

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend SS#3/HCS/House Bill No. 268, Page 1, Section A, Line 7,

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.