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SENATE BILL 209

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009**

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:

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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[bracketed material] = delete

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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underscoring material = new  
~~[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, 2009.