

SENATE BILL 1671

By Southerland

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 5, relative to the taxation of property  
qualifying for low-income housing tax credits.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 5, Part 6, is amended by adding the following language as a new, appropriately designated section:

67-5-6\_\_.

(a) Property that qualifies for low-income housing tax credits under section 42 of the Internal Revenue Code, 26 U.S.C. § 42, shall be valued for taxation based on the actual income derived from the property. The value of the property shall not be adjusted based on the amount of any federal low-income housing tax credits awarded for the development of the property.

(b) To secure valuation under this section for purposes of taxation of a property that qualifies for federal low-income housing tax credits, an owner shall apply to the assessor before March 1 of each tax year. The property owner shall submit the application on forms approved by the director of the division of property assessments and shall include information that may reasonably be required to determine that the property qualifies for appraisal under this section.

SECTION 2. This act shall take effect January 1, 2015, the public welfare requiring it, and shall apply to taxation of property qualifying for low-income housing tax credits for tax year 2015 and tax years thereafter.