



LIHC Cap Increase Gains Momentum; Program Reform Delayed

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House legislation designed to boost the purchasing power of the low-income housing tax credit (LIHC) has gained 161 cosponsors, as of March 18. This represents almost one-third of the entire House of Representatives just two and a half months after the bill was first introduced. Spearheaded by Reps. Nancy Johnson (R-Conn.) and Charles Rangel (D-N.Y.), H.R. 175 would boost the 13-year LIHC state cap from \$1.25 per resident to \$1.75 per resident and index it to inflation in future years. The 161 cosponsor total includes 25 of the 39 members of the House Ways and Means Committee. Meanwhile, Sens. Connie Mack (R-Fla.) and Bob Graham (D-Fla.) were poised to introduce legislation that mirrors the Johnson-Rangel bill. However, introduction of the Senate tax credit hike bill was delayed in order to generate more original Senate supporters. While both House and Senate tax credit increase bills continue to build momentum, introduction of a second LIHC-related bill seems to be on hold at least temporarily. Johnson is expected to introduce a far-reaching tax credit bill that would offer programmatic changes to the 13-year-old program. Johnson's second tax credit bill will likely be delayed until at least mid-April because her staff had been occupied with the Connecticut Republican's major tax cut bill coined the Taxpayer Relief Act of 1999. This middle-income tax bill would devote \$100 billion of the projected \$2.6 trillion federal budget surplus over the next five years to targeted tax cuts including marriage penalty relief as well as LIHC cap hike. ❖

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