



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2017 Wisconsin Act 176
[2017 Assembly Bill 869]

**Income and Franchise Tax Credits
for Low-Income Housing**

2017 Wisconsin Act 176 creates a state income and franchise tax credit program for qualified low-income housing developments. The program is similar to a federal tax credit program and is administered by the Wisconsin Housing and Economic Development Authority (WHEDA). Among other provisions, the Act sets forth eligibility criteria and requires WHEDA to give preference to developments located in municipalities with populations less than 150,000 people.

Under the Act, WHEDA may certify a person to claim a tax credit through the program by issuing an allocation certification for a qualified development, if certain conditions are satisfied. The allocation certificate must state the amount that WHEDA determines a person is eligible to claim for each year of the credit period. The Act requires WHEDA to issue allocation certificates annually, on a rolling basis, based on eligibility, as determined by WHEDA, except that the Act authorizes WHEDA to develop a competitive process to award allocation certifications as part of its qualified allocation plan. If practical, WHEDA must begin issuing allocation certificates in conjunction with the implementation of its 2018 qualified allocation plan as if the state low-income housing tax credits were included in that plan.

The Act specifies 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. Policies and procedures established under the Act must, to the extent practicable, incorporate WHEDA's policies and procedures for awarding tax credits through the similar federal tax credit program.

Effective date: March 30, 2018

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.