

HB 2374 -4, -5 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 3/4

WHAT THE MEASURE DOES:

Creates income tax credit equal to fifty percent of eligible costs, available to taxpayers that newly construct single-family residential dwelling units located in this state that are sold for a qualified price to a qualified purchaser. Defines terms. Limits resell of property within eleven years of original purchase date to qualified purchasers and at limited price. Allows unused credits to be carried forward for up to three years. Places an annual limit on credits allowed to all taxpayers equal to \$10 million. Allows tax-exempt entities to transfer credit. Requires taxpayer to obtain certificate of eligibility from Housing and Community Services Department. Repeals provisions on January 2, 2029. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-4 Reduces overall annual limit on credits to \$5 million. Repeals credit provisions on January 2, 2025. Specifies credit becomes operative on January 1, 2020.

-5 Requires at least 35 percent of the value of all credits allowed in tax year to be for eligible costs incurred for eligible residential property located in counties with a population of less than 125,000.

BACKGROUND: