

By: Senator(s) Horhn

To: Finance

SENATE BILL NO. 2986

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

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

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

15 (2) As used in this section:

16 (a) "Eligibility statement" means a statement
 17 authorized and issued by the Mississippi Home Corporation
 18 certifying that a given project qualifies for the Mississippi
 19 Affordable Housing Tax Credit authorized by this section. The
 20 Mississippi Home Corporation shall promulgate rules establishing
 21 criteria upon which the eligibility statements will be issued.
 22 The eligibility statement shall specify the amount of Mississippi



23 Affordable Housing Tax Credits certificated or allocated to a
24 qualified project. The Mississippi Home Corporation shall only
25 authorize the tax credits created by this section to qualified
26 projects which are placed in service after July 1, 2024, but which
27 shall not be used to reduce tax liability accruing prior to
28 January 1, 2024.

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

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

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

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

40 (f) "Taxpayer" means a person, firm or corporation
41 subject to state income tax, franchise tax or insurance premium
42 tax.

43 (3) For qualified projects placed in service after July 1,
44 2024, the amount of state tax credits created by this section
45 which are certificated or allocated to a project shall not exceed
46 that of the federal low-income housing tax credits for a qualified
47 project. The total Mississippi Affordable Housing Tax Credits



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

54 (4) A taxpayer owning an interest in an investment in a
55 qualified project shall be allowed Mississippi Affordable Housing
56 Tax Credits under this section for tax years beginning on or after
57 January 1, 2024, if the Mississippi Home Corporation issues an
58 eligibility statement for such project, which tax credit shall be
59 certificated or allocated among some or all of the partners,
60 members or shareholders of the taxpayer owning such interest in
61 any manner agreed to by such partners, members or shareholders.
62 Such taxpayer may assign its interest in the investment.

63 (5) The credit authorized by this section shall not be used
64 to reduce the tax liability of the taxpayer to less than zero
65 (\$0.00).

66 (6) Any credit claimed but not used in a taxable year may be
67 carried forward five (5) subsequent taxable years.

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



73 section shall be allowed with respect to such project for that
74 year until required documents are provided to the Department of
75 Revenue.

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

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

89 (10) This section shall undergo a review every five (5)
90 years by a committee of nine (9) persons, to be appointed three
91 (3) persons each by the Governor, Lieutenant Governor and the
92 Speaker of the House of Representatives.

93 **SECTION 2.** This act shall take effect and be in force from
94 and after July 1, 2024.

