

PROPOSED
SENATE AMENDMENTS TO H.B. 2454
(Reference to House engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 41-3954, Arizona Revised Statutes, is amended to
3 read:

4 41-3954. Affordable housing tax credit; limit; eligibility
5 statement; rules; public hearings; annual report;
6 definitions

7 A. The affordable housing tax credit is established. The department
8 shall administer the credit as provided by this section.

9 B. On application, the department shall allocate tax credits under
10 this section for projects in this state that qualify for the federal
11 low-income housing tax credit under section 42 of the internal revenue code
12 and that are placed in service, for purposes of the federal credit, from
13 and after June 30, 2022, in an amount equal to at least fifty percent of
14 the amount of the federal credit allowed in each taxable year during the
15 federal credit period. The department shall allocate tax credits under
16 this section according to the department's current qualified allocation
17 plan adopted pursuant to section 42(m) of the internal revenue code.

18 C. The department shall prescribe forms, procedures and criteria for
19 applying, evaluating and qualifying for the credit under this section. The
20 department shall issue an eligibility statement for each qualified project
21 that identifies the qualified project, the allocation year and the amount
22 of the credits allocated to the project.

23 D. The department shall allocate a total of ~~\$4,000,000~~ \$6,000,000 of
24 tax credits under this section in any calendar year according to the date
25 of the allocation of the credit. An approved amount applies against the

1 dollar limit for the year in which the application is submitted. If, at
2 the end of the calendar year, an unused balance occurs under the dollar
3 limit prescribed by this subsection, the balance shall be reallocated for
4 the purposes of this subsection in the following year.

5 E. Any taxpayer that owns an interest in an investment in a
6 qualified project that receives an eligibility statement from the
7 department is allowed a tax credit under this section for taxable years
8 beginning from and after December 31, 2021 if the taxpayer acquires the
9 interest before filing a tax return claiming the tax credit. The taxpayer
10 shall apply the credit against the taxpayer's insurance premium or income
11 tax liability as provided by and subject to the procedures, terms and
12 conditions prescribed by section 20-224.04, 43-1075 or 43-1163, as
13 applicable.

14 F. A qualified project that is approved for the purposes of the
15 credit under this section is not eligible for any abatement, exemption or
16 other reduction in state or local ad valorem property taxes otherwise
17 allowed by statute.

18 G. The Arizona department of housing, with the cooperation of the
19 department of insurance and financial institutions and the department of
20 revenue, shall adopt rules and publish and prescribe forms and procedures
21 as necessary to administer this section, including criteria on which
22 eligibility statements are issued under this section.

23 H. On or before July 30 of each year, the department shall hold a
24 public hearing to solicit and accept public comments relating to the amount
25 of the credit under this section to be used for qualified projects that are
26 financed through tax-exempt bond issuance as part of the qualified
27 allocation plan process and other affordable housing tax credit issues.
28 The department shall post a copy of all comments submitted during each
29 public hearing on the department's website before September 15 of the year
30 in which the public hearing is held.

31 I. On or before December 31 of each year, the department shall
32 submit to the president of the senate and the speaker of the house of

1 representatives a report that addresses whether the credits approved under
2 this section produced a significant number of additional affordable housing
3 units in this state and that analyzes the economic impact of the credits
4 approved under this section on this state. The department shall provide a
5 copy of this report to the secretary of state.

6 J. For the purposes of this section:

7 1. "Internal revenue code" has the same meaning prescribed by
8 section 43-105.

9 2. "Qualified project" means a qualified low-income building as
10 defined in section 42(c)(2) of the internal revenue code.

11 3. "Taxpayer" means a person, firm or corporation that is subject to
12 taxation under title 20 or under title 43, chapter 10 or 11.

13 Sec. 2. Laws 2021, chapter 430, section 3 is amended to read:

14 Sec. 3. Delayed repeal

15 Section 20-224.04, Arizona Revised Statutes, as added by ~~this act~~
16 LAWS 2021, CHAPTER 430, SECTION 2, is repealed from and after December 31,
17 ~~2025~~ 2027.

18 Sec. 3. Laws 2021, chapter 430, section 6 is amended to read:

19 Sec. 6. Delayed repeal

20 Section 41-3954, Arizona Revised Statutes, as added by ~~this act~~
21 LAWS 2021, CHAPTER 430, SECTION 5, is repealed from and after December 31,
22 ~~2025~~ 2027.

23 Sec. 4. Laws 2021, chapter 430, section 8 is amended to read:

24 Sec. 8. Delayed repeal

25 Section 43-225, Arizona Revised Statutes, as added by ~~this act~~
26 LAWS 2021, CHAPTER 430, SECTION 7, is repealed from and after December 31,
27 ~~2025~~ 2027.

28 Sec. 5. Laws 2021, chapter 430, section 11 is amended to read:

29 Sec. 11. Delayed repeal

30 Section 43-1075, Arizona Revised Statutes, as added by ~~this act~~
31 LAWS 2021, CHAPTER 430, SECTION 10, is repealed from and after December 31,
32 ~~2025~~ 2027.

1 Sec. 6. Laws 2021, chapter 430, section 14 is amended to read:

2 Sec. 14. Delayed repeal

3 Section ~~43-1163~~, Arizona Revised Statutes, as added by ~~this act~~
4 LAWS 2021, CHAPTER 430, SECTION 13, is repealed from and after December 31,
5 ~~2025~~ 2027.

6 Sec. 7. Laws 2021, chapter 430, section 19 is amended to read:

7 Sec. 19. Saving clause

8 The repeal of sections 20-224.04, 41-3954, 43-225, 43-1075 and
9 43-1163, Arizona Revised Statutes, by ~~this act~~ LAWS 2021, CHAPTER 430, does
10 not:

11 1. Limit or impair the issuance of premium tax credits or income tax
12 credits for qualified projects that receive a reservation from the Arizona
13 department of housing pursuant to section 41-3954, Arizona Revised
14 Statutes, as added by ~~this act~~ LAWS 2021, CHAPTER 430, SECTION 5, before
15 December 31, ~~2025~~ 2027 or a taxpayer's ability to redeem such tax credits
16 in accordance with sections 20-224.04, 41-3954, 43-1075 and 43-1163,
17 Arizona Revised Statutes, as added by ~~this act~~ LAWS 2021, CHAPTER 430.

18 2. Affect any act done or right accruing or accrued or any suit or
19 proceeding had or commenced in any civil cause of action before the repeal.
20 All rights and liabilities under such acts continue and may be enforced in
21 the same manner as allowed before the repeal."

22 Amend title to conform

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03/17/2022
04:16 PM
C: ED