

By: Senator(s) Horhn

To: Finance

SENATE BILL NO. 3057

1 AN ACT ENTITLED "THE MISSISSIPPI AFFORDABLE HOUSING TAX
 2 CREDIT ACT"; TO PROVIDE A TAX CREDIT AGAINST MISSISSIPPI STATE
 3 INCOME TAX LIABILITY FOR ELIGIBLE INVESTORS IN LOW-INCOME
 4 AFFORDABLE HOUSE PROJECTS APPROVED BY THE MISSISSIPPI HOME
 5 CORPORATION; TO ESTABLISH STANDARDS FOR QUALIFIED PROJECTS AND THE
 6 TAX CREDIT TO BE ADMINISTERED BY THE MISSISSIPPI HOME CORPORATION;
 7 TO PROVIDE THAT STATE CREDITS SHALL NOT EXCEED FEDERAL LOW-INCOME
 8 HOUSING TAX CREDITS AND TO ESTABLISH A STATE CAP FOR THE CREDITS;
 9 TO PROVIDE FOR THE CARRY OVER OF UNUSED CREDITS; TO REQUIRE REVIEW
 10 OF THE PROGRAM; AND FOR RELATED PURPOSES.

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

12 **SECTION 1.** (1) This act shall be known and may be cited as
 13 the "Mississippi Affordable Housing Tax Credit Act."

14 (2) As used in this section:

15 (a) "Allocation year" means the year for which the
 16 Mississippi Home Corporation allocates credits pursuant to this
 17 section.

18 (b) "Eligibility statement" means a statement
 19 authorized and issued by the Mississippi Home Corporation
 20 certifying that a given project qualifies for the Mississippi
 21 Affordable Housing Tax Credit authorized by this section. The
 22 Mississippi Home Corporation shall promulgate rules establishing



23 criteria upon which the eligibility statements will be issued.
24 The eligibility statement shall specify the amount of Mississippi
25 Affordable Housing Tax Credits allocated to a qualified project.
26 The Mississippi Home Corporation shall only authorize the tax
27 credits created by this section to qualified projects which are
28 placed in service after July 1, 2023, but which shall not be used
29 to reduce tax liability accruing prior to January 1, 2023.

30 (c) "Federal low-income housing tax credit" means the
31 federal tax credit as provided in Section 42 of the Internal
32 Revenue Code of 1986, as amended.

33 (d) "Mississippi Affordable Housing Tax Credit" means
34 the tax credit created by this section.

35 (e) "Mississippi Home Corporation" means the public
36 housing corporation created in Section 43-33-704 et seq.,
37 Mississippi Code of 1972.

38 (f) "Qualified project" means a qualified low-income
39 building as that term is defined in Section 42 of the Internal
40 Revenue Code of 1986, as amended.

41 (g) "Taxpayer" means a person, firm or corporation
42 subject to Mississippi State Income Tax.

43 (3) For qualified projects placed in service after July 1,
44 2023, the amount of state tax credits created by this section
45 which are allocated to a project shall not exceed that of the
46 federal low-income housing tax credits for a qualified project.
47 The total Mississippi Affordable Housing Tax Credits allocated to



48 all qualified projects for an allocation year shall not exceed
49 Four Million Dollars (\$4,000,000.00). For purposes of this
50 section, the "credit period" shall mean the period of ten (10)
51 taxable years and "placed in service" shall have the same meaning
52 as is applicable under the federal credit program.

53 (4) A taxpayer owning an interest in an investment in a
54 qualified project shall be allowed Mississippi Affordable Housing
55 Tax Credits under this section for tax years beginning on or after
56 January 1, 2023, if the Mississippi Home Corporation issues an
57 eligibility statement for such project, which tax credit shall be
58 allocated among some or all of the partners, members or
59 shareholders of the taxpayer owning such interest in any manner
60 agreed to by such partners, members or shareholders. Such
61 taxpayer may assign its interest in the investment.

62 (5) The credit authorized by this section shall not be used
63 to reduce the tax liability of the taxpayer to less than zero
64 (\$0.00).

65 (6) Any credit claimed but not used in a taxable year may be
66 carried forward two (2) subsequent taxable years.

67 (7) The owner of a qualified project eligible for the credit
68 authorized by this section shall submit, at the time of filing the
69 tax return with the Mississippi Department of Revenue, an
70 eligibility statement from the Mississippi Home Corporation. In
71 the case of failure to attach the eligibility statement, no credit
72 under this section shall be allowed with respect to such project



73 for that year until required documents are provided to the
74 Mississippi Department of Revenue.

75 (8) If under Section 42 of the Internal Revenue Code of
76 1986, as amended, a portion of any federal low-income housing
77 credits taken on a qualified project is required to be recaptured
78 during the first ten (10) years after a project is placed in
79 service, the taxpayer claiming Mississippi Affordable Housing Tax
80 Credits with respect to such project shall also be required to
81 recapture a portion of such credits. The amount of Mississippi
82 Affordable Housing Tax Credits subject to recapture shall be
83 proportionally equal to the amount of federal low-income housing
84 credits subject to recapture.

85 (9) The Mississippi Home Corporation or the Mississippi
86 Department of Revenue may require the filing of additional
87 documentation necessary to determine the accuracy of a tax credit
88 claimed.

89 (10) The Mississippi Affordable Housing Tax Credit Act shall
90 undergo a review every five (5) years by a committee of nine (9)
91 persons, to be appointed three (3) persons each by the Governor,
92 Lieutenant Governor and the Speaker of the House of
93 Representatives.

94 **SECTION 2.** This act shall take effect and be in force from
95 and after July 1, 2023.

