



President Clinton's FY 2000 Calls for LIHC Cap Increase

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President Clinton has called for increasing the low-income housing tax credit (LIHC) cap from the current \$1.25 per capita to \$1.75 per capita beginning in the year 2000, according to his fiscal year 2000 budget plan released February 1. However, the White House FY 2000 budget blueprint does not include an expansion of the private activity housing bond cap. Last year, Congress enacted and the president signed a tax cut bill that included an incremental increase in the housing bond cap, from \$50 per resident to \$75 per resident in \$5 increments beginning in the year 2003. Congress introduced new tax-exempt bond legislation last month that would accelerate the already-approved cap increase.

The White House LIHC increase proposal comes on the heels of the introduction of a bipartisan House bill— H.R. 175, by Reps. Nancy Johnson (R-Conn.) and Charles Rangel (D-N.Y.). Unlike H.R. 175, the Clinton administration tax credit increase does not include indexing the LIHC for inflation for future years. In other affordable housing-related line items, the White House budget proposes \$1.61 billion for the HOME program, a \$10 million increase than the FY 1999 appropriation of \$1.6 billion. The administration budget blueprint calls for \$87 million for 15,000 housing vouchers that would initially be tapped by senior residents living in LIHC-supported developments. ❖

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