

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	HB 1264
Version:	INT
Request Number:	7565
Author:	Rep. Hilbert
Date:	2/4/2019
Impact:	Tax Commission Analysis: Revenue Increases Beginning in FY-26

Research Analysis

HB1264, as introduced, expands eligibility for the Oklahoma Affordable Housing Tax Credit by removing the population qualifier for what is considered a *qualified project*. Currently, the tax credit is only available for projects located in a county with population of less than 150,000.

The measure also decrease, from 10 to 5 years, the *credit period* for qualified project placed in service after the effective date of the act, which is currently stated as November 1, 2019.

Prepared By: Quyen Do

Fiscal Analysis

As provided by the Tax Commission:

HB 1264 amends the Oklahoma Affordable Housing Tax Credit (68 O.S. § 2357.403) by reducing the "credit period" from a period of ten (10) taxable years (for projects placed in service before November 1, 2019) to five (5) taxable years for projects placed in service after November 1, 2019. This measure also eliminates the population restriction¹ in the definition of "qualified project".

Reducing the credit period from ten (10) years to five (5) years would result in a projected revenue increase of \$4 million in 2025. Changes to withholding or estimated tax are not expected; therefore a projected revenue increase of \$4 million should occur in FY26 when the 2025 income tax returns are filed and an additional \$4 million in each FY thereafter. The full impact of this proposed legislation will be in FY30 with a projected revenue increase of \$20 million.

No additional impact on tax collections is anticipated as a result of the elimination of the population restriction due to the cap of \$4.0 million per allocation year.

¹ A qualified project must be located in a county with a population of less than one hundred fifty thousand (150,000) according to the latest Federal Decennial Census.

² http://www.novoco.com/low_income_housing/lihtc/federal_lihtc.php

Prepared By: Mark Tygret

Other Considerations

None.

