

118TH CONGRESS  
1ST SESSION

# H. R. 418

To amend the Internal Revenue Code of 1986 to designate projects serving extremely low-income households for purposes of allocating the State housing credit ceiling and determining an increased amount of low-income housing tax credit.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 20, 2023

Mr. GOMEZ 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 designate projects serving extremely low-income households for purposes of allocating the State housing credit ceiling and determining an increased amount of low-income housing tax 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 “Affordable Housing  
5 Equity Act of 2023”.

1 **SEC. 2. BUILDINGS DESIGNATED TO SERVE EXTREMELY**  
2 **LOW-INCOME HOUSEHOLDS.**

3 (a) RESERVED STATE ALLOCATION.—

4 (1) IN GENERAL.—Section 42(h) of the Internal  
5 Revenue Code of 1986 is amended—

6 (A) by redesignating paragraphs (6), (7),  
7 and (8) as paragraphs (7), (8), and (9), respec-  
8 tively; and

9 (B) by inserting after paragraph (5) the  
10 following new paragraph:

11 “(6) PORTION OF STATE CEILING SET-ASIDE  
12 FOR PROJECTS DESIGNATED TO SERVE EXTREMELY  
13 LOW-INCOME HOUSEHOLDS.—

14 “(A) IN GENERAL.—Not more than 90  
15 percent of the portion of the State housing  
16 credit ceiling amount described in paragraph  
17 (3)(C)(ii) for any State for any calendar year  
18 shall be allocated to buildings other than build-  
19 ings described in subparagraph (B).

20 “(B) BUILDINGS DESCRIBED.—A building  
21 is described in this subparagraph if 20 percent  
22 or more of the residential units in such building  
23 are rent-restricted (determined as if the im-  
24 puted income limitation applicable to such units  
25 were 30 percent of area median gross income)  
26 and are designated by the taxpayer for occu-

1           pancy by households the aggregate household  
2           income of which does not exceed the greater  
3           of—

4                   “(i) 30 percent of area median gross  
5                   income, or

6                   “(ii) 100 percent of an amount equal  
7                   to the Federal poverty line (within the  
8                   meaning of section 36B(d)(3)).

9                   “(C) STATE MAY NOT OVERRIDE SET-  
10                  ASIDE.—Nothing in subparagraph (F) of para-  
11                  graph (3) shall be construed to permit a State  
12                  not to comply with subparagraph (A) of this  
13                  paragraph.

14                  “(D) TERMINATION.—This paragraph  
15                  shall not apply to allocations after December  
16                  31, 2033.”.

17                  (2) CONFORMING AMENDMENT.—Section  
18                  42(b)(4)(C) of such Code is amended by striking  
19                  “(h)(7)” and inserting “(h)(8)”.

20                  (b) INCREASE IN CREDIT.—Section 42(d)(5) of such  
21                  Code is amended by adding at the end the following new  
22                  subparagraph:

23                           “(C) INCREASE IN CREDIT FOR PROJECTS  
24                           DESIGNATED TO SERVE EXTREMELY LOW-IN-  
25                           COME HOUSEHOLDS.—

1                   “(i) IN GENERAL.—In the case of any  
2                   building—

3                                 “(I) which is described in sub-  
4                                 section (h)(6)(B), and

5                                 “(II) which is designated by the  
6                                 housing credit agency as requiring the  
7                                 increase in credit under this subpara-  
8                                 graph in order for such building to be  
9                                 financially feasible as part of a quali-  
10                                fied low-income housing project,

11                               subparagraph (B) shall not apply to the  
12                               portion of such building which is comprised  
13                               of such units, and the eligible basis of such  
14                               portion of the building shall be 150 per-  
15                               cent of such basis determined without re-  
16                               gard to this subparagraph.”.

17           (c) EFFECTIVE DATE.—The amendments made by  
18           this section shall apply to allocations, and determinations,  
19           of housing credit dollar amount after December 31, 2023.

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