

June 13, 2002

S 1416. HOUSING TAX CREDIT CHANGES . TO MAKE CHANGES TO THE LOW-INCOME HOUSING TAX CREDIT. Blank bill.

Intro. by Kerr.

Ref. to Finance	GS 105
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July 24, 2002

S 1416. HOUSING TAX CREDIT/ESTATE TAX CHNGS. Intro. 6/13/02. Senate committee substitute makes the following changes to 1st edition. Changes title to read *AN ACT TO IMPROVE THE LOW-INCOME HOUSING TAX CREDIT BY MAKING IT SIMPLER AND LESS COSTLY WHILE PROVIDING THE SAME LEVEL OF INCENTIVES FOR THE CONSTRUCTION OF LOW-INCOME HOUSING AND TO MODIFY THE FORMULA FOR CALCULATING NORTH CAROLINA ESTATE TAX ON ESTATES WITH PROPERTY IN MORE THAN ONE STATE*. Adds new G.S. 105-129.42 to award state tax credits for constructing or rehabilitating low-income housing if the development receives a federal low-income housing tax credit allocation and does not use tax-exempt bond financing. Provides for a 30 percent basis for the credit if 40 percent of the qualified residential units are affordable to households whose income is 50 percent or less of area median income and the units are in a low-income county or city. Provides for a 20 percent basis for the credit if 50 percent of the qualified residential units are affordable to households whose income is 50 percent or less of area median income and the units are in a moderate-income county or city. Provides for a 10 percent basis for the credit if (1) 50 percent of the qualified residential units are affordable to households whose income is 40 percent or less of area median income and the units are in a high income county or city or, (2) 25 percent of the qualified residential units are affordable to households whose income is 30 percent or less of area median income and the units are in a high-income county or city. Authorizes the Housing Finance Agency to designate counties and cities as low-, moderate- or high-income according to the Qualified Allocation Plan in effect at the time the federal credit is allocated. Makes clear that a pass-through entity that qualifies for the credit may not distribute the credit among any of its owners. Requires the Housing Finance Agency to report to the General Assembly, by May 1 of each year, the number of taxpayers claiming the credit, the location of each qualified building or housing development for which a credit is claimed and the total cost to the General Fund of the credits claimed. Effective for federal credit allocations awarded on or between Jan. 1, 2003 and Jan. 1, 2006. Makes other conforming changes. Amends GS 105-32.39b) to provide that the amount of the North Carolina estate tax for estates with property in other states depends on whether the decedent was a resident of North Carolina at the time of death. Effective Jan. 1, 2002.

July 25, 2002

S 1416. HOUSING TAX CREDIT CHNGS/ESTATE TAX CHNGS. Intro. 6/13/02. Senate amendment makes the following change to 2nd edition. Makes technical change only.

August 26, 2002

SL 2002-87 (S 1416). HOUSING TAX CREDIT CHANGES/ESTATE TAX CHANGES. AN ACT TO IMPROVE THE LOW-INCOME HOUSING TAX CREDIT BY MAKING IT SIMPLER AND LESS COSTLY WHILE PROVIDING THE SAME LEVEL OF INCENTIVES FOR THE CONSTRUCTION OF LOW-INCOME HOUSING AND TO MODIFY THE FORMULA FOR CALCULATING NORTH CAROLINA ESTATE TAX ON ESTATES WITH PROPERTY IN MORE THAN ONE STATE. Summarized in *Daily Bulletin* 7/24/02 and 7/25/02. Enacted August 22, 2002. Section 9 of this act is effective on and after January 1, 2002, and applies to the estates of decedents dying on or after that date. The remainder of this act is effective August 22, 2002. Section 2 of this act applies to credits for buildings that are awarded a federal credit allocation before January 1, 2003, and for which a federal tax credit is first claimed for a taxable year beginning on or after January 1, 2002.