

HB 1588 -- BLIGHTED PROPERTY PURCHASE TAX CREDIT

SPONSOR: Washington

This bill authorizes a \$5,000 tax credit for purchasing blighted homes. To be eligible, a tax payer must be a first-time home buyer, agree to use the property as a single family household and as a primary residence for at least two years unless that agreement is deemed to be a hardship by the local land clearance for redevelopment authority, have purchased the property within one year prior to or six months following the application date, and have an income below the amount required to qualify for affordable housing assistance. The taxpayer shall apply to the local authority for the credit, which may prescribe rules for application for the credit and require evidence that the eligibility requirements have been met. For the property to be eligible for the credit it must be eligible for a tax abatement certificate and have had an abatement application submitted. The property must also have been vacant for six months prior to purchase, be blighted, and be likely to meet the definition of an affordable housing unit during the requisite two year residency period. The tax credit is not assignable, refundable, or transferable but may be carried back to any of the taxpayer's three prior taxable years or carried forward to any of the taxpayer's five subsequent taxable years. Accountability provisions are included for taxpayers that fail to use the property as an owner-occupied principal residence for two years without approval from the authority.

The bill will sunset six years from its effective date.

This bill is the same as HB 178 (2019).