

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 SENATE BILL 923

By: Nice

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5
6 AS INTRODUCED

7 An Act relating to revenue and taxation; amending 68
8 O.S. 2021, Section 2357.403, as last amended by
9 Section 1, Chapter 66, O.S.L. 2024 (68 O.S. Supp.
10 2024, Section 2357.403), which relates to affordable
11 housing tax credits; defining terms; expanding
12 requirement for certain eligible qualifying projects
13 placed in service after certain date; adjusting
14 annual cap; making tax credit nonrefundable; and
15 providing an effective date.

16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

17 SECTION 1. AMENDATORY 68 O.S. 2021, Section 2357.403, as
18 last amended by Section 1, Chapter 66, O.S.L. 2024 (68 O.S. Supp.
19 2024, Section 2357.403), is amended to read as follows:

20 Section 2357.403. A. This act shall be known and may be cited
21 as the "Oklahoma Affordable Housing Act".

22 B. As used in this section:

23 1. "Allocation year" means the year for which the Oklahoma
24 Housing Finance Agency allocates credits pursuant to this section;

25 2. "Eligibility statement" means a statement authorized and
26 issued by the Oklahoma Housing Finance Agency certifying that a

1 given project qualifies for the Oklahoma Affordable Housing Tax
2 Credit authorized by this section. The Oklahoma Housing Finance
3 Agency, under Title 330, Oklahoma Housing Finance Agency, Chapter
4 36, Affordable Housing Tax Credit Program Rules, shall promulgate
5 rules establishing criteria upon which the eligibility statements
6 will be issued. The eligibility statement shall specify the amount
7 of Oklahoma Affordable Housing Tax Credits allocated to a qualified
8 project. The Oklahoma Housing Finance Agency shall only authorize
9 the tax credits created by this section to qualified projects which
10 are placed in service after July 1, 2015, but which shall not be
11 used to reduce tax liability accruing prior to January 1, 2016. For
12 qualifying projects placed in service after January 1, 2026, the
13 Oklahoma Housing Finance Authority shall only authorize the tax
14 credits created by this section to low-income buildings that meet
15 the definition of workforce housing;

16 3. "Federal low-income housing tax credit" means the federal
17 tax credit as provided in Section 42 of the Internal Revenue Code of
18 1986, as amended;

19 4. "Oklahoma Affordable Housing Tax Credit" means the tax
20 credit created by this section;

21 5. "Qualified project" means a qualified low-income building as
22 that term is defined in Section 42 of the Internal Revenue Code of
23 1986, as amended; ~~and~~

1 6. "Taxpayer" means a person, firm or corporation subject to
2 the tax imposed by Section 2355 of this title or an insurance
3 company subject to the tax imposed by Section 624 or 628 of Title 36
4 of the Oklahoma Statutes or other financial institution subject to
5 the tax imposed by Section 2370 of this title; and

6 7. "Workforce housing" means housing occupied or reserved for
7 occupancy by households with a gross household income between sixty
8 percent (60%) and one hundred twenty percent (120%) of the median
9 gross income for households of the same size in the county in which
10 the municipality is located.

11 C. For qualified projects placed in service after July 1, 2015,
12 the amount of state tax credits created by this section which are
13 allocated to a project shall not exceed that of the federal low-
14 income housing tax credits for a qualified project. The total
15 Oklahoma Affordable Housing Tax Credits allocated to all qualified
16 projects for an allocation year shall not exceed Fifteen Million
17 Dollars (\$15,000,000.00) for allocation years 2026 through 2030, and
18 Four Million Dollars (\$4,000,000.00) for allocation years 2016
19 through 2025 and 2031 and subsequent allocation years. For purposes
20 of this section, the "credit period" shall mean the period of ten
21 (10) taxable years and "placed in service" shall have the same
22 meaning as is applicable under the federal credit program.
23 Reallocated and rolled over credits will count against the ~~four-~~
24 ~~million dollar limit of~~ annual limits prescribed by this subsection

1 for their original allocation year and not count against the limit
2 of the year in which they are allocated.

3 D. A taxpayer owning an interest in an investment in a
4 qualified project shall be allowed Oklahoma Affordable Housing Tax
5 Credits under this section for tax years beginning on or after
6 January 1, 2016, if the Oklahoma Housing Finance Agency issues an
7 eligibility statement for such project, which tax credit shall be
8 allocated among some or all of the partners, members or shareholders
9 of the taxpayer owning such interest in any manner agreed to by such
10 partners, members or shareholders. Such taxpayer may assign its
11 interest in the investment.

12 E. An insurance company claiming a credit against state premium
13 tax or retaliatory tax or any other tax imposed by Section 624 or
14 628 of Title 36 of the Oklahoma Statutes shall not be required to
15 pay any additional retaliatory tax under Section 628 of Title 36 of
16 the Oklahoma Statutes as a result of claiming the credit. The
17 credit may fully offset any retaliatory tax imposed by Section 628
18 of Title 36 of the Oklahoma Statutes.

19 F. The credit authorized by this section shall not be used to
20 reduce the tax liability of the taxpayer to less than zero (\$0.00).

21 G. Any credit claimed but not used in a taxable year may be
22 carried forward two (2) subsequent taxable years.

23 H. The owner of a qualified project eligible for the credit
24 authorized by this section shall submit, at the time of filing the

1 tax return with the Oklahoma Tax Commission, an eligibility
2 statement from the Oklahoma Housing Finance Agency. In the case of
3 failure to attach the eligibility statement, no credit under this
4 section shall be allowed with respect to such project for that year
5 until required documents are provided to the Tax Commission.

6 I. If under Section 42 of the Internal Revenue Code of 1986, as
7 amended, a portion of any federal low-income housing credits taken
8 on a qualified project is required to be recaptured during the first
9 ten (10) years after a project is placed in service, the taxpayer
10 claiming Oklahoma Affordable Housing Tax Credits with respect to
11 such project shall also be required to recapture a portion of such
12 credits. The amount of Oklahoma Affordable Housing Tax Credits
13 subject to recapture shall be proportionally equal to the amount of
14 federal low-income housing credits subject to recapture.

15 J. The Oklahoma Housing Finance Agency or the Oklahoma Tax
16 Commission may require the filing of additional documentation
17 necessary to determine the accuracy of a tax credit claimed.

18 K. The Oklahoma Affordable Housing Act shall undergo a review
19 every five (5) years by a committee of nine (9) persons, to be
20 appointed three persons each by the Governor, President Pro Tempore
21 of the Senate, and the Speaker of the House of Representatives.

22 SECTION 2. This act shall become effective January 1, 2026.
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