

HB 2852 STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

Prepared By: Cassandra Soucy, LPRO Analyst
Sub-Referral To: Joint Committee On Tax Credits
Meeting Dates: 2/21

WHAT THE MEASURE DOES:

Extends sunset date for affordable housing lenders tax credit to January 1, 2026. Increases total amount of tax credits allowed for all taxpayers per fiscal year to \$34 million. Effective 91 days following sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:

The purpose of the affordable housing lender's credit is to encourage the construction and rehabilitation of rental housing for lower-income households. In 2008, 21 corporation taxpayers claimed a total of \$7.1 million in affordable housing tax credits. Eighteen of these corporations were able to reduce their tax liability by a total of \$1.9 million, an average tax reduction of roughly \$106,000 per beneficiary. The affordable housing lender's credit has a program cap on \$17 million.

House Bill 2070 extends the sunset date for the affordable housing lenders' tax credit till 2026. Additionally, the bill increases the total amount of tax credits allowed for taxpayers per fiscal year to \$34 million