HB 705 -- Low-Income Housing Tax Credits

Sponsor: Curls

Beginning January 1, 2012, this bill reduces the period of time low-income housing tax credits are allowed to be distributed from a 10-year period to a five-year period, limits the total amount of low-income tax credits issued annually to no more than $16 million, changes the provisions for unused credits by reducing the carry-back period from three to one year and the carry-forward period from five to two years, and limits the transfer of the credit to another entity to only one transfer during the five-year period. The owner of the qualified project must set aside a reserve of $500 per unit in addition to the reserves required by the Missouri Housing Development Commission. The reserves can only be used for capital improvements and property tax payments above those budgeted on the qualified project beyond their 10 years. A not-for-profit organization that becomes the owner of the property and elects to continue the property as low-income housing serving individuals at or below 60% of the median income is not required to maintain a reserve and may use the funds for capital improvements of the project. The commission is required to prepare and deliver a report including the amount of tax credits that have been awarded during the year with their geographic designation by county, the redeemed amount, the issued amount, and the outstanding amount by January 31 each year to the Governor and General Assembly. The report must also be posted on the commission’s web site.