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NLIHC Housing Policy Conference

Low Income Housing Tax Credit Issues and Innovations Legislative Update

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Legislative Update



Tax Reform

- House Ways and Means Committee Chairman Dave Camp (R-MI) released his tax reform discussion draft on February 26.
- Preserves and substantially amends the Housing Credit.
- Eliminates Private Activity Bonds, the 4 percent Housing Credit, and Mortgage Credit Certificates.



Tax Reform

- NCSHA and others continue to review the discussion draft legislation.
- It is uncertain whether the House Ways and Means Committee will mark up Camp's draft.
- Camp will not be the Ways and Means Committee Chairman next year.



Tax Reform

- House and Senate leaders have said they do not expect Congress to enact tax reform legislation this year.
- New Senate Finance Committee Chairman Ron Wyden (D-OR) supports comprehensive tax reform but is focused on extending expiring tax provisions this year.



Extenders

- The Senate Finance Committee recently passed a bill extending several expiring tax provisions, including a provision that establishes a 9 percent Housing Credit rate floor.
- Also included an amendment that would establish a 4 percent floor for the allocated acquisition Housing Credit rate.



Permanent Extender Legislation

- Senator Cantwell sponsored a bill (S. 1442) to make 9 percent Credit rate permanent and establish a permanent 4 percent fixed rate has 26 co-sponsors.



House Outlook

- Camp recently announced he wants to review expiring provisions individually to determine whether to make them permanent.
- Markup on some this week.
- We expect Reps. Tiberi (R-OH) and Neal (D-MA) to introduce a bill similar to Cantwell's soon.



Potential Housing Credit Cap Increase

- Bipartisan Policy Center Housing Commission proposed 50 percent Housing Credit cap increase.
- Administration's FY 2014 Budget proposed to allow states to convert some of their private activity bond authority to Credit authority.



Main Priorities

- Protect the Credit and Bond programs in tax reform and deficit reduction
- Reject proposals to eliminate PABs, the 4% Credit, and MCCs
- Make permanent the temporary provision fixing the floating 9 percent Credit at 9 percent and creating a new floor at 4 percent for the 4 percent acquisition Credit

