[DATE]

The Honorable Jim Beall

California State Senate

State Capitol, Room 2082

Sacramento, CA 95814

RE: Support for Senate Bill 9 (Beall)

Dear Senator Beall:

On behalf of [Organization Name],I am writing to express our support for your bill, Senate Bill 9, which increases the impact of the state’s existing low-income housing tax credit with no fiscal impact to the state.

In 2016, the Legislature passed and the Governor signed legislation that permitted a developer who receives an award of state LIHTCs to sell the credits to an investor without requiring the investor to be part of the project ownership. Under federal and state tax laws, tax credits that are bought by an investor are considered a payment of the investor’s tax rather than a reduction in his or her tax liability. As a result, purchased credits do not reduce the taxpayer’s federal deductions.

To date, the value of the tax credits has increased by 14 cents, or closer to 80 cents on the dollar, when utilizing this new structure. This increased value means more housing units for the state without any additional costs to taxpayers. SB 9 removes the sunset from the restructuring provision.

Our organization, whose purpose is [Insert text here] supports this legislation.

Sincerely,

[ NAME/TITLE]

[ORGANIZATION]