

# SENATE AMENDMENT NO. \_\_\_\_\_

Offered by \_\_\_\_\_ of \_\_\_\_\_

Amend SS/SCS/Senate Bill No. 131, Page 1, Section A, Line 3,

2 by inserting after all of said line the following:

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

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

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

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

12 (4) The tax on other financial institutions in chapter  
13 148;

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

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

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

18 2. For proposals approved pursuant to section 32.110:

19 (1) The amount of the tax credit shall not exceed  
20 fifty percent of the total amount contributed during the  
21 taxable year by the business firm or, in the case of a  
22 financial institution, where applicable, during the relevant  
23 income period in programs approved pursuant to section  
24 32.110;

25 (2) Except as provided in subsection 2 or 5 of this  
26 section, a tax credit of up to seventy percent may be

27 allowed for contributions to programs where activities fall  
28 within the scope of special program priorities as defined  
29 with the approval of the governor in regulations promulgated  
30 by the director of the department of economic development;

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

38 (a) An area that is not part of a standard  
39 metropolitan statistical area;

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

43 (c) A standard metropolitan statistical area and a  
44 substantial number of persons in such county derive their  
45 income from agriculture.

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

52 (4) Such tax credit allocation, equal to seventy  
53 percent of the total amount contributed, shall not exceed  
54 four million dollars in fiscal year 1999 and six million  
55 dollars in fiscal year 2000 and any subsequent fiscal year.  
56 When the maximum dollar limit on the seventy percent tax  
57 credit allocation is committed, the tax credit allocation  
58 for such programs shall then be equal to fifty percent  
59 credit of the total amount contributed. Regulations

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

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

92 3. For proposals approved pursuant to section 32.111:

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

123           (2) For any year during the compliance period  
124 indicated in the land use restriction agreement, the owner  
125 of the affordable housing rental units for which a credit is

126 being claimed shall certify to the commission that all  
127 tenants renting claimed units are income eligible for  
128 affordable housing units and that the rentals for each  
129 claimed unit are in compliance with the provisions of  
130 sections 32.100 to 32.125. The commission is authorized, in  
131 its discretion, to audit the records and accounts of the  
132 owner to verify such certification;

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

149 (4) If at any time during the compliance period the  
150 commission determines a project for which a proposal has  
151 been approved is not in compliance with the applicable  
152 provisions of sections 32.100 to 32.125 or rules promulgated  
153 therefor, the commission may within one hundred fifty days  
154 of notice to the owner either seek injunctive enforcement  
155 action against the owner, or seek legal damages against the  
156 owner representing the value of the tax credits, or  
157 foreclose on the lien in the land use restriction agreement,  
158 selling the project at a public sale, and paying to the

159 owner the proceeds of the sale, less the costs of the sale  
160 and less the value of all tax credits allowed herein. The  
161 commission shall remit to the director of revenue the  
162 portion of the legal damages collected or the sale proceeds  
163 representing the value of the tax credits. However, except  
164 in the event of intentional fraud by the taxpayer, the  
165 proposal's certificate of eligibility for tax credits shall  
166 not be revoked.

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

184 5. The total amount of tax credits used for market  
185 rate housing in distressed communities pursuant to sections  
186 32.100 to 32.125 shall not exceed thirty percent of the  
187 total amount of all tax credits authorized pursuant to  
188 sections 32.111 and 32.112."; and

189 Further amend the title and enacting clause accordingly.