



February 2, 2011

Ways and Means Committee Office
1102 Longworth House Office Building
Washington, D.C. 20515

Re: Ways and Means Hearings of the 112th Congress to Examine the Burdens Imposed by the Current Federal Income Tax System and the Need for Reform

Dear Chairman Camp, Ranking Member Levin and Members of the Committee:

We are writing to you on behalf of the LIHTC Working Group. Our group is made up of low income housing tax credit (LIHTC) industry participants including nonprofit and for profit developers, syndicators, investors, accountants and lawyers. The Committee has begun a series of hearings on the costs imposed on families, employers, and the economy at large by the current structure of the Federal income tax, and we would like to submit this statement for consideration by the Committee.

Both the use and types of tax expenditures promise to be a large part of what the committee considers during these hearings. We believe that any discussion about tax expenditures should include a distinction between those tax expenditures that benefit the recipient of the subsidy and those tax expenditures that benefit a third party and promote a social good. For example, LIHTCs are claimed by investors to help developers build housing that benefits people who could not normally afford it. Tax expenditures that benefit a third party and promote a social good should be considered separately as they benefit someone other than the taxpayer and benefit someone in need (low income individual). Changes to these programs could hurt the dynamics of what makes the program successful and in turn primarily hurt the third party beneficiaries (low income individuals).


The Committee has an enormous task in front of it, and we are pleased you are approaching it as a dialogue with the American people. We look forward to being a part of the process. Thank you for your time, and we are available if there is any way we can be of assistance. Please feel free to contact Michael Novogradac (415) 356-8000 or Michael Morrison (415) 356-8025.

THE LIHTC WORKING GROUP

Very truly yours,
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