

117TH CONGRESS
2D SESSION

H. R. 8357

To amend the Internal Revenue Code of 1986 to allow for a credit against tax for rent paid on the personal residence of the taxpayer.

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 2022

Mr. DANNY K. DAVIS of Illinois (for himself, Mr. GOMEZ, Mr. PETERS, and Mr. PANETTA) 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 allow for a credit against tax for rent paid on the personal residence of the taxpayer.

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 “Rent Relief Act of
5 2022”.

6 **SEC. 2. REFUNDABLE CREDIT FOR RENT PAID FOR PRIN-**
7 **CIPAL RESIDENCE.**

8 (a) IN GENERAL.—Subpart C of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 36B the fol-
2 lowing new section:

3 **“SEC. 36C. RENT PAID FOR PRINCIPAL RESIDENCE.**

4 “(a) IN GENERAL.—In the case of an individual who
5 leases the individual’s principal residence (within the
6 meaning of section 121) during the taxable year and who
7 pays rent with respect to such residence in excess of 30
8 percent of the taxpayer’s adjusted gross income for such
9 taxable year, there shall be allowed as a credit against the
10 tax imposed by this subtitle for such taxable year an
11 amount equal to the applicable percentage of such excess.

12 “(b) CREDIT LIMITED BY 100 PERCENT OF SMALL
13 AREA FAIR MARKET RENT.—Solely for purposes of deter-
14 mining the amount of the credit allowed under subsection
15 (a) with respect to a residence for the taxable year, there
16 shall not be taken into account rent in excess of an
17 amount equal to 100 percent of the small area fair market
18 rent (including the utility allowance) applicable to the resi-
19 dence involved (as most recently published, as of the be-
20 ginning of the taxable year, by the Department of Housing
21 and Urban Development).

22 “(c) DEFINITIONS AND SPECIAL RULES.—For pur-
23 poses of this section—

1 “(1) APPLICABLE PERCENTAGE.—The term
2 ‘applicable percentage’ means the percentage deter-
3 mined in accordance with the following table:

“If the taxpayer’s adjusted gross income is:	The applicable percentage is:
Not over \$25,000	100 percent
Over \$25,000, but not over \$50,000	75 percent
Over \$50,000, but not over \$75,000	50 percent
Over \$75,000, but not over \$100,000	25 percent
Over \$100,000	0 percent.

4 “(2) PARTIAL YEAR RESIDENCE.—The Sec-
5 retary shall prescribe such rules as are necessary to
6 carry out the purposes of this section for taxpayers
7 with respect to whom a residence is a principal resi-
8 dence for only a portion of the taxable year.

9 “(3) RENT.—The term ‘rent’ includes any
10 amount paid for utilities of a type taken into ac-
11 count for purposes of determining the utility allow-
12 ance under section 42(g)(2)(B)(ii).

13 “(4) MARRIED INDIVIDUALS FILING SEPARATE
14 RETURNS.—In the case of individuals who are mar-
15 ried to each other, have the same principal resi-
16 dence, and do not file a joint return for the taxable
17 year, the credit determined under this section with
18 respect to each such individual shall be 50 percent
19 of the amount of the credit which would be deter-
20 mined under this section if such individuals filed a
21 joint return, unless such individuals agree on a dif-

1 ferent division of such credit (in such manner as the
2 Secretary may provide) which does not aggregate to
3 more 100 percent of such amount.

4 “(d) RECONCILIATION OF CREDIT AND ADVANCE
5 PAYMENTS.—The amount of the credit allowed under this
6 section for any taxable year shall be reduced (but not
7 below zero) by the aggregate amount of any advance pay-
8 ments of such credit under section 7527B for such taxable
9 year.”.

10 (b) ADVANCE PAYMENT.—Chapter 77 of the Internal
11 Revenue Code of 1986 is amended by inserting after sec-
12 tion 7527A the following new section:

13 **“SEC. 7527B. ADVANCE PAYMENT OF CREDIT FOR RENT**
14 **PAID FOR PRINCIPAL RESIDENCE.**

15 “(a) IN GENERAL.—Not later than 6 months after
16 the date of the enactment of the Rent Relief Act of 2022,
17 the Secretary shall establish a program for making ad-
18 vance payments of the credit allowed under section 36C
19 on a monthly basis to any taxpayer who—

20 “(1) the Secretary has determined will be al-
21 lowed such credit for the taxable year, and

22 “(2) has made an election under subsection (c).

23 “(b) AMOUNT OF ADVANCE PAYMENT.—

24 “(1) IN GENERAL.—For purposes of subsection
25 (a), the amount of the monthly advance payment of

1 the credit provided to a taxpayer during the applica-
2 ble period shall be equal to the lesser of—

3 “(A) an amount equal to—

4 “(i) the amount of the credit which
5 the Secretary has determined will be al-
6 lowed to such taxpayer under section 36C
7 for the taxable year ending in such applica-
8 ble period, divided by

9 “(ii) 12, or

10 “(B) such other amount as is elected by
11 the taxpayer.

12 “(2) APPLICABLE PERIOD.—For purposes of
13 this section, the term ‘applicable period’ means the
14 12-month period from the month of July of the tax-
15 able year through the month of June of the subse-
16 quent taxable year.

17 “(c) ELECTION OF ADVANCE PAYMENT.—A taxpayer
18 may elect to receive an advance payment of the credit al-
19 lowed under section 36C for any taxable year by including
20 such election on a timely filed return for the preceding
21 taxable year.

22 “(d) INTERNAL REVENUE SERVICE NOTIFICA-
23 TION.—The Internal Revenue Service shall take such
24 steps as may be appropriate to ensure that taxpayers who
25 are eligible to receive the credit under section 36C are

1 aware of the availability of the advance payment of such
2 credit under this section.

3 “(e) REGULATIONS.—The Secretary may prescribe
4 such regulations or other guidance as may be necessary
5 or appropriate to carry out the purposes this section.”.

6 (c) CLERICAL AMENDMENTS.—

7 (1) IN GENERAL.—The table of sections for
8 subpart C of part IV of subchapter A of chapter 1
9 of the Internal Revenue Code of 1986 is amended by
10 inserting after the item relating to section 36B the
11 following new item:

“Sec. 36C. Rent paid for principal residence.”.

12 (2) ADVANCE PAYMENT.—The table of sections
13 for chapter 77 of such Code is amended by inserting
14 after the item relating to section 7527A the fol-
15 lowing new item:

“Sec. 7527B. Advance payment of credit for rent paid for principal residence.”.

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall apply with respect to taxable years begin-
18 ning after December 31, 2021.

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