

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend Senate Bill No. 247, Page 1, Section TITLE, Lines 2-3,

2 by striking "an income tax deduction for the sale of certain
3 employer securities" and inserting in lieu thereof the
4 following: "income taxes"; and

5 Further amend said bill and page, Section A, line 3, by
6 inserting after all of said line the following:

7 "32.115. 1. The department of revenue shall grant a
8 tax credit, to be applied in the following order until used,
9 against:

10 (1) The annual tax on gross premium receipts of
11 insurance companies in chapter 148;

12 (2) The tax on banks determined pursuant to
13 subdivision (2) of subsection 2 of section 148.030;

14 (3) The tax on banks determined in subdivision (1) of
15 subsection 2 of section 148.030;

16 (4) The tax on other financial institutions in chapter
17 148;

18 (5) The corporation franchise tax in chapter 147;

19 (6) The state income tax in chapter 143; and

20 (7) The annual tax on gross receipts of express
21 companies in chapter 153.

22 2. For proposals approved pursuant to section 32.110:

23 (1) The amount of the tax credit shall not exceed
24 fifty percent of the total amount contributed during the
25 taxable year by the business firm or, in the case of a
26 financial institution, where applicable, during the relevant

27 income period in programs approved pursuant to section
28 32.110;

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

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

42 (a) An area that is not part of a standard
43 metropolitan statistical area;

44 (b) A standard metropolitan statistical area but such
45 county has only one city, town or village which has more
46 than fifteen thousand inhabitants; or

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

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

56 (4) Such tax credit allocation, equal to seventy
57 percent of the total amount contributed, shall not exceed
58 four million dollars in fiscal year 1999 and six million
59 dollars in fiscal year 2000 and any subsequent fiscal year.

60 When the maximum dollar limit on the seventy percent tax
61 credit allocation is committed, the tax credit allocation
62 for such programs shall then be equal to fifty percent
63 credit of the total amount contributed. Regulations
64 establishing special program priorities are to be
65 promulgated during the first month of each fiscal year and
66 at such times during the year as the public interest
67 dictates. Such credit shall not exceed two hundred and
68 fifty thousand dollars annually except as provided in
69 subdivision (5) of this subsection. No tax credit shall be
70 approved for any bank, bank and trust company, insurance
71 company, trust company, national bank, savings association,
72 or building and loan association for activities that are a
73 part of its normal course of business. Any tax credit not
74 used in the period the contribution was made may be carried
75 over the next five succeeding calendar or fiscal years until
76 the full credit has been claimed. Except as otherwise
77 provided for proposals approved pursuant to section 32.111,
78 32.112 or 32.117, in no event shall the total amount of all
79 other tax credits allowed pursuant to sections 32.100 to
80 32.125 exceed thirty-two million dollars in any one fiscal
81 year, of which six million shall be credits allowed pursuant
82 to section 135.460. If six million dollars in credits are
83 not approved, then the remaining credits may be used for
84 programs approved pursuant to sections 32.100 to 32.125;

85 (5) The credit may exceed two hundred fifty thousand
86 dollars annually and shall not be limited if community
87 services, crime prevention, education, job training,
88 physical revitalization or economic development, as defined
89 by section 32.105, is rendered in an area defined by federal
90 or state law as an impoverished, economically distressed, or
91 blighted area or as a neighborhood experiencing problems
92 endangering its existence as a viable and stable

93 neighborhood, or if the community services, crime
94 prevention, education, job training, physical revitalization
95 or economic development is limited to impoverished persons.

96 3. For proposals approved pursuant to section 32.111:

97 (1) The amount of the tax credit shall not exceed
98 fifty-five percent of the total amount invested in
99 affordable housing assistance activities or market rate
100 housing in distressed communities as defined in section
101 135.530 by a business firm. Whenever such investment is
102 made in the form of an equity investment or a loan, as
103 opposed to a donation alone, tax credits may be claimed only
104 where the loan or equity investment is accompanied by a
105 donation which is eligible for federal income tax charitable
106 deduction, and where the total value of the tax credits
107 herein plus the value of the federal income tax charitable
108 deduction is less than or equal to the value of the
109 donation. Any tax credit not used in the period for which
110 the credit was approved may be carried over the next ten
111 succeeding calendar or fiscal years until the full credit
112 has been allowed. If the affordable housing units or market
113 rate housing units in distressed communities for which a tax
114 is claimed are within a larger structure, parts of which are
115 not the subject of a tax credit claim, then expenditures
116 applicable to the entire structure shall be reduced on a
117 prorated basis in proportion to the ratio of the number of
118 square feet devoted to the affordable housing units or
119 market rate housing units in distressed communities, for
120 purposes of determining the amount of the tax credit. The
121 total amount of tax credit granted for programs approved
122 pursuant to section 32.111 for the fiscal year beginning
123 July 1, 1991, shall not exceed two million dollars, to be
124 increased by no more than two million dollars each

125 succeeding fiscal year, until the total tax credits that may
126 be approved reaches ten million dollars in any fiscal year;

127 (2) For any year during the compliance period
128 indicated in the land use restriction agreement, the owner
129 of the affordable housing rental units for which a credit is
130 being claimed shall certify to the commission that all
131 tenants renting claimed units are income eligible for
132 affordable housing units and that the rentals for each
133 claimed unit are in compliance with the provisions of
134 sections 32.100 to 32.125. The commission is authorized, in
135 its discretion, to audit the records and accounts of the
136 owner to verify such certification;

137 (3) In the case of owner-occupied affordable housing
138 units, the qualifying owner occupant shall, before the end
139 of the first year in which credits are claimed, certify to
140 the commission that the occupant is income eligible during
141 the preceding two years, and at the time of the initial
142 purchase contract, but not thereafter. The qualifying owner
143 occupant shall further certify to the commission, before the
144 end of the first year in which credits are claimed, that
145 during the compliance period indicated in the land use
146 restriction agreement, the cost of the affordable housing
147 unit to the occupant for the claimed unit can reasonably be
148 projected to be in compliance with the provisions of
149 sections 32.100 to 32.125. Any succeeding owner occupant
150 acquiring the affordable housing unit during the compliance
151 period indicated in the land use restriction agreement shall
152 make the same certification;

153 (4) If at any time during the compliance period the
154 commission determines a project for which a proposal has
155 been approved is not in compliance with the applicable
156 provisions of sections 32.100 to 32.125 or rules promulgated
157 therefor, the commission may within one hundred fifty days

158 of notice to the owner either seek injunctive enforcement
159 action against the owner, or seek legal damages against the
160 owner representing the value of the tax credits, or
161 foreclose on the lien in the land use restriction agreement,
162 selling the project at a public sale, and paying to the
163 owner the proceeds of the sale, less the costs of the sale
164 and less the value of all tax credits allowed herein. The
165 commission shall remit to the director of revenue the
166 portion of the legal damages collected or the sale proceeds
167 representing the value of the tax credits. However, except
168 in the event of intentional fraud by the taxpayer, the
169 proposal's certificate of eligibility for tax credits shall
170 not be revoked.

171 4. For proposals approved pursuant to section 32.112,
172 the amount of the tax credit shall not exceed fifty-five
173 percent of the total amount contributed to a neighborhood
174 organization by business firms. Any tax credit not used in
175 the period for which the credit was approved may be carried
176 over the next ten succeeding calendar or fiscal years until
177 the full credit has been allowed. The total amount of tax
178 credit granted for programs approved pursuant to section
179 32.112 shall not exceed one million dollars for each fiscal
180 year. For any fiscal year in which the total amount of tax
181 credits authorized for programs approved pursuant to section
182 32.111 is less than ten million dollars, such amount not
183 authorized may be authorized for programs approved pursuant
184 to section 32.112 during the same fiscal year, provided that
185 the total combined amount of tax credits for programs
186 approved pursuant to sections 32.111 and 32.112 during the
187 fiscal year does not exceed eleven million dollars.

188 5. The total amount of tax credits used for market
189 rate housing in distressed communities pursuant to sections
190 32.100 to 32.125 shall not exceed thirty percent of the

191 total amount of all tax credits authorized pursuant to
192 sections 32.111 and 32.112."; and
193 Further amend the title and enacting clause accordingly.