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

757

2011-2012 Regular Sessions

I N S E N A T E

(PREFILED)

January 5, 2011

Introduced by Sen. YOUNG -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

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:

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

6. "Qualified basis" of an eligible low-income building means the qualified basis of such building determined under section 42(c) of the internal revenue code, or which would be determined under such section if the 40-90 test specified in paragraph (b) of subdivision five of this section applied under such section 42 to determine if such building were part of a qualified low-income housing project OR IN THE CASE OF A QUALIFIED RESIDENCE, MEANS ITS ADJUSTED BASIS (EXCLUDING LAND) IMMEDIATELY BEFORE THE SALE OF SUCH RESIDENCE.

7. References in this article to [section] SECTIONS 5, 42 AND 143 of the internal revenue code shall mean such section as amended from time to time.

8. "QUALIFIED RESIDENCE" MEANS ANY RESIDENCE

(A) WHICH IS LOCATED:

(I) IN A CENSUS TRACT WHICH HAS A MEDIAN GROSS INCOME WHICH DOES NOT EXCEED EIGHTY PERCENT OF THE GREATER OF AREA OR STATEWIDE MEDIAN GROSS INCOME, AS DETERMINED BY SECTION 143 OF THE INTERNAL REVENUE CODE,

(II) IN A RURAL AREA (DEFINED UNDER SECTION 520 OF THE FEDERAL HOUSING ACT OF 1949),

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

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(III) ON A RESERVATION FOR A FEDERALLY RECOGNIZED INDIAN TRIBE, OR
(IV) IN AN AREA OF CHRONIC ECONOMIC DISTRESS, AS DEFINED BY SECTION 143 OF THE INTERNAL REVENUE CODE; AND
(B) WHICH IS PURCHASED BY A QUALIFIED BUYER.
9. "RESIDENCE" MEANS
(A) A SINGLE-FAMILY HOME CONTAINING ONE TO FOUR HOUSING UNITS, OR
(B) A CONDOMINIUM UNIT OR STOCK IN A COOPERATIVE HOUSING CORPORATION.
10. "QUALIFIED BUYER" MEANS A PERSON OR PERSONS OF LOW OR MODERATE INCOME AS DEFINED IN SUBDIVISION FOURTEEN OF SECTION TWENTY-FOUR HUNDRED TWO OF THE PUBLIC AUTHORITIES LAW.
11. "SUBSTANTIALLY REHABILITATES" MEANS REHABILITATION EXPENDITURES PAID OR INCURRED WITH RESPECT TO A QUALIFIED RESIDENCE THAT ARE AT LEAST FIFTEEN THOUSAND DOLLARS.
S 2. Subdivisions 1, 2, 3, 4 and 5 of section 22 of the public housing law, subdivisions 1, 2, 3 and 5 as added by section 1 of part CC of chapter 63 of the laws of 2000 and subdivision 4 as amended by section 1 of part P of chapter 57 of the laws of 2010, are amended to read as follows:
1. A taxpayer subject to tax under article nine-A, twenty-two, thirty-two or thirty-three of the tax law which owns an interest in one or more eligible low-income buildings OR WHO SUBSTANTIALLY REHABILITATES OR CONSTRUCTS A QUALIFIED RESIDENCE shall be allowed a credit against such tax for the amount of low-income housing credit allocated by the commissioner to each such building. Except as provided in subdivision two of this section, the credit amount so allocated shall be allowed as a credit against the tax for the ten taxable years in the credit period.
2. Adjustment of first-year credit allowed in eleventh year. The credit allowable for the first taxable year of the credit period with respect to any building OR QUALIFIED RESIDENCE shall be adjusted using the rules of section 42(f)(2) of the internal revenue code (relating to first-year adjustment of qualified basis by the weighted average of low-income to total residential units), and any reduction in first-year credit by reason of such adjustment shall be allowable for the first taxable year following the credit period.
3. Amount of credit. Except as provided in subdivisions four and five of this section, the amount of low-income housing credit shall be the applicable percentage of the qualified basis of each eligible low-income building OR QUALIFIED RESIDENCE.
4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be twenty-eight million dollars. THE AGGREGATE DOLLAR AMOUNT OF CREDIT WHICH THE COMMISSIONER MAY ALLOCATE TO A QUALIFIED RESIDENCE SHALL BE EIGHT 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 OR A QUALIFIED RESIDENCE for each year of the credit period.
5. Building limitation. The dollar amount of credit allocated to any building shall not exceed the amount the commissioner determines is necessary for the financial feasibility of the project and the viability of the building as an eligible low-income building OR AS A QUALIFIED RESIDENCE throughout the credit period. In allocating a dollar amount of credit to any building, the commissioner shall specify the applicable percentage and the maximum qualified basis which may be taken into account under this article with respect to such building. The applicable percentage and the maximum qualified basis with respect to a building

shall not exceed the amounts determined in subdivisions one and six, respectively, of section twenty-one of this article.

S 3. 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:

S 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.

S 4. This act shall take effect immediately.