

108TH CONGRESS
1ST SESSION

H. R. 1928

To amend the Internal Revenue Code of 1986 to clarify the eligibility of certain expenses for the low-income housing credit.

IN THE HOUSE OF REPRESENTATIVES

MAY 1, 2003

Mrs. JOHNSON of Connecticut (for herself and 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 clarify the eligibility of certain expenses for the low-income housing 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. ELIGIBILITY OF CERTAIN EXPENSES FOR LOW-**
4 **INCOME HOUSING CREDIT.**

5 (a) IN GENERAL.—Subsection (d) of section 42 of the
6 Internal Revenue Code of 1986 (relating to low-income
7 housing credit) is amended by adding at the end the fol-
8 lowing new paragraph:

9 “(8) ASSOCIATED DEVELOPMENT COSTS IN-
10 CLUDED IN BASIS.—

1 “(A) IN GENERAL.—Solely for purposes of
2 this section, associated development costs shall
3 be taken into account in determining the basis
4 of any building which is part of a low-income
5 housing project to the extent not otherwise so
6 taken into account.

7 “(B) ASSOCIATED DEVELOPMENT
8 COSTS.—For purposes of subparagraph (A), the
9 term ‘associated development costs’ means, with
10 respect to any building, such building’s allo-
11 cable share of—

12 “(i) any cost incurred in preparing
13 the site which is reasonably related to the
14 development of the qualified low-income
15 housing project of which the building is a
16 part,

17 “(ii) any fee imposed by a State or
18 local government as a condition to develop-
19 ment of such project,

20 “(iii) any reasonable fee paid to any
21 developer of such project,

22 “(iv) any professional fee relating to
23 any item includible in the basis of the
24 building pursuant to this paragraph, and

1 “(v) any cost of financing attributable
2 to construction of the building (without re-
3 gard to the source of such financing) which
4 is required to be capitalized.”

5 (b) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to—

7 (1) housing credit dollar amounts allocated
8 after December 31, 2003, and

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

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