



# House Passes LIHC Cap Increase; Senate Fails to Push Through Cap Increase Amendment

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The U.S. House of Representatives overwhelmingly passed a community renewal bill July 25 that would increase the low-income housing tax credit (LIHC) cap.

By a vote of 394-to-27, House lawmakers passed H.R. 4923, by Reps. J.C. Watts (R-Okla.) and Jim Talent (R-Mo.), H.R. 4923 would raise the \$1.25 LIHC cap by 10 cents a year starting in 2001 through 2004. The bill would then increase the LIHC cap by 5 cents a year until it reaches \$1.75 in 2006, with an index to inflation thereafter. In addition, the community renewal initiative would implement programmatic reforms similar to what Rep. Nancy Johnson (R-Conn.) proposed a year ago (See Aug. 1999 LIHC Monthly Report, pg. 1).

On the Senate side, Senate lawmakers failed to attach an increase to the LIHC cap to the popular estate tax relief bill last month. Sen. Rick Santorum (R-Pa.) attempted to attach his community renewal initiative as an amendment to the estate tax relief bill, July 14. The Senate refused to waive the Congressional Budget Act to allow consideration of the amendment by a vote of 57-to-40, three votes shy of the required 60.

Santorum and Sen. Joseph Lieberman (D-Conn.) introduced a community renewal bill June 22 that would raise the LIHC from the current \$1.25 per capita to \$1.75 per capita in 2001, with an index to inflation thereafter. The bill would also raise the private activity bond cap to \$75 per resident in 2001 and index subsequent increases to inflation.

Affordable housing practitioners can expect lawmakers to make similar tactical maneuvers in the months to come in order to push through a LIHC and bond cap increase before the end of the congressional session. ❖

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