

STATE OF NEW YORK

9875

IN ASSEMBLY

February 15, 2018

Introduced by M. of A. FITZPATRICK, FINCH, RA, MONTESANO -- Multi-Sponsored by -- M. of A. BARCLAY, CROUCH, CURRAN, GIGLIO, GOODELL, KOLB, McDONOUGH, RAIA, THIELE -- read once and referred to the Committee on Housing

AN ACT to amend the public housing law, in relation to expanding the New York state low income housing tax credit program to certain one to four family residences

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivisions 6 and 7 of section 21 of the public housing
2 law, as added by section 1 of part CC of chapter 63 of the laws of 2000,
3 are amended and four new subdivisions 8, 9, 10 and 11 are added to read
4 as follows:

5 6. "Qualified basis" of an eligible low-income building means the
6 qualified basis of such building determined under section 42(c) of the
7 internal revenue code, or which would be determined under such section
8 if the 40-90 test specified in paragraph (b) of subdivision five of this
9 section applied under such section 42 to determine if such building were
10 part of a qualified low-income housing project or in the case of a qual-
11 ified residence, means its adjusted basis (excluding land) immediately
12 before the sale of such residence.

13 7. References in this article to [~~section~~] sections 5, 42 and 143 of
14 the internal revenue code shall mean such section as amended from time
15 to time.

16 8. "Qualified residence" means any residence

17 (a) which is located:

18 (i) in a census tract in which seventy percent of the families have a
19 median gross income that is less than ninety percent of the greater of
20 area or statewide median gross income,

21 (ii) in a rural area (defined under section 520 of the federal housing
22 act of 1949),

23 (iii) on a reservation for a federally recognized Indian tribe, or

24 (iv) in an area of chronic economic distress, as defined by section
25 143 of the internal revenue code; and

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[~~-~~] is old law to be omitted.

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1 (b) which is purchased by a qualified buyer.

2 9. "Residence" means

3 (a) a single-family home containing one to four housing units, or

4 (b) a condominium unit, or stock in a cooperative housing corporation.

5 10. "Qualified buyer" means a person or persons of low or moderate
6 income as defined in subdivision fourteen of section twenty-four hundred
7 two of the public authorities law.

8 11. "Substantially rehabilitates" means rehabilitation expenditures
9 paid or incurred with respect to a qualified residence that are at least
10 fifteen thousand dollars.

11 § 2. Subdivisions 1, 2, 3 and 5 of section 22 of the public housing
12 law, as added by section 1 of part CC of chapter 63 of the laws of 2000,
13 are amended to read as follows:

14 1. A taxpayer subject to tax under article nine-A, twenty-two, thir-
15 ty-two or thirty-three of the tax law which owns an interest in one or
16 more eligible low-income buildings or who substantially rehabilitates or
17 constructs a qualified residence shall be allowed a credit against such
18 tax for the amount of low-income housing credit allocated by the commis-
19 sioner to each such building. Except as provided in subdivision two of
20 this section, the credit amount so allocated shall be allowed as a cred-
21 it against the tax for the ten taxable years in the credit period.

22 2. Adjustment of first-year credit allowed in eleventh year. The cred-
23 it allowable for the first taxable year of the credit period with
24 respect to any building or qualified residence shall be adjusted using
25 the rules of section 42(f)(2) of the internal revenue code (relating to
26 first-year adjustment of qualified basis by the weighted average of
27 low-income to total residential units), and any reduction in first-year
28 credit by reason of such adjustment shall be allowable for the first
29 taxable year following the credit period.

30 3. Amount of credit. Except as provided in subdivisions four and five
31 of this section, the amount of low-income housing credit shall be the
32 applicable percentage of the qualified basis of each eligible low-income
33 building or qualified residence.

34 5. Building limitation. The dollar amount of credit allocated to any
35 building shall not exceed the amount the commissioner determines is
36 necessary for the financial feasibility of the project and the viability
37 of the building as an eligible low-income building or as a qualified
38 residence throughout the credit period. In allocating a dollar amount of
39 credit to any building, the commissioner shall specify the applicable
40 percentage and the maximum qualified basis which may be taken into
41 account under this article with respect to such building. The applicable
42 percentage and the maximum qualified basis with respect to a building
43 shall not exceed the amounts determined in subdivisions one and six,
44 respectively, of section twenty-one of this article.

45 § 3. Subdivision 4 of section 22 of the public housing law, as amended
46 by section 2 of part H of chapter 60 of the laws of 2016, is amended to
47 read as follows:

48 4. Statewide limitation. The aggregate dollar amount of credit which
49 the commissioner may allocate to eligible low-income buildings under
50 this article shall be eighty million dollars. The aggregate dollar
51 amount of credit which the commissioner may allocate to eligible quali-
52 fied residents shall be six million dollars. The limitation provided by
53 this subdivision applies only to allocation of the aggregate dollar
54 amount of credit by the commissioner, and does not apply to allowance to
55 a taxpayer of the credit with respect to an eligible low-income building
56 for each year of the credit period.

§ 3-a. Subdivision 4 of section 22 of the public housing law, as amended by section 3 of part H of chapter 60 of the laws of 2016, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be eighty-eight million dollars. The aggregate dollar amount of credit which the commissioner may allocate to eligible qualified residents shall be six million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

§ 3-b. Subdivision 4 of section 22 of the public housing law, as amended by section 4 of part H of chapter 60 of the laws of 2016, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be ninety-six million dollars. The aggregate dollar amount of credit which the commissioner may allocate to eligible qualified residents shall be six million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

§ 3-c. Subdivision 4 of section 22 of the public housing law, as amended by section 5 of part H of chapter 60 of the laws of 2016, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be one hundred four million dollars. The aggregate dollar amount of credit which the commissioner may allocate to eligible qualified residents shall be six million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

§ 4. Section 23 of the public housing law, as added by section 1 of part CC of chapter 63 of the laws of 2000, is amended to read as follows:

§ 23. Project monitoring. The commissioner shall establish such procedures as he deems necessary for monitoring compliance of an eligible low-income building or qualified residence with the provisions of this article, and for notifying the commissioner of taxation and finance of any such noncompliance of which he becomes aware.

§ 5. This act shall take effect immediately; provided, however, that:

a. section three-a of this act shall take effect on the same date and in the same manner as section 3 of part H of chapter 60 of the laws of 2016 takes effect;

b. section three-b of this act shall take effect on the same date and in the same manner as section 4 of part H of chapter 60 of the laws of 2016 takes effect; and

c. section three-c of this act shall take effect on the same date and in the same manner as section 5 of part H of chapter 60 of the laws of 2016 takes effect.