAL REVENUE CODE AS APPLICABLE TO THE COVENANT DESCRIBED IN THIS SUBSECTION (4).

(7) During each calendar year of the five-year period". 

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