



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2017 Assembly Bill 869

**Assembly
Amendments 1 and 3**

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2017 ASSEMBLY BILL 869

2017 Assembly Bill 869 creates a state tax credit program for qualified low income housing developments. The program is similar to a federal tax credit program and would be administered by the Wisconsin Housing and Economic Development Authority (WHEDA). Among other provisions, the bill sets forth eligibility criteria and requires WHEDA to give preference to developments located in municipalities with populations less than 150,000 people. Under the bill, WHEDA may certify a person to claim a tax credit through the program by issuing an allocation certification for a qualified development,¹ if certain conditions are satisfied.

ASSEMBLY AMENDMENT 1

Assembly Amendment 1 makes two changes to the bill.

First, as mentioned, **the bill** authorizes WHEDA to certify a person to claim a state tax credit through a tax credit program under the bill by issuing the person an allocation certificate. **The amendment** specifies that the allocation certificate must state the amount that WHEDA determines a person is eligible to claim for each year of the credit period.

Second, **the bill** establishes an annual limit on the aggregate amount of state tax credits that WHEDA may certify persons to claim through the tax credit program created under the bill. Specifically, the bill specifies that the aggregate amount of all state tax credits WHEDA

¹ The bill defines “qualified development” to mean a low-income housing project located in this state that is qualified and financed under the related federal tax credit program.

certifies persons to claim in the same calendar year may not exceed \$42 million, plus certain previously unallocated or recovered amounts.

The amendment retains the \$42 million calendar year limitation but clarifies that the aggregate amount of all state tax credits that WHEDA certifies in any calendar year may not exceed \$42 million, **including all amounts each person is eligible to claim for each year of the credit period**, plus certain previously unallocated or recovered amounts.

ASSEMBLY AMENDMENT 3

Assembly Amendment 3 makes the same changes made by Assembly Amendment 1, and it also modifies the bill as follows:

- Adds the tax credits authorized under the bill to the list of tax credits that are not considered for purposes of imposing an alternative minimum state income tax.
- Authorizes WHEDA, if practicable, to begin issuing allocation certificates in conjunction with the implementation of its 2018 qualified allocation plan as if the state tax credits authorized under the bill were included in that plan.
- Specifies that policies and procedures established under the bill must, to the extent practicable, incorporate WHEDA's policies and procedures for awarding tax credits through the similar federal tax credit program.
- Requires WHEDA to issue allocation certificates annually, on a rolling basis, based on eligibility, as determined by WHEDA, except that the amendment authorizes WHEDA to develop a competitive process to award allocation certifications as part of its qualified allocation plan.

BILL HISTORY

The Joint Committee on Finance introduced Assembly Amendment 1 on February 8, 2018. On the same date, the committee voted to recommend adoption of the amendment and passage of the bill, as amended, on unanimous votes.

Representative Summerfield offered Assembly Amendment 3 on February 16, 2018. On February 20, 2018, the Assembly adopted Assembly Amendments 1 and 3 and the bill, as amended, on voice votes.

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