AN AMENDMENT

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

DATE: July 28, 2020

OFFERED BY: Councilmember Charles Allen

TO: B23-760, the Fiscal Year 2021 Budget Support Act of 2020

VERSION: __ Introduced
__ Committee Report
__ Committee Print
__ First Reading
__ Engrossed
__ Enrolled
__ Amendment
_X Amendment in Nature of Substitute

Amendment:

Title VII, subtitle R, section 7202, page 247, line 4759 is amended as follows:

- Subsection (a)(5) is amended to read as follows:

  “(5) Paragraph (8) is amended by striking the phrase “a rental housing development that receives an allocation of federal Low-Income Housing Tax Credits from the Department” and inserting the phrase “a rental housing development in the District that receives an allocation of federal low-income housing tax credits under sections 42(h)(1) or (4) of the Internal Revenue Code of 1986, approved October 22, 1986 (100 Stat. 2085; 26 U.S.C. §"
42(h)(1) or (4)), after October 1, 2021 and receives an executed extended low-income housing commitment pursuant to Section 42(h)(6)(B) of the Internal Revenue Code of 1986, approved October 22, 1986 (100 Stat. 2085; 26 U.S.C. § 42(h)(6)(B)), from the Department dated on or after October 1, 2021”.”.

- Subsection (c) is amended as follows:
  - Paragraph (2) is amended to read as follows:
    “(2) Subsection (b) is amended to read as follows:

    ““(b)(1) If the owner of a qualified project transfers, sells, or assigns a District of Columbia low-income housing tax credit to another taxpayer, pursuant to § 47-4806, the District of Columbia low-income housing tax credit shall not be taken, pursuant to subsection (c) of this section, against taxes imposed under this title unless the owner has filed with the Department, in a form determined by the Department, an affidavit certifying that:

    ““(A) The owner of the qualified project received, as consideration for transferring, selling, or assigning the District of Columbia low-income housing tax credit, at least 80% of the per dollar sale price for a federal low-income housing tax credit associated with the qualified project that the owner has transferred, sold, or assigned; and

    ““(B) The value received by the owner of the qualified project was used to ensure financial feasibility of the qualified project.

    ““(2) The Department shall deliver to The Chief Financial Officer and the Commissioner an annual report certifying the ongoing eligibility of an eligible project to receive federal low-income housing tax credits.”.”.

  - Paragraph (5)(A) is amended to read as follows:
    “(A) The lead-in language is amended by striking the phrase “submitted to
the Chief Financial Officer as provided in this section” and inserting the phrase “submitted to the Chief Financial Officer and the Commissioner as provided in this section” in its place.”.

**Fiscal Impact:**

This amendment has no fiscal impact.

**Rationale:**

This amendment clarifies that only affordable housing development projects that received federal low-income housing tax credits and close after the beginning of Fiscal Year 2022 are eligible to receive District of Columbia low-income housing tax credits.

The amendment requires the Department of Housing and Community Development to provide annual reports to the Chief Financial Officer and the Commissioner of the Department of Insurance, Securities, and Banking certifying the ongoing eligibility of affordable housing projects for federal low-income housing tax credits. A taxpayer may only claim a District of Columbia low-income housing tax credit against taxes if the affordable housing project for which it was first issued continues to be eligible for federal low-income housing tax credits. This provision will ensure that credits are not claimed for housing developments that do not meet the District’s affordable housing targets.

The amendment makes additional technical edits to the ANS.