

HB 2664 STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

Action Date: 03/04/19

Action: Do pass and be referred to Revenue by prior reference

Vote: 9-0-0-0

Yeas: 9 - Helt, Keny-Guyer, Meek, Mitchell, Noble, Sanchez, Schouten, Williams, Zika

Fiscal: No fiscal impact

Revenue: Revenue impact issued

Prepared By: Amie FenderSosa, LPRO Analyst

Meeting Dates: 2/25, 3/4

WHAT THE MEASURE DOES:

Extends sunset on tax credit for closure of manufactured dwelling park and for exemption from taxes on capital gains from sale of manufactured dwelling park to certain entities, from 2020 to 2026. Effective 91st day following adjournment *sine die*.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

House Bill 2664 maintains two tax benefits related to the sale of manufactured dwelling parks that are scheduled to expire in 2020: the tax credit available to manufactured home owners forced to move due to park closure, and the exemption from taxes on capital gains available to park owners who sell to residents or nonprofit entities.

The tax credit for closure of a manufactured dwelling park was created in 2007. It is a \$5,000 refundable tax credit available to owners of manufactured homes as a principal residence in a park that is closed and the rental agreement terminated due to an exercise of eminent domain.

The tax exemption for capital gains on the sale of a manufactured home park was created in 2005 to assist with the preservation of affordable home park communities. It provides an incentive for park owners to sell to residents or nonprofit entities that are less likely to close the park or institute substantial rent increases.

House Bill 2664 extends both sunsets on the tax credit for closure of a manufactured dwelling park and on the exemption from taxes on capital gains from the sale of a manufactured dwelling park to certain entities, until 2026.