

113TH CONGRESS  
2D SESSION

# H. R. 4479

To amend the Internal Revenue Code of 1986 to provide a renter's credit.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 2014

Mr. RANGEL introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide  
a renter's credit.

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 “Renters Tax Credit  
5 Act of 2014”.

6 **SEC. 2. RENTERS TAX CREDIT.**

7 (a) **IN GENERAL.**—Subpart D of part IV of sub-  
8 chapter A of chapter 1 of the Internal Revenue Code of  
9 1986 is amended by adding at the end the following new  
10 section:

1 “SEC. 45S. **RENTERS CREDIT.**

2 “(a) **IN GENERAL.**—For purposes of section 38, in  
3 the case of a qualified credit recipient, the renters credit  
4 for any taxable year is an amount equal to the sum of  
5 the renter’s credit amounts allocated to such qualified  
6 credit recipient under this section for months ending dur-  
7 ing the taxable year.

8 “(b) **RENTER’S CREDIT AMOUNT.**—

9 “(1) **IN GENERAL.**—For purposes of this sec-  
10 tion, the term ‘renters credit amount’ means the  
11 rent reduction amount with respect to each rental  
12 unit which is occupied by a qualified renter.

13 “(2) **QUALIFIED RENTER.**—For purposes of  
14 this section, the term ‘qualified renter’ means a fam-  
15 ily unit with income not greater than the higher of—

16 “(A) 60 percent of local median income, or

17 “(B) 150 percent of the Federal poverty  
18 line,

19 in each case as determined by the Secretary of  
20 Housing and Urban Development for a family of the  
21 size involved.

22 “(3) **RENT REDUCTION AMOUNT.**—For pur-  
23 poses of this section—

24 “(A) **IN GENERAL.**—The term ‘rent reduc-  
25 tion amount’ is the amount by which the fair

1 market rent for the unit involved exceeds the  
2 rent charged to the qualified renter.

3 “(B) LIMITATION.—The rent reduction  
4 amount taken into account under this section  
5 shall not exceed the excess of—

6 “(i) the rent charged to the qualified  
7 renter (or, if lower, specified modest rent),  
8 over

9 “(ii) 30 percent of the qualified rent-  
10 er’s income (prorated monthly) as deter-  
11 mined by the renters credit agency of the  
12 State.

13 “(C) SPECIFIED MODEST RENT.—The  
14 term ‘specified modest rent’ means—

15 “(i) the Fair Market Rent determined  
16 by the Secretary of Housing and Urban  
17 Development for the zip code (if the unit  
18 is located in a metropolitan area) or non-  
19 metropolitan county, or

20 “(ii) such amount as may be deter-  
21 mined by the State with respect to the  
22 area in which the unit is located if such  
23 amount is within 25 percent of the amount  
24 determined under clause (i) with respect to  
25 such unit.

1           “(D) UTILITIES.—The renters credit agen-  
2           cy of the State may determine whether and how  
3           to take into account the cost of utilities in de-  
4           termining the rent reduction amount.

5           “(E) CREDIT ADJUSTMENT.—The renters  
6           credit agency of the State may elect to increase  
7           the rent reduction amount such that such  
8           amount does not exceed 110 percent of such  
9           amount as determined without regard to this  
10          subparagraph.

11          “(c) QUALIFIED CREDIT RECIPIENT.—For purposes  
12          of this section, the term ‘qualified credit recipient’ means,  
13          with respect to any rental unit occupied by a qualified  
14          renter, the owner of such unit but only to the extent of  
15          the renters credit amounts which have been allocated to  
16          such person by the renters credit agency. In lieu of the  
17          owner of the unit, the renters credit agency may treat the  
18          lender of any loan to such owner as the qualified credit  
19          recipient if such unit secures such loan.

20          “(d) ALLOCATIONS BY RENTERS CREDIT AGENCY TO  
21          CREDIT RECIPIENTS.—

22                 “(1) IN GENERAL.—The renters credit agency  
23                 may make allocations of renters credit amounts to  
24                 qualified credit recipients under this section on the  
25                 basis of—

1           “(A) the identity of the qualified renter,  
2           such that the renters credit amount is allowed  
3           to the owner of any rental unit which such  
4           qualified renter occupies (or the lender referred  
5           to in subsection (c)) for any month, or

6           “(B) one or more rental units, such that  
7           the renters credit amount is allowed to the  
8           owner of such units (or the lender referred to  
9           in subsection (c)) for such months as such units  
10          are occupied by a qualified renter.

11          “(2) RESTRICTIONS ON UNIT BASED ALLOCA-  
12          TIONS.—A renters credit agency may make alloca-  
13          tions of renters credit as described in paragraph  
14          (1)(B) only if—

15                 “(A) such units are part of a project or  
16                 building in which not more than 40 percent of  
17                 the units receive allocations under this section  
18                 (the Secretary may provide such exceptions to  
19                 the requirement of this subparagraph as the  
20                 Secretary determines appropriate for small  
21                 buildings or buildings with respect to which  
22                 more than 40 percent of the units were pre-  
23                 viously subsidized under other Federal pro-  
24                 grams), and

1           “(B) the Secretary has approved a mobility  
2 plan submitted by such renters credit agency  
3 which provides for an adequate method to en-  
4 sure that qualified renters have the ability to  
5 move from a unit which is eligible for credit  
6 under this section without losing the rent sub-  
7 sidy provided by this section.

8           “(e) ALLOCATIONS OF CREDIT AUTHORITY TO  
9 STATE AGENCIES.—

10           “(1) RENTERS CREDIT DOLLAR AMOUNT FOR  
11 AGENCIES.—

12           “(A) STATE LIMITATION.—The aggregate  
13 credit amounts which a renters credit agency  
14 may allocate for any calendar year is the por-  
15 tion of the State renters credit ceiling allocated  
16 under this paragraph for such calendar year to  
17 such agency.

18           “(B) STATE CEILING INITIALLY ALLO-  
19 CATED TO STATE HOUSING CREDIT AGEN-  
20 CIES.—Except as provided in subparagraphs  
21 (D) and (E), the State renters credit ceiling for  
22 each calendar year shall be allocated to the  
23 renters credit agency of such State. If there is  
24 more than 1 renters credit agency of a State,

1 all such agencies shall be treated as a single  
2 agency.

3 “(C) STATE RENTERS CREDIT CEILING.—  
4 The State renters credit ceiling applicable to  
5 any State and any calendar year shall be an  
6 amount equal to the sum of—

7 “(i) the unused State renters credit  
8 ceiling (if any) of such State for the pre-  
9 ceding calendar year,

10 “(ii) the greater of—

11 “(I) \$17.50 multiplied by the  
12 State population, or

13 “(II) \$20,000,000,

14 “(iii) the amount of State renters  
15 credit ceiling returned in the calendar year,  
16 plus

17 “(iv) the amount (if any) allocated  
18 under subparagraph (D) to such State by  
19 the Secretary.

20 For purposes of clause (i), the unused State  
21 renters credit ceiling for any calendar year is  
22 the excess (if any) of the sum of the amounts  
23 described in clauses (ii) through (iv) over the  
24 aggregate renters credit dollar amount allocated  
25 for such year.

1           “(D) UNUSED RENTERS CREDIT  
2 CARRYOVERS ALLOCATED AMONG CERTAIN  
3 STATES.—

4           “(i) IN GENERAL.—The unused rent-  
5 ers credit carryover of a State for any cal-  
6 endar year shall be assigned to the Sec-  
7 retary for allocation among qualified  
8 States for the succeeding calendar year.

9           “(ii) UNUSED RENTERS CREDIT CAR-  
10 RYOVER.—For purposes of this subpara-  
11 graph, the unused renters credit carryover  
12 of a State for any calendar year is the ex-  
13 cess (if any) of—

14           “(I) the unused State renters  
15 credit ceiling for the year preceding  
16 such year, over

17           “(II) the aggregate renters credit  
18 dollar amount allocated for such year.

19           “(iii) FORMULA FOR ALLOCATION OF  
20 UNUSED HOUSING CREDIT CARRYOVERS  
21 AMONG QUALIFIED STATES.—The amount  
22 allocated under this subparagraph to a  
23 qualified State for any calendar year shall  
24 be the amount determined by the Secretary  
25 to bear the same ratio to the aggregate un-



1 used renters credit carryovers of all States  
2 for the preceding calendar year as such  
3 State's population for the calendar year  
4 bears to the population of all qualified  
5 States for the calendar year. For purposes  
6 of the preceding sentence, population shall  
7 be determined in accordance with section  
8 146(j).

9 “(iv) QUALIFIED STATE.—For pur-  
10 poses of this subparagraph, the term  
11 ‘qualified State’ means, with respect to a  
12 calendar year, any State—

13 “(I) which allocated its entire  
14 State renters credit ceiling for the  
15 preceding calendar year, and

16 “(II) for which a request is made  
17 (not later than May 1 of the calendar  
18 year) to receive an allocation under  
19 clause (iii).

20 “(E) APPLICATION OF CERTAIN RULES.—  
21 For purposes of this paragraph, rules similar to  
22 the rules of subparagraphs (E), (F), and (G) of  
23 section 42(h)(3) shall apply.

24 “(F) INFLATION ADJUSTMENT.—

1           “(i) IN GENERAL.—In the case of a  
2           calendar year after 2013, the \$20,000,000  
3           and \$17.50 amounts in subparagraph (C)  
4           shall each be increased by an amount equal  
5           to—

6                   “(I) such dollar amount, multi-  
7                   plied by

8                   “(II) the cost-of-living adjust-  
9                   ment determined under section 1(f)(3)  
10                  for such calendar year by substituting  
11                  ‘calendar year 2001’ for ‘calendar  
12                  year 1992’ in subparagraph (B) there-  
13                  of.

14           “(ii) ROUNDING.—

15                   “(I) In the case of the  
16                   \$20,000,000 amount, any increase  
17                   under clause (i) which is not a mul-  
18                   tiple of \$50,000 shall be rounded to  
19                   the next lowest multiple of \$50,000.

20                   “(II) In the case of the \$17.50  
21                   amount, any increase under clause (i)  
22                   which is not a multiple of 50 cents  
23                   shall be rounded to the next lowest  
24                   multiple of 50 cents.

1       “(f) OTHER DEFINITIONS.—For purposes of this sec-  
2 tion—

3           “(1) RENTERS CREDIT AGENCY.—The term  
4 ‘renters credit agency’ means, with respect to any  
5 State, the housing credit agency of such State (as  
6 defined in section 42(h)(8)(A)) or such other agency  
7 as is authorized to carry out the activities of the  
8 renters credit agency under this section.

9           “(2) POSSESSIONS TREATED AS STATES.—The  
10 term ‘State’ includes a possession of the United  
11 States.

12       “(g) REGULATIONS.—The Secretary shall prescribe  
13 such regulations as may be necessary or appropriate to  
14 carry out the purposes of this section.”.

15       (b) CREDIT TO BE PART OF GENERAL BUSINESS  
16 CREDIT.—

17           (1) IN GENERAL.—Subsection (b) of section 38  
18 of such Code is amended by striking “plus” at the  
19 end of paragraph (35), by striking the period at the  
20 end of paragraph (36) and inserting “, plus”, and  
21 by adding at the end the following new paragraph:

22           “(37) the renters credit determined under sec-  
23 tion 45S(a).”.

24           (2) CREDIT ALLOWABLE AGAINST ALTERNATIVE  
25 MINIMUM TAX.—Subparagraph (B) of section

1 38(c)(4) of such Code is amended by redesignating  
2 clauses (vii) through (ix) as clauses (viii) through  
3 (x), respectively, and by inserting after clause (vi)  
4 the following new clause:

5 “(vii) the credit determined under sec-  
6 tion 45S.”.

7 (c) CLERICAL AMENDMENT.—The table of sections  
8 for subpart D of part IV of subchapter A of chapter 1  
9 of such Code is amended by adding at the end the fol-  
10 lowing new item:

“Sec. 45S. Renters credit.”.

11 (d) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to allocations made for calendar  
13 years after 2014 and to taxable years ending after Decem-  
14 ber 31, 2014.

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