

113TH CONGRESS
2D SESSION

H. R. 4479

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 2014

Mr. RANGEL 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 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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