

SUMMARY ANALYSIS OF AMENDED BILL

Author: Cedillo Analyst: Angela Raygoza Bill Number: SB 1216
 Related Bills: See Prior Analysis Telephone: 845-7814 Amended Date: May 12, 2010
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Low-Income Housing Credit/Allocation Of Surplus Credits By The California Tax Credit Allocation Committee

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED

April 5, 2010, STILL APPLIES.

OTHER – See comments below.

SUMMARY

This bill would allow the Tax Credit Allocation Committee (TCAC) to allocate excess state Low Income Housing Credits (LIHCs) to investors, as specified.

SUMMARY OF AMENDMENTS

The May 12, 2010, amendments would limit the allocation of surplus LIHCs for years beginning before January 1, 2016.

As a result of the May 12, 2010, amendments, the “Effective/Operative Date,” “This Bill” and “Economic Impact” discussions, as provided in the department’s analysis of the bill as amended April 5, 2010, have been revised. The remainder of that analysis still applies.

EFFECTIVE/OPERATIVE DATE

As a tax levy, this bill would be effective and operative immediately upon enactment and would allow the TCAC to allocate surplus credits in any year beginning before January 1, 2016.

Board Position:	Asst. Legislative Director	Date
<input type="checkbox"/> S <input type="checkbox"/> NA <input type="checkbox"/> NP <input type="checkbox"/> SA <input type="checkbox"/> O <input type="checkbox"/> NAR <input type="checkbox"/> N <input type="checkbox"/> OUA <input checked="" type="checkbox"/> PENDING	Patrice Gau-Johnson	05/20/10

ANALYSIS

THIS BILL

This bill would authorize the TCAC to award state LIHCs to a project in excess of the 30 percent of the eligible basis threshold and reduce the amount of federal LIHCs awarded to investors, while ensuring that the combined amount of state and federal credits do not exceed the total credits allowable under state and federal law.

To substitute state tax credits in this way would require the following:

- TCAC have an excess of state LIHCs to allocate in the calendar year,
- Investors agree to substitute the state LIHC for federal, and
- State LIHCs do not exceed 80 percent of the eligible basis.

This bill would specify that the TCAC could only allocate surplus credits in any year beginning before January 1, 2016.

ECONOMIC IMPACT

Revenue Estimate

This bill would result in the following revenue losses:

Estimated Revenue Impact of SB 1216 For Taxable Years Beginning On or After January 1, 2010 Enactment Assumed by September 30, 2010 (\$ in Millions)					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
No Impact	No Impact	No Impact	-\$0.5	-\$0.5	-\$0.5

This analysis does not account for changes in employment, personal income, or gross state product that could result from this bill.

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