



Advocates Should Encourage Congress to Write New LIHC Bill

By Michael J. Novogradac, CPA

Affordable housing practitioners should be prepared to push Washington lawmakers to reintroduce legislation to increase the low-income housing tax credit (LIHC) cap this year. But this may prove to be an uphill battle considering the Senate may be entangled in a protracted presidential impeachment trial. Last year, Congress failed to pass bipartisan legislation that would have increased the 12-year-old LIHC volume cap from \$1.25 to \$1.75 per state resident and index it for inflation in future years. Affordable housing advocates late last year had expected House and Senate lawmakers to quickly reintroduce new LIHC legislation soon after the new 106th Congress convenes January 6. But this may not come to pass, some observers predict, because the Senate may be too engrossed in an impeachment trial to focus on moving affordable housing legislation or even a significant tax bill, the necessary vehicle to change the existing tax code. There still may be reason for optimism. In December, the House completed its impeachment vote, thus freeing up the House for legislative action. And the Senate could rapidly wrap up impeachment proceedings by President's Day. As a result, the Senate could be ready to run with new LIHC legislation before spring. To be sure, passing any legislation will be a challenge during this highly charged partisan political period. However, this challenge should strengthen our resolve to explain to Congress why the LIHC cap increase deserves serious consideration this session. ❖

*This article first appeared in the January 1999 issue of Novogradac & Company's **LIHC Monthly Report** and is reproduced here with the permission of Novogradac & Company LLP.*

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