

AMENDED IN ASSEMBLY APRIL 6, 2015

AMENDED IN ASSEMBLY MARCH 2, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 35

Introduced by Assembly Members Chiu and Atkins
(Principal coauthor: Assembly Member Wilk)
(Coauthor: Assembly Member Steinorth)

December 1, 2014

An act to amend Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 35, as amended, Chiu. Income taxes: credits: low-income housing: allocation increase.

Existing law establishes a low-income housing tax credit program pursuant to which the California Tax Credit Allocation Committee provides procedures and requirements for the allocation of state insurance, *personal* income, and corporation *income* tax credit amounts among low-income housing projects based on federal law. *Existing law, in modified conformity to federal income tax law, allows the credit based upon the applicable percentage, as defined, of the qualified basis of each qualified low-income building.* Existing law limits the total annual amount of the credit that the committee may allocate to \$70 million per year, as specified.

This bill, for calendar years beginning 2015, would increase the aggregate housing credit dollar amount that may be allocated among low-income housing projects by \$300,000,000, as specified. *The bill,*

under the insurance taxation law, the Personal Income Tax Law, and the Corporation Tax Law, would modify the definition of applicable percentage relating to qualified low-income buildings that meet specified criteria.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12206 of the Revenue and Taxation Code
2 is amended to read:
- 3 12206. (a) (1) There shall be allowed as a credit against the
4 “tax,” as described by Section 12201, a state low-income housing
5 tax credit in an amount equal to the amount determined in
6 subdivision (c), computed in accordance with Section 42 of the
7 Internal Revenue Code, ~~relating to low-income housing credit,~~
8 ~~Code~~ except as otherwise provided in this section.
- 9 (2) “Taxpayer,” for purposes of this section, means the sole
10 owner in the case of a “C” corporation, the partners in the case of
11 a partnership, *members in the case of a limited liability company,*
12 and the shareholders in the case of an “S” corporation.
- 13 (3) “Housing sponsor,” for purposes of this section, means the
14 sole owner in the case of a “C” corporation, the partnership in the
15 case of a partnership, *the limited liability company in the case of*
16 *a limited liability company,* and the “S” corporation in the case of
17 an “S” corporation.
- 18 (4) “Extremely low-income” has the same meaning as in Section
19 50053 of the Health and Safety Code.
- 20 (5) “Rural area” means a rural area as defined in Section
21 50199.21 of the Health and Safety Code.
- 22 (6) “Special needs housing” has the meaning as in paragraph
23 (4) of subdivision (g) of Section 10325 of Title 4 of the California
24 Code of Regulations.
- 25 (7) “SRO” means single room occupancy.
- 26 (8) “Very low-income” has the same meaning as in Section
27 50053 of the Health and Safety Code.”
- 28 (b) (1) The amount of the credit allocated to any housing
29 sponsor shall be authorized by the California Tax Credit Allocation
30 Committee, or any successor thereof, based on a project’s need