S T A T E O F N E W Y O R K

1700

2009-2010 Regular Sessions

I N A S S E M B L Y

January 9, 2009

Introduced by M. of A. ENGLEBRIGHT -- read once and referred to the Committee on Housing

AN ACT to amend the public housing law, in relation to establishing the downtown revitalization zone rental housing credit

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The public housing law is amended by adding a new article 14 to read as follows:

ARTICLE XIV
DOWNTOWN REVITALIZATION
RENTAL HOUSING CREDIT

SECTION 600. PURPOSE AND INTENT.
601. ADMINISTRATION.
602. ALLOWANCE OF CREDIT.
603. DETERMINATION OF RENTAL HOUSING CREDIT.

S 600. PURPOSE AND INTENT. RENTAL HOUSING TAX CREDITS ARE HEREBY CREATED. THE PURPOSE OF THE TAX CREDITS IS TO ENCOURAGE THE CONSTRUCTION AND REHABILITATION OF RENTAL HOUSING IN DOWNTOWN REVITALIZATION ZONES IN THE STATE. THE DEMAND FOR TAX CREDIT BY STATE PROJECTS EXCEEDS THE CURRENT FEDERAL CAP FOR SUCH PROJECTS. IT IS, THEREFORE, THE INTENT OF THE LEGISLATURE THAT THIS ARTICLE COORDINATE WITH AND BUILD UPON THE FEDERAL LOW-INCOME HOUSING CREDIT AND THAT THE EXISTING STATE ADMINISTRATIVE STRUCTURE IN PLACE FOR SERVICING THE FEDERAL CREDIT BE USED TO ALLOW THE FEDERAL CREDIT TO BE LEVERAGED TO PRODUCE MORE RENTAL HOUSING IN THE STATE. THE STATE CREDIT IS INTENDED TO ALSO ALLOW FOR THE CONSTRUCTION OF MODERATE INCOME HOUSING NOT COVERED BY THE FEDERAL CREDIT.

S 601. ADMINISTRATION. THE TAX CREDITS SHALL BE ADMINISTERED BY THE DIVISION OF HOUSING AND COMMUNITY RENEWAL AND SHALL UTILIZE THE EXISTING STATE ADMINISTRATIVE STRUCTURE UTILIZED TO DETERMINE THE FEDERAL TAX

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

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CREDIT, TO THE EXTENT FEASIBLE PURSUANT TO SUBDIVISION ONE OF SECTION SIX HUNDRED TWO OF THIS ARTICLE.

S 602. ALLOWANCE OF CREDIT. 1. TAX CREDITS SHALL BE ALLOWED FOR THE CONSTRUCTION OF RENT-RESTRICTED HOUSING IN DOWNTOWN REVITALIZATION ZONES WHICH QUALIFY FOR THE FEDERAL TAX CREDIT, OR WHICH QUALIFY IN ALL RESPECTS FOR THE FEDERAL TAX CREDIT WITH THE EXCEPTION OF THE TENANT INCOME TEST.

2. THE TAX CREDITS SHALL APPLY TO PROJECTS WHERE AT LEAST TWENTY PERCENT OF THE RESIDENTIAL UNITS OF A PROJECT ARE OCCUPIED BY TENANTS WHOSE INCOME IS NINETY PERCENT OR LESS OF AREA MEDIAN GROSS INCOME.

3. THE TAX CREDITS SHALL BE ALLOWED AS A CREDIT AGAINST THE TAXES IMPOSED BY:

(A) ARTICLE NINE-A OF THE TAX LAW, FRANCHISE TAX ON BUSINESS CORPORATIONS;

(B) ARTICLE TWENTY-TWO OF THE TAX LAW, PERSONAL INCOME TAX;

(C) ARTICLE THIRTY-TWO OF THE TAX LAW, FRANCHISE TAX ON BANKING CORPORATIONS; AND

(D) ARTICLE THIRTY-THREE OF THE TAX LAW, FRANCHISE TAXES ON INSURANCE CORPORATIONS.

S 603. DETERMINATION OF RENTAL HOUSING CREDIT. 1. THE TAX CREDITS GRANTED PURSUANT TO THIS ARTICLE SHALL BE DETERMINED BY AN APPLICABLE PERCENTAGE BASED ON PREVAILING INTEREST RATES AND PROJECT CONSTRUCTION COST, AND IS INTENDED TO YIELD A CREDIT AMOUNT OVER TEN YEARS APPROXIMATING SEVENTY PERCENT OF THE PRESENT VALUE OF THE COST OF A PROJECT'S RENTAL UNITS.

2. SUCH TAX CREDITS SHALL NOT EXCEED THE AMOUNT DEEMED BY THE COMMISSIONER TO BE NECESSARY FOR PROJECT FEASIBILITY.

S 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law and shall apply to taxable years commencing on or after such effective date.