

BOLD PROPOSALS FOR RENTERS' TAX CREDITS



Federal policymakers have recently introduced bold, innovative tax credit proposals to address the growing affordable housing crisis facing millions of the lowest income seniors, people with disabilities, families with children, and individuals. The **"Rent Relief Act"** and the **"Housing, Opportunity, Mobility, and Equity (HOME) Act"** provide refundable tax credits to cost-burdened taxpayers. These proposals would help bridge the widening gap between incomes and housing costs by creating new tax credits to help renters who face impossible choices between paying rent and meeting their other basic needs, including putting groceries on the table and taking care of their health.

The **National Low Income Housing Coalition strongly supports** the creation of a renters' tax credit that could make housing affordable for millions of the lowest income people.

INDIVIDUAL TAX CREDITS														
	"Rent Relief Act"	"Housing, Opportunity, Mobility, and Equity (HOME) Act of 2018"												
Sponsor	Senator Kamala Harris (D-CA) Congressmembers Danny Davis (D-IL) Scott Peters (D-CA), Jimmy Gomez (D-CA)	Senator Cory Booker (D-NJ) Congressman James Clyburn (D-SC)												
Type	Fully Refundable	Fully Refundable												
Eligibility	Taxpayers earning less than \$125,000 annually	All cost-burdened taxpayers												
Value of Credit	A share of the difference between 30% of income and rent, capped at 100% of Small Area Fair Market Rent	The difference between 30% of income and rent, capped at 100% of Fair Market Rent												
Schedule	<table border="0"> <tr> <td>If gross income is:</td> <td>The percentage is:</td> </tr> <tr> <td>< \$25,000</td> <td>100%</td> </tr> <tr> <td>Between \$25,000 and \$50,000</td> <td>75%</td> </tr> <tr> <td>Between \$50,000 and \$75,000</td> <td>50%</td> </tr> <tr> <td>Between \$75,000 and \$100,000</td> <td>25%</td> </tr> <tr> <td>More than \$100,000*</td> <td>0%</td> </tr> </table>	If gross income is:	The percentage is:	< \$25,000	100%	Between \$25,000 and \$50,000	75%	Between \$50,000 and \$75,000	50%	Between \$75,000 and \$100,000	25%	More than \$100,000*	0%	100% of cost burdens for all incomes
If gross income is:	The percentage is:													
< \$25,000	100%													
Between \$25,000 and \$50,000	75%													
Between \$50,000 and \$75,000	50%													
Between \$75,000 and \$100,000	25%													
More than \$100,000*	0%													
Utilities	Included	Included												
Residents in Federally Subsidized Housing	Provided a separate tax credit – in lieu of the one above – equal to the amount paid by the taxpayer in rent for 1 month	Eligible for the tax credit, if they have cost burdens												
Interest Accrued		Creates a Rainy Day Fund for taxpayers who choose to defer tax credit for 180 days to collect interest accrued												
Other Provisions	Allows taxpayers to receive their benefit in monthly payments.	Requires states and local communities to develop new inclusive zoning policies, programs, or regulatory initiatives to create more affordable housing supply.												

*If the taxpayer is located in an area that uses HUD Small Area Fair Market Rents, the maximum income is increased to \$125,000.

For more information, contact NLIHC Senior Policy Director Sarah Mickelson at smickelson@nlihc.org or by calling 202-662-1530, ext. 228