

HOUSE No. 3662

The Commonwealth of Massachusetts

PRESENTED BY:

Rodney M. Elliott

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to affordable housing solutions.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Rodney M. Elliott</i>	<i>16th Middlesex</i>	<i>1/20/2023</i>

HOUSE No. 3662

By Representative Elliott of Lowell, a petition (accompanied by bill, House, No. 3662) of Rodney M. Elliott for legislation to provide certain tax credits for the development of affordable housing or housing insecurity facilities. Revenue.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court
(2023-2024)

An Act relative to affordable housing solutions.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 62 of the General Laws is hereby amended by inserting after
2 section 6N the following section:-

3 Section 6O. (a) For the purposes of this section, the following terms shall, unless the
4 context clearly requires otherwise, have the following meanings:

5 “Affordable housing”, as defined in section 38D of chapter 121B.

6 “Commissioner”, the commissioner of revenue.

7 “Department”, the department of housing and community development.

8 “Housing insecurity facility”, a facility providing temporary housing for persons facing
9 housing insecurity, including homeless shelters, veterans’ shelters, emergency shelters and
10 domestic violence shelters.

“Vacant property”, an abandoned or otherwise neglected commercial or residential property.

“Qualified development expenditure”, an expenditure or cost directly incurred in connection with the development of a vacant property into affordable housing or a housing insecurity facility, as approved by the department of housing and community development.

(b) (1) A taxpayer that is not a business corporation subject to the excise under chapter 63 shall be allowed a credit against the tax liability imposed by this chapter equal to 25 per cent of the taxpayer’s total qualified development expenditures incurred during the taxable year, with a maximum credit of \$750,000 per taxpayer in any 1 taxable year.

(2) The commissioner shall apply the credit against the liability of the taxpayer as determined on its return, as first reduced by any other available credits, and shall then refund to the taxpayer the balance of the credits. If the amount of the credit allowed under this section exceeds the taxpayer's tax liability, the commissioner shall treat the excess as an overpayment and shall pay the taxpayer the entire amount of the excess. Any amount of the tax credit that exceeds the tax due for a taxable year may be carried forward by the taxpayer to any of the 5 subsequent taxable years.

(3) The commissioner, in consultation with the department, shall authorize annually tax credits under this subsection together with section 38NN of chapter 63 in an amount not to exceed \$20,000,000 per taxable year. No credits shall be allowed under this section except to the extent authorized in this section.

(c) For a taxpayer to qualify for the credit provided for under this section, the taxpayer shall file an application with the department, including a summary of qualified development

expenditures. The department shall approve the summary of qualified development expenditures and provide notice to the commissioner. Any qualified development expenditures applicable to this credit shall be treated for purposes of this section as made on the date that the department provides notice of the certification to the commissioner.

(d) Annually, not later than September 1, the department shall file a report with the clerks of the house of representatives and the senate, the house and senate committees on ways and means, the joint committee on housing and the joint committee on revenue identifying the total amount of tax credits claimed and the total amount of tax credits refunded pursuant to this section in the preceding fiscal year.

(e) The department, in consultation with the commissioner, shall promulgate regulations or other guidelines necessary for the administration and implementation of this section.

SECTION 2. Chapter 63 of the General Laws is hereby amended by inserting after section 38MM the following section:-

Section 38NN. (a) For the purposes of this section, the following terms shall, unless the context clearly requires otherwise, have the following meanings:

“Affordable housing”, as defined in section 38D of chapter 121B.

“Commissioner”, the commissioner of revenue.

“Department”, the department of housing and community development.

“Housing insecurity facility”, a facility providing temporary housing for persons facing housing insecurity, including homeless shelters, veterans’ shelters, emergency shelters and domestic violence shelters.

“Vacant property”, an abandoned or otherwise neglected commercial or residential property.

“Qualified development expenditure”, an expenditure or cost directly incurred in connection with the development of a vacant property into affordable housing or a housing insecurity facility, as approved by the department of housing and community development.

(b) (1) A business corporation engaged in business in the commonwealth shall be allowed a credit against its excise due under this chapter in an amount equal to 25 per cent of the total qualified development expenditures incurred during the taxable year, with a maximum credit of \$750,000 per business corporation in any 1 taxable year. No credits shall be allowed under this section except to the extent authorized in this section.

(2) The commissioner shall apply the credit against the liability of the business corporation as determined on its return, as first reduced by any other available credits, and shall then refund to the business corporation the balance of the credits. If the amount of the credit allowed under this section exceeds the business corporation’s tax liability, the commissioner shall treat the excess as an overpayment and shall pay the business corporation the entire amount of the excess. Any amount of the tax credit that exceeds the tax due for a taxable year may be carried forward by the business corporation to any of the 5 subsequent taxable years.

(3) The commissioner, in consultation with the department, shall authorize annually tax credits under this subsection together with section 6O of chapter 62 in an amount not to exceed \$20,000,000 per taxable year.

(c) For a business corporation to qualify for the credit provided for under this section, the business corporation shall file an application with the department, including a summary of

76 qualified development expenditures. The department shall approve the summary of qualified
77 development expenditures and provide notice to the commissioner. Any qualified development
78 expenditures applicable to this credit shall be treated for purposes of this section as made on the
79 date that the department provides notice of the certification to the commissioner.

80 (d) Annually, not later than September 1, the department shall file a report with the clerks
81 of the house of representatives and the senate, the house and senate committees on ways and
82 means, the joint

83 committee on housing and the joint committee on revenue identifying the total amount of
84 tax credits claimed and the total amount of tax credits refunded pursuant to this section in the
85 preceding fiscal year.

86 (e) The department, in consultation with the commissioner, shall promulgate regulations
87 or other guidelines necessary for the administration and implementation of this section.