

115TH CONGRESS
2D SESSION

S. 3250

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 SENATE OF THE UNITED STATES

JULY 19, 2018

Ms. HARRIS (for herself, Mrs. FEINSTEIN, Mr. BLUMENTHAL, and Ms. HASSAN) introduced the following bill; which was read twice and referred to the Committee on Finance

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 2018”.

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 gross income for such taxable
 9 year, there shall be allowed as a credit against the tax
 10 imposed by this subtitle for such taxable year an amount
 11 equal to the applicable percentage of such excess.

12 “(b) CREDIT LIMITED BY 150 PERCENT OF FAIR
 13 MARKET RENT.—Solely for purposes of determining the
 14 amount of the credit allowed under subsection (a) with
 15 respect to a residence for the taxable year, there shall not
 16 be taken into account rent in excess of an amount equal
 17 to 150 percent of the fair market rent (including the util-
 18 ity allowance) applicable to the residence involved (as most
 19 recently published, as of the beginning of the taxable year,
 20 by the Department of Housing and Urban Development).

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

23 “(1) APPLICABLE PERCENTAGE.—

24 “(A) IN GENERAL.—Except as provided in
 25 subparagraph (B), the applicable percentage

1 shall be determined in accordance with the fol-
 2 lowing table:

“If 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.

3 “(B) HIGH-COST AREAS.—In the case of
 4 an individual whose principal residence is lo-
 5 cated in an area for which, under the rule pub-
 6 lished in the Federal Register on November 16,
 7 2016 (81 Fed. Reg. 80567), the small area fair
 8 market rent is used for purposes of the Hous-
 9 ing Choice Voucher Program, the table con-
 10 tained in subparagraph (A) shall be applied by
 11 substituting ‘\$125,000’ for ‘\$100,000’ each
 12 place it appears.

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

18 “(3) SPECIAL RULE FOR INDIVIDUALS RESID-
 19 ING IN GOVERNMENT-SUBSIDIZED HOUSING.—In the
 20 case of a principal residence—

1 “(A) the rent with respect to which is sub-
 2 sidized under a Federal, State, local, or tribal
 3 program, and

4 “(B) with respect to which the taxpayer
 5 elects the application of this paragraph,
 6 in lieu of the credit determined under subsection (a),
 7 there shall be allowed as a credit against the tax im-
 8 posed by this subtitle for such taxable year an
 9 amount equal to $\frac{1}{12}$ of the amount of rent paid by
 10 the taxpayer (and not subsidized under any such
 11 program) during the taxable year with respect to
 12 such residence.

13 “(4) RENT.—The term ‘rent’ includes any
 14 amount paid for utilities of a type taken into ac-
 15 count for purposes of determining the utility allow-
 16 ance under section 42(g)(2)(B)(ii).”.

17 (b) CLERICAL AMENDMENT.—The table of sections
 18 for subpart C of part IV of subchapter A of chapter 1
 19 of the Internal Revenue Code of 1986 is amended by in-
 20 serting after the item relating to section 36B the following
 21 new item:

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

22 (c) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply with respect to taxable years begin-
 24 ning after December 31, 2017.