

115TH CONGRESS
2D SESSION

H. R. 6542

To amend the Internal Revenue Code of 1986 to provide an increase in the low-income housing credit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2018

Mr. CLYBURN (for himself and Ms. DELBENE) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide an increase in the low-income housing credit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Restoring Tax Credits
5 for Affordable Housing Act”.

6 **SEC. 2. INCREASE IN LOW-INCOME HOUSING CREDIT.**

7 (a) INCREASE OF STATE HOUSING CREDIT CEIL-
8 ING.—

9 (1) IN GENERAL.—Section 42(h)(3)(C)(ii) of
10 the Internal Revenue Code of 1986 is amended—

1 (A) by striking “\$1.75” in subclause (I)
2 and inserting “\$2.90”, and

3 (B) by striking “\$2,000,000” in subclause
4 (II) and inserting “\$3,365,000”.

5 (2) INFLATION ADJUSTMENT.—Section
6 42(h)(3)(H) of such Code is amended—

7 (A) in clause (i)—

8 (i) by striking “2002, the \$2,000,000
9 and \$1.75 amounts” in the matter pre-
10 ceding subclause (I) and inserting “2019,
11 the \$3,365,000 and \$2.90 amounts”, and

12 (ii) by striking “2001” in subclause
13 (II) and inserting “2018”, and

14 (B) in clause (ii)—

15 (i) by striking “\$2,000,000” in sub-
16 clause (I) and inserting “\$3,365,000”, and

17 (ii) by striking “\$1.75” in subclause
18 (II) and inserting “\$2.90”.

19 (3) CONFORMING AMENDMENT.—Section
20 42(h)(3) of such Code is amended by striking sub-
21 paragraph (I).

22 (b) INCREASE IN CREDIT PERCENTAGE.—

23 (1) MODIFICATION OF DISCOUNT RATE.—Sec-
24 tion 42(b)(1)(C)(ii) of such Code is amended by

1 striking “72 percent of” and inserting “the sum of
2 1.5 percentage points plus”.

3 (2) MODIFICATION OF METHOD OF DIS-
4 COUNTING.—Section 42(b)(1)(C)(i) of such Code is
5 amended to read as follows:

6 “(i) assuming the 10-year period re-
7 ferred to in subparagraph (B) commences
8 no less than 2 years after a housing credit
9 allocation is made under subsection (h),”.

10 (3) ONE-TIME ADJUSTMENT.—Section 42(b)(1)
11 of such Code is amended by adding at the end the
12 following new subparagraph:

13 “(D) ONE-TIME ADJUSTMENT.—After ap-
14 plying subparagraphs (A), (B), and (C), the ap-
15 plicable percentage shall be increased by 16
16 percent.”.

17 (c) EFFECTIVE DATES.—

18 (1) INCREASE OF STATE HOUSING CREDIT
19 CEILING.—The amendments made by subsection (a)
20 shall apply to calendar years after 2018.

21 (2) INCREASE IN CREDIT PERCENTAGE.—The
22 amendments made by subsection (b) shall apply to
23 buildings with respect to which housing credit dollar
24 amounts are allocated after December 31, 2018.

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