

AMENDMENT TO RULES COMMITTEE PRINT 119–**3****OFFERED BY MR. DAVIS OF ILLINOIS**

At the end of part II of subtitle A, add the following new section:

1 **SEC. 110115. REFUNDABLE CREDIT FOR RENT PAID FOR**
2 **PRINCIPAL RESIDENCE.**

3 (a) IN GENERAL.—Subpart C of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 is amended by inserting after section 36B the fol-
6 lowing new section:

7 **“SEC. 36C. RENTER TAX CREDIT.**

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

16 “(b) CREDIT LIMITED BY 100 PERCENT OF SMALL
17 AREA FAIR MARKET RENT.—Solely for purposes of deter-
18 mining the amount of the credit allowed under subsection

(a) with respect to a residence for the taxable year, there shall not be taken into account rent in excess of an amount equal to 100 percent of the small area fair market rent (including the utility allowance) applicable to the residence involved (as most recently published, as of the beginning of the taxable year, by the Department of Housing and Urban Development).

“(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) APPLICABLE PERCENTAGE.—The term ‘applicable percentage’ means the percentage determined 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.

“(2) PARTIAL YEAR RESIDENCE.—The Secretary shall prescribe such rules as are necessary to carry out the purposes of this section for taxpayers with respect to whom a residence is a principal residence for only a portion of the taxable year.

“(3) RENT.—The term ‘rent’ includes any amount paid for utilities of a type taken into account for purposes of determining the utility allowance under section 42(g)(2)(B)(ii).

1 “(4) MARRIED INDIVIDUALS FILING SEPARATE
2 RETURNS.—In the case of individuals who are mar-
3 ried to each other, have the same principal resi-
4 dence, and do not file a joint return for the taxable
5 year, the credit determined under this section with
6 respect to each such individual shall be 50 percent
7 of the amount of the credit which would be deter-
8 mined under this section if such individuals filed a
9 joint return, unless such individuals agree on a dif-
10 ferent division of such credit (in such manner as the
11 Secretary may provide) which does not aggregate to
12 more 100 percent of such amount.”.

13 (b) CLERICAL AMENDMENTS.—

14 (1) IN GENERAL.—The table of sections for
15 subpart C of part IV of subchapter A of chapter 1
16 of the Internal Revenue Code of 1986 is amended by
17 inserting after the item relating to section 36B the
18 following new item:

“Sec. 36C. Renter tax credit.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply with respect to taxable years begin-
21 ning after December 31, 2025.

