

---

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Danielle B. Clapinski.

---

DIGEST

SB 221 Original

2023 Regular Session

Talbot

Proposed law authorizes a nonrefundable credit against income taxes for a donation to develop, construct, or rehabilitate "affordable housing projects".

Proposed law defines "affordable housing project" as a project consisting of homes constructed for first-time homeowners earning 30% to 80% of area median income as determined by the U.S. Department of Housing and Urban Development or a rental project in which at least 25% of the units have rents to that do not exceed, on a monthly basis, the maximum gross rent figures published by the administrative housing agency.

Proposed law provides that the credit is equal to 50% of the fair market value of the donation made to a sponsor. Provides that the credit is earned in the year in which the project for which the donation was made is placed in service.

Proposed law requires that the credit be allowed against the income tax for the taxable period in which the credit is earned. Further provides that if the tax credit allowed exceeds the amount of tax due, that any unused credit may be carried forward against subsequent income tax liability for a period not to exceed five years.

Proposed law requires the sponsor of a qualified project to submit an application to the administrative housing agency in order to qualify for the credit. Provides factors for the administrative housing agency to consider when reviewing applications for approval and allocations.

Proposed law limits the total amount of credits to be allocated by the administrative housing agency to no more than \$10,000,000 in any calendar year. Further provides that no more than \$1,000,000 may be allocated for general operating support and technical assistance in any calendar year.

Proposed law requires the sponsor to submit verification that donations were utilized for purposes eligible for the credit. Requires the administrative housing agency to certify credits to the donors and provide a copy of the certification to the Department of Revenue.

Proposed law provides for allocation of the credit among partners, shareholders, members, or other constituent taxpayers of partnerships, limited liability companies, S corporations, and similar pass-through entities.

Proposed law provides for the recovery and recapture of credits by the Department of Revenue under certain circumstances. Further limits the amount of interest that may be assessed and collected on recovered or recaptured credits.

Proposed law authorizes the Louisiana Housing Corporation to promulgate rules to implement the tax credit program.

Applicable to taxable periods beginning on or after January 1, 2024.

Effective August 1, 2023.

(Enacts R.S. 47:6043)