

119TH CONGRESS
1ST SESSION

H. R. 4572

To amend the Internal Revenue Code of 1986 to repeal the qualified contract exception to the extended low-income housing commitment rules for purposes of the low-income housing credit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 21, 2025

Mr. NEGUSE 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 repeal the qualified contract exception to the extended low-income housing commitment rules for purposes of the low-income housing credit, and for other purposes.

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 “Save Affordable Hous-
5 ing Act of 2025”.

6 **SEC. 2. REPEAL OF QUALIFIED CONTRACT OPTION.**

7 (a) **TERMINATION OF OPTION FOR CERTAIN BUILD-**
8 **INGS.—**

1 (1) IN GENERAL.—Subclause (II) of section
2 42(h)(6)(E)(i) of the Internal Revenue Code of 1986
3 is amended by inserting “in the case of a building
4 described in clause (iii),” before “on the last day”.

5 (2) BUILDINGS DESCRIBED.—Subparagraph
6 (E) of section 42(h)(6) of such Code is amended by
7 adding at the end the following new clause:

8 “(iii) BUILDINGS DESCRIBED.—A
9 building described in this clause is a build-
10 ing—

11 “(I) which received its allocation
12 of housing credit dollar amount before
13 January 1, 2025, or

14 “(II) in the case of a building
15 any portion of which is financed as
16 described in paragraph (4) and which
17 received before January 1, 2025,
18 under the rules of paragraphs (1) and
19 (2) of subsection (m), a determination
20 from the issuer of the tax-exempt
21 bonds or the housing credit agency
22 that the building would be eligible
23 under the qualified allocation plan to
24 receive an allocation of housing credit
25 dollar amount or that the credits to be

1 earned are necessary for financial fea-
2 sibility of the project and its viability
3 as a qualified low-income housing
4 project throughout the credit period.”.

5 (b) RULES RELATING TO EXISTING PROJECTS.—
6 Subparagraph (F) of section 42(h)(6) of the Internal Rev-
7 enue Code of 1986 is amended by striking “the nonlow-
8 income portion” and all that follows and inserting “the
9 nonlow-income portion and the low-income portion of the
10 building for fair market value (determined by the housing
11 credit agency by taking into account the rent restrictions
12 required for the low-income portion of the building to con-
13 tinue to meet the standards of paragraphs (1) and (2) of
14 subsection (g)). The Secretary shall prescribe such regula-
15 tions as may be necessary or appropriate to carry out this
16 paragraph.”.

17 (c) CONFORMING AMENDMENTS.—

18 (1) Paragraph (6) of section 42(h) of the Inter-
19 nal Revenue Code of 1986 is amended by striking
20 subparagraph (G) and by redesignating subpara-
21 graphs (H), (I), (J), and (K) as subparagraphs (G),
22 (H), (I), and (J), respectively.

23 (2) Subclause (II) of section 42(h)(6)(E)(i) of
24 such Code, as amended by subsection (a), is further

1 amended by striking “subparagraph (I)” and insert-
2 ing “subparagraph (H)”.

3 (d) TECHNICAL AMENDMENT.—Subparagraph (I) of
4 section 42(h)(6) of the Internal Revenue Code of 1986,
5 as redesignated by subsection (c), is amended by striking
6 “agreement” and inserting “commitment”.

7 (e) EFFECTIVE DATE.—

8 (1) IN GENERAL.—Except as provided in para-
9 graph (2), the amendments made by this section
10 shall take effect on the date of the enactment of this
11 Act.

12 (2) RULES RELATING TO EXISTING
13 PROJECTS.—The amendments made by subsection
14 (b) shall apply to buildings with respect to which a
15 written request described in section 42(h)(6)(H) of
16 the Internal Revenue Code of 1986, as redesignated
17 by subsection (c), is submitted after the date of the
18 enactment of this Act.

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