

By Mr. REID:

S. 2664. A bill to extend the provisions of the Protect America Act of 2007; read the first time.

Mr. REID. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be placed in the RECORD, as follows:

S. 2664

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Protect America Short-term Extension Act".

SEC. 2. EXTENSION OF THE PROTECT AMERICA ACT OF 2007.

Subsection (c) of section 6 of the Protect America Act of 2007 (Public Law 110-55; 121 Stat. 557; 50 U.S.C. 1803 note), as amended by section 1 of the Act to Extend the Protect America Act of 2007 for 15 Days (Public Law 110-182), is amended by striking "195 days after the date of the enactment of this Act" and inserting "on the date that is 30 days after the date of the enactment of the Protect America Short-term Extension Act".

SEC. 3. EFFECTIVE DATE.

The amendment made by section 2 shall take effect as if enacted on February 15, 2008.

By Mr. REID:

S. 2665. A bill to extend the provisions of the Protect America Act of 2007 until July 1, 2009; read the first time.

Mr. REID. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be placed in the RECORD, as follows:

S. 2665

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Protect America Long-term Extension Act".

SEC. 2. EXTENSION OF THE PROTECT AMERICA ACT OF 2007.

Subsection (c) of section 6 of the Protect America Act of 2007 (Public Law 110-55; 121 Stat. 557; 50 U.S.C. 1803 note), as amended by section 1 of the Act to Extend the Protect America Act of 2007 for 15 Days (Public Law 110-182), is amended by striking "195 days after the date of the enactment of this Act" and inserting "on July 1, 2009".

SEC. 3. EFFECTIVE DATE.

The amendment made by section 2 shall take effect as if enacted on February 15, 2008.

By Ms. CANTWELL (for herself, Mr. SMITH, Mr. KERRY, Mr. COLEMAN, and Mr. SALAZAR):

S. 2666. A bill to amend the Internal Revenue Code of 1986 to encourage investment in affordable housing, and for other purposes; to the Committee on Finance.

Ms. CANTWELL. Mr. President, the issues of housing are very much on the minds of the American people and those of us in Congress. While we focus on the challenges that homeowners currently are facing, we must not fail to recognize that there are a lot of families that dare not dream of owning

their own home; they dream simply of having access to safe, affordable rental housing in our communities.

Today, I am pleased to introduce the Affordable Housing Investment Act, a bill that will update and modernize the low-income housing tax credit program—a program that we all know has been tremendously successful in helping construct needed affordable housing in communities across our country.

We often find ourselves reacting to Government programs that are broken; this bill is about a Government program that works but can be improved upon. The low-income housing tax credit program was created as part of the Tax Reform Act of 1986 and made permanent in 1993. Designed as a public/private funding partnership, largely administered by the States, this program has become the most successful housing production program in existence.

These tax credits make it attractive for investors to forego highly profitable luxury residences, in order to provide housing for those most in need. Without affordable housing, many low-income Americans would find themselves on the street. Instead, these families can provide shelter to their children and have a secure place to live near where they work and go to school.

State agencies award housing tax credits to housing developers, who turn the credits into construction funds by selling them to investors. There funds allow developers to borrow less money and pass through the savings in lower rental rates for low-income tenants. Investors, in turn, receive a 10-year tax credit based on the cost of constructing or rehabilitating apartments that cannot be rented to anyone whose median income is higher than 60 percent of the median income in the area.

Each State's annual housing credit allocation is capped. In 2007, the cap is \$1.95 per capita, with a minimum of \$2.275 million. States put each development through three separate, rigorous evaluations to make sure it receives only enough housing credits to make it viable as low-income housing for the long term.

Since its inception, this program has created nearly 2 million homes for low-income families at restricted rents for terms of at least 30 years—housing that would not have occurred without the tax credit.

The credit is responsive to the needs of local communities. It works for new construction, rehabilitation, and preservation of affordable housing. It works in cities, suburbs, and rural areas. It revitalizes low-income communities. It serves families, the elderly, the disabled, and the homeless. Each State sets its own housing priorities, and developers compete aggressively to meet these priorities.

The program is cost efficient and has a high compliance rate. The marketplace imposes discipline on the program so that taxpayers' dollars are well-spent. Investors receive their tax

credits only if housing is built on time and on budget, operates successfully within local housing markets, and is well maintained over time. The annual failure rate for housing credit properties is 0.02 percent annually, well below that for other housing or commercial real estate.

As successful as the housing tax credit program is, it could benefit significantly from updating.

The Affordable Housing Investment Act of 2008, which I am introducing with Senators SMITH, KERRY, COLEMAN and SALAZAR, modernizes the tax credit rules in order to make it even more useful.

First, it eliminates the penalties for combining housing credits with other Federal housing programs. The bill proposes to remove various restrictions that make it hard to coordinate housing credits with other Federal policies and programs. These restrictions frustrate efforts to address local needs and add unnecessary legal and accounting costs. In some cases, these restrictions were set many years ago to prevent properties from receiving excessive subsidies. Such restrictions are no longer needed because States examine each project at three points to ensure that it needs the amount of housing credits allocated to it. In addition, the high demand for housing credits and other subsidies motivates all subsidy providers to limit subsidies to the minimum amount necessary.

Second, the bill helps foster low-income community revitalization by facilitating the construction of child care, primary health care, recreation and other community service facilities and aiding with the specific needs for housing in rural areas.

Third, the bill preserves existing affordable housing by easing restrictions on rehabilitation of older properties.

Finally, the bill eliminates unneeded inefficiencies in the tax laws that serve no public policy purpose.

The legislation has been endorsed by the National Council of State Housing Agencies, the Affordable Housing Tax Credit Coalition, the Housing Development Consortium, Local Initiatives Support Corporation and Impact Capital, National Association of State and Local Equity Funds, Seattle Housing Authority, and the Washington State Housing Finance Commission.

The tax credit program may be invisible to the people that now have a roof over their head, but it is indispensable to our ability to meet the growing demand—and diminishing supply—for affordable housing.

For example, Port Orchard Vista—a 42-unit apartment building for low-income seniors—would not have been built without the tax credit program. One resident, a 62-year-old grandmother named Jackie, would be homeless if this project had not been built. Jackie's Social Security check is \$600 per month. Her rent was \$605, not including utilities—or groceries! She was selling her furniture and her mom's old

cookbooks to make up the difference. She was just a few months away from being homeless.

Thanks to the tax credits, the Kitsap County Consolidated Housing Authority was able to get this project built and keep Jackie off the street. Today, Jackie's rent is \$200—including utilities.

The Village at Overlake Station in Redmond, Washington, was built in 2001 and offers beautiful public spaces and apartment homes. Sarah, a single mother, came to Overlake Station in late 2005 after spending that summer and fall living out of her vehicle with her two children. She was extremely grateful to find a suitable, affordable apartment before the cold weather came. She and her children were forced to huddle together in the backseat of her car to stay warm as they slept and she was concerned about their safety. Though she tried to be cautious, she just knew she should find a better way to take care of her children.

Sarah and her children have proudly lived at Overlake for 2 years. Soon they will move into a new house, thanks to Habitat for Humanity. In two years, Sarah has gone from homelessness to homeownership—thanks to the Low-Income Housing Tax Credit program.

These stories can be replicated in every community in my State and across the country.

In 2002, the Millennial Housing Commission said in its final report to the Congress:

Securing access to decent, affordable housing is fundamental to the American Dream. All Americans want to live in good-quality homes they can afford without sacrificing other basic needs. All Americans want to live in safe communities with ready access to job opportunities, good schools, and amenities. All parents want their children to grow up with positive role models and peer influences nearby. And the overwhelming majority of Americans want to purchase a home as a way to build wealth.

By leveraging private capital to build affordable housing units, we are also helping our local communities. People left with no affordable housing options join the ranks of the homeless and then become the responsibility of our cash-strapped communities. We can alleviate some of the community responsibilities of caring for the homeless, the disabled, and other vulnerable low-income families by helping to provide these people an affordable place to call home. I encourage my colleagues to join me in this effort.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2666

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the “Affordable Housing Investment Act of 2008”.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title, etc.

TITLE I—FACILITATE DEVELOPMENT OF HOUSING CREDIT PROPERTY

Sec. 101. Renaming the low-income housing credit as the affordable housing credit.

Sec. 102. Modification of rules for determining applicable percentage.

Sec. 103. Increase in credit for buildings in State designated areas.

Sec. 104. Modification of scattered site rule.

Sec. 105. Treatment of rural projects.

Sec. 106. Expansion of allowable basis for community service facilities.

TITLE II—IMPROVE COORDINATION WITH OTHER FEDERAL HOUSING PROGRAMS

Sec. 201. Affordable housing credits allowed for section 8 moderate rehabilitation developments.

Sec. 202. Modification to low-income housing credit rules for reduction of eligible basis by grants received.

TITLE III—FACILITATE PRIVATE INVESTMENT CAPITAL TO INCREASE THE EFFICIENCY OF AFFORDABLE HOUSING INVESTMENT

Sec. 301. Repeal of recapture bond rule.

Sec. 302. Affordable housing credit allowed against alternative minimum tax.

Sec. 303. Interest on qualified mortgage bonds, qualified veterans' mortgage bonds, and qualified residential rental project exempt facility bonds exempt from alternative minimum tax.

TITLE IV—HELP PRESERVE EXISTING AFFORDABLE HOUSING

Sec. 401. Repeal of 10-year rule for acquisition housing credits.

Sec. 402. Modification of related person rule for affordable housing credit.

TITLE V—SIMPLIFY ADMINISTRATION OF THE HOUSING CREDIT PROGRAM

Sec. 501. Elimination of certain annual recertifications of tenant incomes.

TITLE VI—CONFORM MULTIFAMILY HOUSING BOND RULES TO HOUSING CREDIT RULES

Sec. 601. Coordination of certain rules applicable to affordable housing credit and qualified residential rental project exempt facility bonds.

TITLE VII—IMPROVE THE MORTGAGE REVENUE BOND PROGRAM

Sec. 701. Special rule for use of mortgage bonds for disaster victims, single parents, and homemakers.

Sec. 702. Repeal of required use of certain principal repayments on qualified mortgage issues to redeem bonds.

TITLE VIII—EFFECTIVE DATE

Sec. 801. Effective date.

TITLE I—FACILITATE DEVELOPMENT OF HOUSING CREDIT PROPERTY

SEC. 101. RENAMING THE LOW-INCOME HOUSING CREDIT AS THE AFFORDABLE HOUSING CREDIT.

(a) IN GENERAL.—The heading of section 42 (relating to low-income housing credit) is

amended by striking “low-income” and inserting “affordable”.

(b) CONFORMING AMENDMENTS.—

(1) Sections 38(b)(5), 42(a), 772(a)(7), and 772(d)(5) are each amended by striking “low-income” and inserting “affordable”.

(2) The headings of subparagraphs (3)(D) and (6)(B) of section 469(i) are each amended by striking “LOW-INCOME” and inserting “AFFORDABLE”.

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 42 and inserting the following:

“Sec. 42. Affordable housing credit.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 102. MODIFICATION OF RULES FOR DETERMINING APPLICABLE PERCENTAGE.

(a) IN GENERAL.—Subsection (b) of section 42 is amended—

(1) by striking the semicolon and all that follows to the period in the heading,

(2) by striking paragraph (1) and inserting the following new paragraph:

“(1) IN GENERAL.—For purposes of this section, the term ‘applicable percentage’ means the greater of the alternative applicable percentage determined under paragraph (2) or—

“(A) 9 percent in the case of any building to which subparagraph (B) does not apply, and

“(B) 4 percent in the case of—

“(i) any existing building, and

“(ii) any new building if, at any time during the taxable year or any prior taxable year, there is or was outstanding any obligation—

“(I) not taken into account under section 146,

“(II) which is exempt from tax under section 103, and

“(III) the proceeds of which are or were used (directly or indirectly) with respect to such building or the operation thereof.”.

(3) by striking “BUILDINGS PLACED IN SERVICE AFTER 1987” in the heading for paragraph (2) and inserting “ALTERNATIVE APPLICABLE PERCENTAGE”, and

(4) by striking “In the case of any qualified low-income building placed in service by the taxpayer after 1987, the term ‘applicable percentage’ means” in paragraph (2)(A) and inserting “For purposes of paragraph (1), the term ‘alternative applicable percentage’ means”.

(b) MODIFICATION OF RULES RELATED TO FEDERAL SUBSIDIES.—

(1) IN GENERAL.—Paragraph (2) of section 42(i) (relating to determination of whether building is Federally subsidized) is amended to read as follows:

“(2) EXCEPTIONS FOR CERTAIN NEW BUILDINGS OTHERWISE SUBJECT TO 4 PERCENT CREDIT LIMITATION.—

“(A) ELECTION TO REDUCE ELIGIBLE BASIS BY PROCEEDS OF OBLIGATIONS.—A tax-exempt obligation shall not be taken into account under subsection (b)(1)(B)(ii) if the taxpayer elects to exclude the proceeds of such obligation from the eligible basis of the building for purposes of subsection (d).

“(B) SPECIAL RULE FOR SUBSIDIZED CONSTRUCTION FINANCING.—A tax-exempt obligation used to provide construction financing for any building shall not be taken into account under subsection (b)(1)(B)(ii) if—

“(i) such obligation (when issued) identified the building for which the proceeds of such obligation would be used, and

“(ii) such obligation is redeemed before such building is placed in service.”.

(2) CONFORMING AMENDMENT.—Section 1400N(c)(6) is amended by striking “December 31, 2010” and inserting “the date of the enactment of the Affordable Housing Investment Act of 2008”.

SEC. 103. INCREASE IN CREDIT FOR BUILDINGS IN STATE DESIGNATED AREAS.

(a) IN GENERAL.—Clause (i) of section 42(d)(5)(C) (relating to increase in credit for buildings in high cost areas) is amended by striking “or difficult development area” and inserting “, difficult development area, or State designated project”.

(b) STATE DESIGNATED PROJECT.—Subparagraph (C) of section 42(d)(5) is amended by adding at the end the following new clause:

“(v) STATE DESIGNATED PROJECT.—For purposes of this subparagraph, the term ‘State designated project’ means any project published as part of a State’s qualified allocation plan (as defined in subsection (m)(1)(B)) and designated by the housing credit agency as meeting such criteria for designation under this clause as the State in which such project is located may specify. The rules of clauses (ii)(II) and (iii)(II) shall not apply for purposes designations made under this clause.”.

(c) CONFORMING AMENDMENT.—The heading of subparagraph (C) of section 42(d)(5) is amended by striking “BUILDINGS IN HIGH COST AREAS” and inserting “CERTAIN BUILDINGS”.

SEC. 104. MODIFICATION OF SCATTERED SITE RULE.

Paragraph (7) of section 42(g) (relating to scattered site projects) is amended to read as follows:

“(7) SCATTERED SITE PROJECTS.—Buildings which would (but for their lack of proximity) be treated as a project for purposes of this section shall be so treated if the rent-restricted (within the meaning of paragraph (2)) residential units of such project are distributed among such buildings in proportion to the number of residential units in each building.”.

SEC. 105. TREATMENT OF RURAL PROJECTS.

Section 42(i) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

“(8) TREATMENT OF RURAL PROJECTS.—For purposes of this section, in the case of any project for residential rental property located in a rural area (as defined in section 520 of the Housing Act of 1949), any income limitation measured by reference to area median gross income shall be measured by reference to the greater of area median gross income or national non-metropolitan median income.”.

SEC. 106. EXPANSION OF ALLOWABLE BASIS FOR COMMUNITY SERVICE FACILITIES.

Section 42(d)(4)(C) (relating to inclusion of basis of property used to provide services for certain nontenants) is amended—

(1) by striking “10 percent of the eligible basis” in clause (ii) and inserting “20 percent of the first \$5,000,000 in eligible basis plus 10 percent of the remaining eligible basis”, and

(2) by adding at the end the following new flush sentences:

“For each calendar year beginning after 2008, the dollar amount in clause (ii) shall be increased by an amount equal to such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3), determined by substituting ‘calendar year 2007’ for ‘calendar year 1992’ in subparagraph (B) thereof. If any amount adjusted under the preceding sentence is not a multiple of \$100,000, such amount shall be rounded to the next lowest multiple of \$100,000.”.

TITLE II—IMPROVE COORDINATION WITH OTHER FEDERAL HOUSING PROGRAMS**SEC. 201. AFFORDABLE HOUSING CREDITS ALLOWED FOR SECTION 8 MODERATE REHABILITATION DEVELOPMENTS.**

Paragraph (2) of section 42(c) (relating to qualified low-income building) is amended by striking the last sentence.

SEC. 202. MODIFICATION TO LOW-INCOME HOUSING CREDIT RULES FOR REDUCTION OF ELIGIBLE BASIS BY GRANTS RECEIVED.

(a) IN GENERAL.—The Secretary of the Treasury shall modify Treasury Regulations section 1.42–16(b) to provide that none of the following shall be considered a grant made with respect to a building or its operation for purposes of section 42(d)(5)(A) of the Internal Revenue Code of 1986:

(1) Rental assistance under section 521 of the Housing Act of 1949 (42 U.S.C. 1490a).

(2) Assistance under section 538(f)(5) of the Housing Act of 1949 (42 U.S.C. 1490p–2(f)(5)).

(3) Interest reduction payments under section 236 of the National Housing Act (12 U.S.C. 1715z–1).

(4) Rental assistance under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q).

(5) Rental assistance under section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013).

(6) Modernization, operating, and rental assistance pursuant to section 202 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4132).

(7) Assistance under title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361 et seq.).

(8) Tenant-based rental assistance under section 212 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742).

(9) Assistance under the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.).

(10) Per diem payments under section 2012 of title 38, United States Code.

(11) Rent supplements under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s).

(12) Assistance under section 542 of the Housing Act of 1949 (42 U.S.C. 1490r).

(13) Any other ongoing payment used to enable the property to be rented to low-income tenants.

(b) EFFECTIVE DATE.—The modifications required by this section shall take effect on the date of the enactment of this Act.

(c) NO INFERENCE.—Nothing contained in subsection (a) may be construed to create any inference with respect to the consideration of any program specified under subsection (a) as a grant made with respect to a building or its operation for purposes of section 42(d)(5)(A) of the Internal Revenue Code of 1986 as in effect on the day before such date of enactment.

TITLE III—FACILITATE PRIVATE INVESTMENT CAPITAL TO INCREASE THE EFFICIENCY OF AFFORDABLE HOUSING INVESTMENT**SEC. 301. REPEAL OF RECAPTURE BOND RULE.**

(a) IN GENERAL.—Paragraph (6) of section 42(j) (relating to recapture of credit) is amended to read as follows:

“(6) NO RECAPTURE ON DISPOSITION OF BUILDING (OR INTEREST THEREIN) REASONABLY EXPECTED TO CONTINUE AS A QUALIFIED LOW-INCOME BUILDING.—

“(A) IN GENERAL.—In the case of a disposition of a building or an interest therein, the taxpayer shall be discharged from liability for any additional tax under this subsection by reason of such disposition if it is reasonably expected that such building will continue to be operated as a qualified low-income building for the remaining compliance period with respect to such building.

“(B) STATUTE OF LIMITATIONS.—

“(i) EXTENSION OF PERIOD.—The period for assessing a deficiency attributable to the application of subparagraph (A) with respect to a building (or interest therein) during the compliance period with respect to such building shall not expire before the expiration of 3 years after the end of such compliance period.

“(ii) ASSESSMENT.—Such deficiency may be assessed before the expiration of the 3-year period referred to in clause (i) notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.”.

(b) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by inserting after section 6050V the following new section:

“SEC. 6050W. RETURNS RELATING TO PAYMENT OF LOW-INCOME HOUSING CREDIT REPAYMENT AMOUNT.

“(a) REQUIREMENT OF REPORTING.—Every person who, at any time during the taxable year, is an owner of a building (or an interest therein)—

“(1) which is in the compliance period at any time during such year, and

“(2) with respect to which recapture is required by section 42(j),

shall, at such time as the Secretary may prescribe, make the return described in subsection (b).

“(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

“(1) is in such form as the Secretary may prescribe, and

“(2) contains—

“(A) the name, address, and TIN of each person who, with respect to such building or interest, was formerly an investor in such owner at any time during the compliance period,

“(B) the amount (if any) of any credit recapture amount required under section 42(j), and

“(C) such other information as the Secretary may prescribe.

“(c) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return a written statement showing—

“(1) the name and address of the person required to make such return and the phone number of the information contact for such person, and

“(2) the information required to be shown on the return with respect to such person.

The written statement required under the preceding sentence shall be furnished on or before March 31 of the year following the calendar year for which the return under subsection (a) is required to be made.

“(d) COMPLIANCE PERIOD.—For purposes of this section, the term ‘compliance period’ has the meaning given such term by section 42(i).”.

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) (relating to definitions) is amended by inserting after clause (xxi) the following new clause:

“(xxii) section 6050W (relating to returns relating to payment of low-income housing credit repayment amount).”.

(B) Paragraph (2) of section 6724(d) is amended by striking “or” at the end of subparagraph (BB), by striking the period at the end of subparagraph (CC) and inserting “, or”, and by adding after subparagraph (CC) the following new subparagraph:

“(DD) section 6050W (relating to returns relating to payment of low-income housing credit repayment amount).”.

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6050V the following new item:

“Sec. 6050W. Returns relating to payment of low-income housing credit repayment amount.”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to any liability for the credit recapture amount under section 42(j) of the Internal Revenue Code of 1986 that arises after the date of the enactment of this Act.

(2) SPECIAL RULE FOR LOW-INCOME HOUSING BUILDINGS SOLD BEFORE DATE OF ENACTMENT OF THIS ACT.—In the case of a building disposed of before the date of the enactment of this Act with respect to which the taxpayer posted a bond (or alternative form of security) under section 42(j) of the Internal Revenue Code of 1986 (as in effect before such date of enactment), the taxpayer may elect (by notifying the Secretary of the Treasury in writing)—

(A) to cease to be subject to the bond requirements under section 42(j)(6) of such Code, as in effect before such date of enactment, and

(B) to be subject to the requirements of section 42(j) of such Code, as amended by this section.

SEC. 302. AFFORDABLE HOUSING CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subparagraph (B) of section 38(c)(4) (relating to special rules for specified credits) is amended by redesignating clauses (ii), (iii), and (iv) as clauses (iii), (iv), and (v), respectively, and by inserting after clause (i) the following new clause:

“(ii) the credit determined under section 42(a).”.

(b) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 303. INTEREST ON QUALIFIED MORTGAGE BONDS, QUALIFIED VETERANS' MORTGAGE BONDS, AND QUALIFIED RESIDENTIAL RENTAL PROJECT EXEMPT FACILITY BONDS EXEMPT FROM ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Clause (ii) of section 57(a)(5)(C) (relating to exception for qualified 501(c)(3) bonds) is amended to read as follows:

“(ii) EXCEPTION FOR CERTAIN BONDS.—For purposes of clause (i), the term ‘private activity bond’ shall not include—

“(I) any qualified 501(c)(3) bond (as defined in section 145);

“(II) any qualified mortgage bond (as defined in section 143(a));

“(III) any qualified veterans’ mortgage bond (as defined in section 143(b)); and

“(IV) any exempt facility bond (as defined in section 142(a)) issued as part of an issue 95 percent or more of the net proceeds of which are to be used to provide qualified residential rental projects (as defined in section 142(d)).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds originally issued after the date of the enactment of this Act.

TITLE IV—HELP PRESERVE EXISTING AFFORDABLE HOUSING

SEC. 401. REPEAL OF 10-YEAR RULE FOR ACQUISITION HOUSING CREDITS.

(a) IN GENERAL.—Subparagraph (B) of section 42(d)(2) (relating to existing buildings) is amended by striking clause (ii) and by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(b) CONFORMING AMENDMENT.—Section 42(d) is amended by striking paragraph (6) and by redesignating paragraph (7) as paragraph (6).

SEC. 402. MODIFICATION OF RELATED PERSON RULE FOR AFFORDABLE HOUSING CREDIT.

(a) IN GENERAL.—Clause (iii) of section 42(d)(2)(D) (related to related person, etc.) is amended to read as follows:

“(iii) RELATED PERSON.—For purposes of subparagraph (B)(iii), a person (hereinafter in this subclause referred to as the ‘related person’) is related to any person if the related person bears a relationship to such person specified in section 267(b) or 707(b)(1), or the related person and such person are engaged in trades or businesses under common control (within the meaning of subsections (a) and (b) of section 52.”.

(b) EFFECTIVE DATE.—The amendment made by this subsection shall take effect on the date of the enactment of this Act.

TITLE V—SIMPLIFY ADMINISTRATION OF THE HOUSING CREDIT PROGRAM

SEC. 501. ELIMINATION OF CERTAIN ANNUAL RECERTIFICATIONS OF TENANT INCOMES.

Paragraph (8) of section 42(g) (relating to qualified low-income housing project) is amended—

(1) by striking “may waive” in the matter preceding subparagraph (A);

(2) by inserting “may waive” before “any recapture” in subparagraph (A); and

(3) by inserting “shall waive” before “any annual recertification” in subparagraph (B).

TITLE VI—CONFORM MULTIFAMILY HOUSING BOND RULES TO HOUSING CREDIT RULES

SEC. 601. COORDINATION OF CERTAIN RULES APPLICABLE TO AFFORDABLE HOUSING CREDIT AND QUALIFIED RESIDENTIAL RENTAL PROJECT EXEMPT FACILITY BONDS.

(a) DETERMINATION OF NEXT AVAILABLE UNIT.—Paragraph (3) of section 142(d) (relating to current income determinations) is amended by adding at the end the following new subparagraph:

“(C) EXCEPTION FOR PROJECTS WITH RESPECT TO WHICH AFFORDABLE HOUSING CREDIT IS ALLOWED.—In the case of a project with respect to which credit is allowed under section 42, the second sentence of subparagraph (B) shall be applied by substituting ‘building (within the meaning of section 42)’ for ‘project.’.”.

(b) STUDENTS.—Paragraph (2) of section 142(d) (relating to definitions and special rules) is amended by adding at the end the following new subparagraph:

“(C) STUDENTS.—Students (as defined in section 152(f)(2)) shall not be treated as satisfying the requirements of subparagraph (A) or (B) of paragraph (1) except under rules similar to the rules of 42(i)(3)(D).”.

(c) SINGLE-ROOM OCCUPANCY UNITS.—Paragraph (2) of section 142(d) (relating to definitions and special rules), as amended by this Act, is further amended by adding at the end the following new subparagraph:

“(D) SINGLE-ROOM OCCUPANCY UNITS.—A unit shall not fail to be treated as a residential unit merely because such unit is a single-room occupancy unit (within the meaning of section 42).”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to determinations of the status of qualified residential rental projects for periods beginning after the date of the enactment of this Act, with respect to bonds issued before, on, or after such date.

TITLE VII—IMPROVE THE MORTGAGE REVENUE BOND PROGRAM

SEC. 701. SPECIAL RULE FOR USE OF MORTGAGE BONDS FOR DISASTER VICTIMS, SINGLE PARENTS, AND HOMEMAKERS.

(a) IN GENERAL.—Paragraph (2) of section 143(d) (relating to exceptions to 3-year requirement) is amended by striking “and” at the end of subparagraph (C) and by inserting after subparagraph (D) the following new subparagraphs:

“(E) financing of residences for individuals with an ownership interest in a principal residence which—

“(i) is located in an area with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, and

“(ii) has been rendered uninhabitable by reason of the major disaster,

“(F) financing of residences for individuals who—

“(i) are not married, and

“(ii) have one or more qualifying children (within the meaning of section 152), and

“(G) financing of residences for displaced homemakers.”.

(b) DISPLACED HOMEMAKERS.—Section 143(d) is amended by adding at the end the following new paragraph:

“(4) DISPLACED HOMEMAKER.—For purposes of paragraph (2)(G), the term ‘displaced homemaker’ means any individual who is—

“(A) over 18 years of age,

“(B) is not employed or underemployed and is experiencing difficulty in obtaining or upgrading employment, and

“(C) has not worked full-time full-year in the labor force for a number of years before the date on which financing for a residence is supplied, but has, during such years, worked primarily without remuneration to care for the home and family.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 702. REPEAL OF REQUIRED USE OF CERTAIN PRINCIPAL REPAYMENTS ON QUALIFIED MORTGAGE ISSUES TO REDEEM BONDS.

(a) IN GENERAL.—Subparagraph (A) of section 143(a)(2) (relating to qualified mortgage issue defined) is amended by inserting “and” at the end of clause (ii), by striking “, and” at the end of clause (iii) and inserting a period, and by striking clause (iv) and the last sentence.

(b) CONFORMING AMENDMENT.—Clause (ii) of section 143(a)(2)(D) is amended by striking “(and clause (iv) of subparagraph (A))”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to repayments received after the date of the enactment of this Act.

TITLE VIII—EFFECTIVE DATE

SEC. 801. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by this Act shall apply to—

(1) housing credit dollar amounts allocated after the date of the enactment of this Act, and

(2) buildings placed in service after such date to the extent paragraph (1) of section 42(h) of the Internal Revenue Code of 1986 does not apply to such building by reason of paragraph (4) thereof, but only with respect to bonds issued after such date.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 458—EXPRESSING THE CONDOLENCES OF THE SENATE TO THOSE AFFECTED BY THE DEVASTATING SHOOTING INCIDENT OF FEBRUARY 14, 2008, AT NORTHERN ILLINOIS UNIVERSITY IN DEKALB, ILLINOIS

Mr. DURBIN (for himself, Mr. OBAMA, and Mr. HATCH) submitted the following resolution; which was considered and agreed to:

S. RES. 458

Whereas, on Thursday, February 14, 2008, a gunman entered a lecture hall on the campus