

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7532

BILL NUMBER: HB 1827

DATE PREPARED: Jan 5, 1999

BILL AMENDED:

SUBJECT: Allocation of low income housing tax credits.

FISCAL ANALYST: Ron Sobecki

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 X FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that the Indiana Housing Finance Authority may allocate federal low income housing credits to a building providing housing for persons with disabilities even if the building is not "primarily" used to provide residential housing for persons with disabilities. The bill requires the Authority to allocate the federal credits under this provision based on the proportionate amount of a qualified building that is used to provide residential housing for persons with disabilities.

Effective Date: July 1, 1999.

Explanation of State Expenditures: This bill changes the definition being used by the Indiana Housing Finance Authority (IHFA) in allocating low income housing credits to residential housing for persons with developmental disabilities. Currently Indiana receives approximately \$7 million annually in federal low income housing credits. The IHFA allocates 10% of these credits to residential housing for persons with disabilities. The current definition is restricting the allocation of these credits to residential housing for persons with developmental disabilities. The IHFA must re-allocate some of the credits set aside for this category to other set asides at the end of a fiscal year. The definition change will allow the full 10% of the low income housing credits for residential housing for persons with developmental disabilities to be used on an annual basis and may also increase the number of residences for individuals with a developmental disability.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Housing Finance Authority.

Local Agencies Affected:

Information Sources: Todd Sears, Indiana Finance Authority, 232-7777.