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SENATE BILL 144

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

Nancy Rodriguez

FOR THE MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

RELATING TO TAXATION; AMENDING THE AFFORDABLE HOUSING TAX
CREDIT ACT; ALLOWING AFFORDABLE HOUSING TAX CREDITS IN COUNTIES
WITH POPULATIONS OF ONE HUNDRED THOUSAND OR MORE; EXPANDING
ELIGIBILITY FOR INVESTMENT VOUCHERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-9I-1 NMSA 1978 (being Laws 2005,
Chapter 104, Section 17) is amended to read:

"7-9I-1. SHORT TITLE.--~~[Sections 17 through 22 of this
act]~~ Chapter 7, Article 9I NMSA 1978 may be cited as the
"Affordable Housing Tax Credit Act"."

Section 2. Section 7-9I-2 NMSA 1978 (being Laws 2005,
Chapter 104, Section 18) is amended to read:

"7-9I-2. DEFINITIONS.--As used in the Affordable Housing
Tax Credit Act:

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[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 A. "affordable housing project" means land
2 acquisition, construction, building acquisition, remodeling,
3 improvement, rehabilitation, conversion or weatherization for
4 residential housing that is approved by the authority and that
5 includes ~~[only]~~ single-family housing or multifamily housing
6 ~~[located in a county with a population of less than one hundred~~
7 ~~thousand according to the most recent federal decennial~~
8 ~~census]~~;

9 B. "authority" means the New Mexico mortgage
10 finance authority;

11 C. "department" means the taxation and revenue
12 department;

13 D. "modified combined tax liability" means the
14 total liability for the reporting period for the gross receipts
15 tax imposed by Section 7-9-4 NMSA 1978 together with any tax
16 collected at the same time and in the same manner as the gross
17 receipts tax, such as the compensating tax, the withholding
18 tax, the interstate telecommunications gross receipts tax, the
19 surcharges imposed by Section 63-9D-5 NMSA 1978 and the
20 surcharge imposed by Section 63-9F-11 NMSA 1978, minus the
21 amount of any credit other than the affordable housing tax
22 credit applied against any or all of these taxes or surcharges;
23 but "modified combined tax liability" excludes all amounts
24 collected with respect to local option gross receipts taxes and
25 governmental gross receipts taxes; and

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underscored material = new
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1 E. "person" means an individual, county,
2 municipality, tribal government, housing authority,
3 corporation, limited liability company, partnership, joint
4 venture, syndicate, association or nonprofit organization."

5 Section 3. Section 7-9I-3 NMSA 1978 (being Laws 2005,
6 Chapter 104, Section 19) is amended to read:

7 "7-9I-3. INVESTMENT VOUCHERS--ISSUANCE--TRANSFER.--

8 A. The authority may issue an investment voucher to
9 a person who has made an investment of land, buildings,
10 materials, cash or services for an affordable housing project
11 approved by the authority or for a trust fund administered by
12 the authority. The value of the voucher shall equal fifty
13 percent of the amount of cash invested or the fair market value
14 of the land, [~~building or service~~] buildings, materials or
15 services invested by that person. The authority may approve an
16 investment voucher for any affordable housing project in
17 accordance with Subsection B of this section and in accordance
18 with rules adopted by the authority. An investment voucher
19 that is approved for an affordable housing project shall equal
20 fifty percent of the amount of cash invested or the fair market
21 value of land, buildings, materials or services invested in
22 that affordable housing project by a person upon issuance of
23 that investment voucher.

24 B. During the calendar year:

25 (1) beginning on January 1, 2006, the

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1 authority may issue or approve investment vouchers in an amount
2 that shall not exceed two hundred thousand dollars (\$200,000)
3 in aggregate value;

4 (2) beginning on January 1, 2007, the
5 authority may issue or approve investment vouchers in an amount
6 that shall not exceed five hundred thousand dollars (\$500,000)
7 in aggregate value; and

8 (3) beginning on January 1, 2008 and during
9 each subsequent calendar year, the authority may issue or
10 approve investment vouchers for each calendar year in an amount
11 that shall not exceed an aggregate value of a base rate of one
12 dollar eighty-five cents (\$1.85) adjusted annually to account
13 for inflation, multiplied by the state population during the
14 calendar year as determined by the United States census bureau.

15 C. Any limitation on the issuance or approval of
16 investment vouchers for a calendar year pursuant to Subsection
17 B of this section shall not apply to an investment voucher
18 issued by the authority during that calendar year that was
19 approved by the authority during a previous calendar year.

20 D. At the beginning of each calendar year that
21 begins on or after January 1, 2009, the department shall make
22 an adjustment for inflation pursuant to Paragraph (3) of
23 Subsection B of this section by multiplying the base rate by a
24 fraction, the numerator of which is the consumer price index
25 for the previous calendar year and the denominator of which is
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~~[bracketed material] = delete~~

1 the same index for the 2007 calendar year prior to the calendar
2 year for which a maximum aggregate value is determined for the
3 issuance of investment vouchers pursuant to Paragraph (3) of
4 Subsection B of this section.

5 E. An investment voucher issued by the authority
6 shall be numbered for identification and may be sold, exchanged
7 or otherwise transferred once in whole or in part to one or
8 more persons. The parties to such a transaction shall notify
9 the department and the authority of the sale, exchange or
10 transfer within ten days of the sale, exchange or transfer.

11 F. The authority shall adopt rules for the
12 approval, issuance and administration of investment vouchers
13 pursuant to this section."

14 Section 4. EFFECTIVE DATE.--The effective date of the
15 provisions of this act is July 1, 2010.