

Ms. Barbara J. Thompson
Executive Director
National Council of State Homing Agencies
444 North Capitol Street, NW, Suite 438
Washington, DC 20001

Dear Ms. Thompson:

Thank you for your February 25, 2003, letter regarding the President's proposal to end the double taxation of dividends. I appreciate your interest in the President's proposal, and specifically how it may affect low-income housing tax credit investments.

I am pleased that the Jobs & Growth Tax Relief Reconciliation Act of 2003 passed by Congress and signed into law by the President includes a provision that dramatically reduces the double taxation of dividends. As enacted by Congress, the provision reducing the double taxation of dividends will have absolutely no effect on the low-income homing tax credit. Moreover, it will have a profoundly positive effect on job creation, corporate accountability, and the well being of all Americans. It will give the economy the boost it needs to continue its recovery in the second half of the year, and represents an investment in the American people and their prosperity.

Please contact me if you have any questions.

Sincerely,

Pamela F. Olson
Assistant Secretary (Tax Policy)