

Executive

As Reported By House Finance

HFACD2 Required approval for OHFA financing

No provision.

R.C. 175.18

Limits allocation of federal low-income housing tax credits and other financial assistance from OHFA to projects supported by the board of county commissioners of the county in which the project is located.

Fiscal effect: Requiring OHFA to obtain county approval to allocate funding could alter the types of financial assistance OHFA is able to give to local housing programs.

HFACD1 Landlord credit score cost assistance

Section: 301.20

Requires that \$1,500,000 in each fiscal year under Fund 5ZM0 ALI 997602, Housing Finance Agency - Landlord Credit Score Cost Assistance, be used for a pilot program to offset costs incurred by landlords for reporting the payment of rents using a third-party partner to credit monitoring services.

Specifies the following are eligible for the program: (1) landlords participating in the Low-Income Housing Tax Credit program through OHFA, or (2) landlords providing recovery housing required for opioid and co-occurring drug addiction services and recovery support.

Section: 301.20

Same as the Executive.

Same as the Executive.

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Other Taxation Provisions**TAXCD32 Low-income housing tax credits**

R.C. 175.16, 175.12, 5725.36, 5725.98, 5726.58, 5726.98, 5729.19, 5729.98, 5747.83, and 5747.98

(1) Authorizes a nonrefundable credit against the income tax, insurance premiums tax, or financial institutions tax that piggybacks on the federal low-income housing tax credit (LIHTC) for affordable housing projects.

(2) Allows the Director of the Ohio Housing Finance Agency (OHFA) to reserve a state tax credit for any project in Ohio that receives a federal LIHTC allocation, as long as the project is located in Ohio and begins renting units after July 1, 2023.

(3) Prohibits the Director from reserving any credits after June 30, 2027.

(4) Generally limits the amount of state credits that may be reserved in a fiscal year to \$100 million, but allows unreserved credit allocations and recaptured or disallowed credits to be added to the credit cap for the next fiscal year.

(5) Limits the amount of credit reserved for any single project to an amount necessary, when combined with the federal credit, to ensure financial feasibility and requires the Director to reserve credits to ensure projects create additional housing units on account of the state credit.

(6) No provision.

(7) Establishes that records provided to the Tax Commissioner and OHFA to administer the LIHTC are not public records subject to the state's Sunshine Law.

R.C. 175.16, 5725.36, 5725.98, 5726.58, 5726.98, 5729.19, 5729.98, 5747.83, and 5747.98

(1) Same as the Executive.

(2) Same as the Executive, but includes projects placed in service on or after January 1, 2023.

(3) Same as the Executive, but changes the ending date to December 31, 2028.

(4) Same as the Executive, but generally limits the amounts of credits reserved to \$500 million.

(5) Same as the Executive, but removes the requirement that the Director ensure the project is creating additional housing units that would not have otherwise been created with other state or federal or private financing.

(6) Allows tax credits to be claimed after a project is available to rent but before the Director issues an eligibility certificate, subject to correction once the certificate is issued.

(7) Same as the Executive, but also requires OHFA to disclose to the Tax Commissioner and Superintendent of Insurance any information OHFA has that is necessary to ensure compliance with LIHTC requirements, allows the Tax Commissioner to request records from OHFA and requires OHFA to respond to that request.

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Fiscal effect: The executive estimates the GRF tax revenue loss at \$10.0 million in FY 2024 and \$20.0 million in FY 2025.

Fiscal effect: LBO estimates state tax revenue losses of \$22 million in FY 2024 and \$46 million in FY 2025, but estimates are highly dependent on federal policy and the availability of the federal LIHTC. Generally, state tax revenue losses would increase over the six-year period that projects could initially qualify for the 10-year credit, FY 2024 through FY 2029. Once the eligibility period expires, state tax revenue losses will plateau for an additional four years, FY 2030 through FY 2033, then decline over a subsequent six-year period as the 10-year duration of the credit lapses for those projects originally awarded by OHFA from FY 2024 through FY 2029.

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TAXCD31 Single-family housing development tax credit

R.C. 175.17, 175.12, 5725.37, 5725.98, 5726.59, 5726.98, 5729.20, 5729.98, 5747.84, and 5747.98

Authorizes a nonrefundable tax credit against the insurance premiums, financial institution, or income tax for investment in the development and construction of affordable single-family housing.

No provision.

Requires local governments and economic development entities to submit applications for the credit, but allows them to allocate credits to project investors.

No provision.

Allows the Executive Director of the Ohio Housing Finance Agency (OHFA) to reserve a state tax credit for any project in Ohio that may qualify for the credit, as long as the project is located in Ohio and meets affordability qualifications adopted by the OHFA.

No provision.

Prohibits the Executive Director from reserving any credits after June 30, 2027.

No provision.

Generally limits the amount of state credits that may be reserved in a fiscal year to \$50 million, but allows unreserved credit allocations and recaptured or disallowed credits to be added to the credit cap for the next fiscal year.

No provision.

Limits the amount of credit reserved for any single project to the amount by which the fair market value of the project's homes exceed the project's development costs.

No provision.

Fiscal effect: The executive estimates the GRF tax revenue loss from this credit at \$5.0 million in FY 2024 and \$10.0 million in FY 2025.