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HOUSE BILL NO. 2145

Offered January 10, 2001

Prefiled January 10, 2001

A BILL to amend and reenact §§ 58.1-336 and 58.1-435 of the Code of Virginia, relating to low-income housing tax credits.

Patron—Drake

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That §§ 58.1-336 and 58.1-435 of the Code of Virginia are amended and reenacted as follows:**

§ 58.1-336. Low-income housing credit.

A. Any ~~person~~ taxpayer shall be entitled to a credit against the tax imposed by Articles 2 (§ 58.1-320 *et seq.*) and 6 (§ 58.1-360 *et seq.*) of Chapter 3 of this title in the amount certified to the Department pursuant to § 36-55.63 for the first five taxable years in which a federal low-income housing credit is allowed for low-income housing units placed in service on or after January 1, 1998. *If the amount of such credit exceeds the taxpayer's tax liability for such taxable year, the amount that exceeds the tax liability may be carried over for credit against the taxes of such taxpayer in the next ten taxable years or until the full credit is used, whichever occurs first.*

B. Credits granted to a partnership or S corporation shall be passed through to the partners or shareholders, respectively. *Credits granted to a partnership or S corporation shall be allocated among all partners or shareholders, respectively, either in proportion to their ownership interest in such entity or as the partners or shareholders mutually agree as provided in an executed document, the form of which shall be prescribed by the Director of the Department of Housing and Community Development.*

BC. Any ~~person~~ taxpayer claiming a credit pursuant to subsection A shall be subject to recapture of the credit pursuant to § 36-55.63. Any credit recapture shall be assessed and collected in the same manner as a tax attributable to a change in federal taxable income within the meaning of § 58.1-311.

§ 58.1-435. Low-income housing credit.

A. Any person shall be entitled to a credit against the tax imposed by Article 10 (§ 58.1-400 *et seq.*) of Chapter 3; Chapter 12 (§ 58.1-1200 *et seq.*); and Article 1 (§ 58.1-2500 *et seq.*) of Chapter 25 of this title in the amount certified to the Department pursuant to § 36-55.63 for the first five taxable years in which a federal low-income housing credit is allowed for low-income housing units placed in service on or after January 1, 1998. *If the amount of such credit exceeds the taxpayer's tax liability for such taxable year, the amount that exceeds the tax liability may be carried over for credit against the taxes of such taxpayer in the next ten taxable years or until the full credit is used, whichever occurs first.*

B. Credits granted to a partnership or S corporation shall be passed through to the partners or shareholders, respectively. *Credits granted to a partnership or S corporation shall be allocated among all partners or shareholders, respectively, either in proportion to their ownership interest in such entity or as the partners or shareholders mutually agree as provided in an executed document, the form of which shall be prescribed by the Director of the Department of Housing and Community Development.*

BC. Any person claiming a credit pursuant to subsection A shall be subject to recapture of the credit pursuant to § 36-55.63. Any credit recapture shall be assessed and collected in the same manner as a tax attributable to a change in federal taxable income within the meaning of § 58.1-311.

INTRODUCED

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