



# LIHC Cap Increase Fails Enactment This Year

By Michael J. Novogradac, CPA

SAN FRANCISCO—Despite widespread support, proposals to increase the low-income housing tax credit (LIHC) cap failed to be enacted during the 106th Congress, the Association of Local Housing Finance Agencies (ALHFA) Executive Director John Murphy told attendees at its 1999 Fall Educational Conference Nov. 18. H.R. 175, sponsored by Reps. Nancy Johnson (R-Conn.) and Charles Rangel (D-N.Y.), garnered an impressive 354 cosponsors, the most cosponsors of any bill during the 106th Congress. S. 1017, by Sens. Connie Mack (R-Fla.) and Bob Graham (D-Fla.) had gained 74 Senate supporters, according to Murphy. "Our numbers were very successful," Murphy told conference-attendees.

Why did Congress fail to enact legislation that enjoyed such strong support? Because of pre-year 2000 election-year politics. "The impeachment hearing poisoned the environment in Congress this year," Murphy explained. "Neither party has gotten much done as a result."

"We managed to fight our way into the \$792 billion tax bill. Then we worked closely with [Rep. Rick] Lazio (R-N.Y.) to get the increase in the minimum wage bill," said Murphy, pointing out that Clinton then vetoed the tax bill and the Democrats refused to support a GOP-sponsored minimum wage bill with other tax cut riders. "We did our work we got [the cap increase] in. Because of forces beyond our control, we will have to fight again next year."

Now affordable housing advocates like ALHFA, a Washington, D.C.-based trade association, will have to devise new strategies to make sure the LIHC expansion is enacted next year. "Given the tension between Democrats and Republicans, we need to figure out how to pass the tax credit cap increase," he said. "We will be back in January to help you meet the nation's affordable housing needs." ❖

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