

**INDIVIDUAL INCOME TAX  
CORPORATE FRANCHISE TAX**  
Credit for Affordable Housing Contributions

April 14, 2003

Department of Revenue  
Analysis of S.F. 898(Moua)

	Yes	No
Separate Official Fiscal Note Requested		
<b>Fiscal Impact</b>		
DOR Administrative Costs/Savings		

	<b>Revenue Gain or (Loss)</b>			
<b>F.Y. 2004</b>	<b>F.Y. 2005</b>	<b>F.Y. 2006</b>	<b>FY2007</b>	
	(000's)			
General Fund	*	*	*	*

Effective beginning with tax year 2003 and ending tax year 2007.

\*An unspecified allocation of funds is made effective for taxable years beginning in 2002 and 2003.

**EXPLANATION OF THE BILL**

**Proposed Law:** This bill would provide a nonrefundable income and franchise tax credit for contributions to affordable housing (cash, land, marketable securities), equal to 50% of amounts certified by the Housing Finance Agency. The credit has a limit of \$250,000 per taxpayer per year with a five year carryover. Credit is limited to tax years 2003 through 2007.

Source: Minnesota Department of Revenue  
Tax Research Division

<http://www.taxes.state.mn.us/polic.html#analyses>