

FISCAL NOTE

October 2, 2018

Bill No:	SB 1185	Printer's No:	1986	Sponsor:	Killion (R)
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COST / (SAVINGS)

Fund (s)	2018-19	2019-20
General Fund:	\$10 million	\$10 million

SUMMARY: This bill provides for a low-income housing tax credit.

ANALYSIS: SB 1185 provides for the Pennsylvania Housing Finance Agency (PHFA) to allocate up to \$10,000,000 annually in tax credits for low-income housing projects. PHFA is responsible for reviewing applications for and awarding said credit, using guidelines similar to its administration of the Federal housing tax credit. PHFA is required to report online each year on the allocation of the credit.

The Department of Revenue shall consult with PHFA to determine procedures for the carryover, sale, and transfer of the credit. SB 1185 stipulates that no tax refund may be issued for any portion of the credit. The Department is also responsible, in consultation with PFA, to establish guidelines for pass-through entities distribution of the credit, as well as for recapture of the credit (and additional penalties) in the event of non-compliance and fraud on the part of an applicant or recipient of the credit.

SB 1185 is effective 60 days after passage.

FISCAL IMPACT: SB 1185 will result in a \$10,000,000 loss to the general fund in annual revenue. PHFA and the Department of Revenue will also incur costs to develop guidelines and procedures for the implementation of this bill.