

AMENDMENT TO H.R. 7147
OFFERED BY MR. GOMEZ OF CALIFORNIA

At the end of the bill (before the short title), insert the following:

1 **TITLE VI—OTHER MATTERS**
2 RESCISSESS OF CERTAIN IMMIGRATION ENFORCEMENT
3 FUND
4 SEC. 2.
5 (a) FINDINGS.—Congress finds that the amount of
6 \$175,660,630,000.00 shall be rescinded.
7 (b) DEPARTMENT OF DEFENSE.—There is perma-
8 nently rescinded \$1,000,000,000.00, to be derived from
9 the unobligated balances of amounts made available by
10 section 20011 of the Act titled “An Act to provide for
11 reconciliation pursuant to title II of H. Con. Res. 14”
12 (Public Law 119–21), of the for improving Department
13 of Defense border support and counter- drug missions.
14 (c) INFRASTRUCTURE AND WALL SYSTEM.—There is
15 permanently rescinded \$46,550,000,000.00, to be derived
16 from the unobligated balances of amounts made available
17 by section 90001 of the Act titled “An Act to provide for
18 reconciliation pursuant to title II of H. Con. Res. 14”

1 (Public Law 119–21), for border infrastructure and wall
2 system.

3 (d) U.S. CUSTOMS AND BORDER PROTECTION PER-
4 SONNEL.—There is permanently rescinded
5 \$4,100,000,000.00, to be derived from the unobligated
6 balances of amounts made available by section
7 90002(a)(1) of the Act titled “An Act to provide for rec-
8 onciliation pursuant to title II of H. Con. Res. 14” (Public
9 Law 119–21), for U.S. Customs and Border Protection
10 personnel.

11 (e) RETENTION, HIRING, AND PERFORMANCE Bo-
12 NUSES.—There is permanently rescinded
13 \$2,052,630,000.00, to be derived from the unobligated
14 balances of amounts made available by section
15 90002(a)(2) of the Act titled “An Act to provide for rec-
16 onciliation pursuant to title II of H. Con. Res. 14” (Public
17 Law 119–21), for retention, hiring, and performance bo-
18 nuses of U.S. Customs and Border Protection personnel.

19 (f) U.S. CUSTOMS AND BORDER PROTECTION VEHIC-
20 LES.—There is permanently rescinded \$855,000,000.00,
21 to be derived from the unobligated balances of amounts
22 made available by section 90002(a)(3) of the Act titled
23 “An Act to provide for reconciliation pursuant to title II
24 of H. Con. Res. 14” (Public Law 119–21), for U.S. Cus-
25 toms and Border Protection vehicles.

1 (g) U.S. CUSTOMS AND BORDER PROTECTION FA-
2 CILITIES.—There is permanently rescinded
3 \$5,000,000,000.00, to be derived from the unobligated
4 balances of amounts made available by section
5 90002(a)(4) of the Act titled “An Act to provide for rec-
6 onciliation pursuant to title II of H. Con. Res. 14” (Public
7 Law 119–21), for U.S. Customs and Border Protection
8 facilities.

9 (h) DETENTION CAPACITY.—There is permanently
10 rescinded \$45,000,000,000.00, to be derived from the un-
11 obligated balances of amounts made available by section
12 90003 of the Act titled “An Act to provide for reconcili-
13 ation pursuant to title II of H. Con. Res. 14” (Public Law
14 119–21), for detention capacity.

15 (i) BORDER SECURITY, TECHNOLOGY, AND SCREEN-
16 ING.—There is permanently rescinded \$6,168,000,000.00,
17 to be derived from the unobligated balances of amounts
18 made available by section 90004 of the Act titled “An Act
19 to provide for reconciliation pursuant to title II of H. Con.
20 Res. 14” (Public Law 119–21), for border security, tech-
21 nology, and screening.

22 (j) STATE AND LOCAL ASSISTANCE.—There is per-
23 manently rescinded \$10,000,000,000.00, to be derived
24 from the unobligated balances of amounts made available
25 by section 90005(b) of the Act titled “An Act to provide

1 for reconciliation pursuant to title II of H. Con. Res. 14”
2 (Public Law 119–21), for the State Border Security Rein-
3 forcement Fund.

4 (k) DEPARTMENT OF HOMELAND SECURITY.—There
5 is permanently rescinded \$10,000,000,000.00, to be de-
6 rived from the unobligated balances of amounts made
7 available by section 90007 of the Act titled “An Act to
8 provide for reconciliation pursuant to title II of H. Con.
9 Res. 14” (Public Law 119–21), for Department of Home-
10 land Security appropriations for border support.

11 (l) IMMIGRATION AND LAW ENFORCEMENT ACTIVI-
12 TIES.—There is permanently rescinded
13 \$2,055,000,000.00, to be derived from the unobligated
14 balances of amounts made available by section 100051 of
15 the Act titled “An Act to provide for reconciliation pursu-
16 ant to title II of H. Con. Res. 14” (Public Law 119–21),
17 for immigration and law enforcement activities.

18 (m) HIRING AND TRAINING.—There is permanently
19 rescinded \$29,850,000,000.00, to be derived from the un-
20 obligated balances of amounts made available by section
21 100052 of the Act titled “An Act to provide for reconcili-
22 ation pursuant to title II of H. Con. Res. 14” (Public Law
23 119–21), for U.S. Immigration and Customs Enforcement
24 hiring and training.

1 (n) FEDERAL LAW ENFORCEMENT TRAINING CEN-
2 TERS.—There is permanently rescinded \$750,000,000.00,
3 to be derived from the unobligated balances of amounts
4 made available by section 100053 of the Act titled “An
5 Act to provide for reconciliation pursuant to title II of H.
6 Con. Res. 14” (Public Law 119–21), for Federal law en-
7 forcement training centers.

8 (o) DEPARTMENT OF JUSTICE.—There is perma-
9 nently rescinded \$3,330,000,000.00, to be derived from
10 the unobligated balances of amounts made available by
11 section 100054 of the Act titled “An Act to provide for
12 reconciliation pursuant to title II of H. Con. Res. 14”
13 (Public Law 119–21), for the Department of Justice.

14 (p) REIMBURSEMENT FUND.—There is permanently
15 rescinded \$3,500,000,000.00, to be derived from the unob-
16 ligated balances of amounts made available by section
17 100055 of the Act titled “An Act to provide for reconcili-
18 ation pursuant to title II of H. Con. Res. 14” (Public Law
19 119–21), for the Bridging immigration-related deficits ex-
20 perienced nationwide reimbursement fund.

(q) IMMIGRATION FEES.—Sections 100001 through 100018 of the Act titled “An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14” (Public Law 119–21), are hereby repealed.

1 (r) OPERATION STONEGARDEN GRANT PROGRAM.—

2 There is permanently rescinded \$450,000,000.00, to be
3 derived from the unobligated balances of amounts made
4 available by section 90005 of the Act titled “An Act to
5 provide for reconciliation pursuant to title II of H. Con.
6 Res. 14” (Public Law 119–21), for the Operation
7 Stonegarden Grant Program.

8 (s) BUREAU OF PRISONS.—There is permanently re-
9 scinded \$5,000,000,000.00, to be derived from the unobli-
10 gated balances of amounts made available by section
11 100056 of the Act titled “An Act to provide for reconcili-
12 ation pursuant to title II of H. Con. Res. 14” (Public Law
13 119–21), for the Bureau of Prisons.

14 FIRST-TIME HOMEBUYER CREDIT

15 SEC. 3.

16 (a) IN GENERAL.—Section 36 of the Internal Rev-
17 enue Code of 1986 is amended to read as follows:

18 **“SEC. 36. FIRST-TIME HOMEBUYER CREDIT.**

19 “(a) IN GENERAL.—In the case of an individual who
20 is a first-time homebuyer of a principal residence in the
21 United States during a taxable year, there shall be allowed
22 as a credit against the tax imposed by this subtitle for
23 such taxable year an amount equal to so much of the
24 amount of the qualified home purchase expenses paid by
25 such taxpayer to purchase such principal residence as does
26 not exceed \$25,000.

1 “(b) LIMITATION.—

2 “(1) IN GENERAL.—The amount allowable as a
3 credit under subsection (a) (determined without re-
4 gard to this paragraph) for the taxable year shall be
5 reduced (but not below zero) by the amount which
6 bears the same ratio to the amount which is so al-
7 lowable as—

8 “(A) the excess (if any) of—

9 “(i) the taxpayer’s modified adjusted
10 gross income for the preceding taxable
11 year, over

12 “(ii) the applicable threshold amount,
13 bears to—

14 “(B) \$100,000.

15 “(2) THRESHOLD AMOUNT.—For purposes of
16 this subsection, the term ‘threshold amount’
17 means—

18 “(A) \$300,000 in the case of a joint return
19 or surviving spouse,

20 “(B) \$225,000 in the case of a head of
21 household, or

22 “(C) \$150,000 in the case of any other in-
23 dividual.

24 “(3) MODIFIED ADJUSTED GROSS INCOME.—
25 For purposes of paragraph (1), the term ‘modified

1 adjusted gross income' means the adjusted gross in-
2 come of the taxpayer for the taxable year increased
3 by any amount excluded from gross income under
4 section 911, 931, or 933.

5 “(c) INCREASE IN CREDIT FOR FIRST-GENERATION
6 HOMEBUYER.—

7 “(1) IN GENERAL.—In the case of a first-gen-
8 eration homebuyer, subsection (a) shall be applied
9 by substituting ‘\$50,000’ for ‘\$25,000’.

10 “(2) FIRST-GENERATION HOMEBUYER.—For
11 purposes of this subsection, the term ‘first-genera-
12 tion homebuyer’ means an individual who certifies
13 that, as of the last day of the taxable year with re-
14 spect to which the credit is allowed (determined
15 without regard to any ownership interest with re-
16 spect to which such credit is allowed), such indi-
17 vidual (and such individual’s spouse, in the case of
18 a joint return) is an individual described in para-
19 graph (3).

20 “(3) INDIVIDUAL DESCRIBED.—An individual is
21 described in this paragraph if—

22 “(A) such individual aged out of the foster
23 care system,

24 “(B) such individual was emancipated
25 from their parent, or

1 “(C) no parent of such individual had a major-
2 ity interest in a residential property at any time dur-
3 ing the lifetime of such individual.

4 “(d) INCREASE IN CREDIT FOR HIGH COST
5 AREAS.—In the case of the purchase of a principal resi-
6 dence located in a high cost area (as such term is used
7 in the Federal National Mortgage Association Charter
8 Act), the amount in effect under subsection (a) (after the
9 application of subsection (j)) shall be increased by an
10 amount equal to the product of—

11 “(1) 3.5 percent, multiplied by
12 “(2) the excess of—

13 “(A) the conforming loan limit value for
14 properties in high cost areas established under
15 302(b)(2) of the Federal National Mortgage As-
16 sociation Charter Act, minus

17 “(B) the conforming loan limit value for
18 properties established under section 305(a)(2)
19 of the Federal Home Loan Mortgage Corpora-
20 tion Act, as most recently updated by the Fed-
21 eral Housing Finance Agency.

22 “(e) EXCEPTIONS.—No credit under subsection (a)
23 shall be allowed to any taxpayer for any taxable year with
24 respect to the purchase of a residence if—

25 “(1) the taxpayer is a nonresident alien,

1 “(2) the taxpayer disposes of such residence (or
2 such residence ceases to be the principal residence of
3 the taxpayer (and, if married, the taxpayer’s
4 spouse)) before the close of such taxable year,

5 “(3) a deduction under section 151 with respect
6 to such taxpayer is allowable to another taxpayer for
7 such taxable year, or

8 “(4) the taxpayer fails to attach to the return
9 of tax for such taxable year a properly executed copy
10 of the settlement statement used to complete such
11 purchase.

12 **“(f) ELECTION FOR ADVANCED PAYMENT.—**

13 **“(1) IN GENERAL.**—At the election of the first-
14 time homebuyer, the Secretary shall transfer to a
15 qualifying escrow account an amount equal to the
16 amount that is allowable to such first-time home-
17 buyer under subsection (a) in the present taxable
18 year.

19 **“(2) TREATMENT OF TRANSFER.**—The amount
20 of the credit allowed under subsection (a) to any
21 taxpayer for any taxable year shall be reduced (but
22 not below zero) by the aggregate amount of pay-
23 ments made under this subsection at the election of
24 such taxpayer during such taxable year. Any failure
25 to so reduce the credit shall be treated as arising out

1 of a mathematical or clerical error and assessed ac-
2 cording to section 6213(b)(1).

3 “(3) QUALIFYING ESCROW ACCOUNT.—For pur-
4 poses of this subsection, the term ‘qualifying escrow
5 account’ means an escrow account established for
6 the purchase of a principal residence by a qualified
7 first-time homebuyer that meets the following re-
8 quirements:

9 “(A) Amounts in such account may only be
10 used for a down payment or closing costs on a
11 purchase with respect to which a credit is al-
12 lowed under subsection (a).

13 “(B) Such account is administered by a
14 bank (as defined in section 408(n)).

15 “(C) The administrator of the account
16 shall transfer to the Secretary any amount in
17 such account not used under subparagraph (A)
18 on the earlier of—

19 “(i) the date that is 180 days after
20 the date on which such amount was trans-
21 ferred to such account under paragraph
22 (1), or

23 “(ii) as soon as practicable upon re-
24 quest of the qualified first-time homebuyer.

25 “(g) RECAPTURE OF CREDIT.—

1 “(1) IN GENERAL.—If, during any taxable year,
2 there is a recapture event with respect to any prop-
3 erty with respect to which a credit was allowed
4 under subsection (a), then the tax of the taxpayer to
5 whom such credit was allowed under this chapter for
6 such taxable year shall be increased by an amount
7 equal to the amount of the credit that was allowed
8 with respect to such property.

9 “(2) RECAPTURE EVENT.—For purposes of this
10 section, the term ‘recapture event’ means, during the
11 5-year period beginning on the date of the purchase
12 with respect to which a credit was allowed under
13 subsection (a)—

14 “(A) the sale, lease to a third party, or dis-
15 position of any part of the property with respect
16 to which such credit was allowed, or

17 “(B) such property ceases to be the prin-
18 cipal residence of the taxpayer (or, in the case
19 of a joint return, of the taxpayer’s spouse).

20 “(3) EXCEPTIONS.—Paragraph (1) shall not
21 apply to any of the following:

22 “(A) PURCHASE OF NEW PRIMARY RESI-
23 DENCE.—

24 “(i) IN GENERAL.—A sale of a prop-
25 erty with respect to which a credit was al-

1 allowed under subsection (a) which is inci-
2 dent to the purchase by a taxpayer of a
3 new primary residence if the proceeds of
4 such sale are used to carry out the pur-
5 chase of such new primary residence.

17 “(B) DEATH.—Any taxable year ending
18 after the death of the taxpayer (or, in the case
19 of a joint return, of the spouse of the taxpayer).

“(C) DIVORCE.—A transfer of a residence to which section 1041(a) applies.

22 “(D) GOVERNMENT ORDERS.—A recapture
23 event relating to a principal residence occurring
24 in connection with Government orders received

1 by such individual, or such individual's spouse,
2 for qualified official extended duty service.

3 “(E) QUALIFIED OFFICIAL EXTENDED
4 DUTY SERVICE.—For purposes of this para-
5 graph, the term ‘qualified official extended duty
6 service’ means service on qualified official ex-
7 tended duty as—

8 “(i) a member of the uniformed serv-
9 ices,

10 “(ii) a member of the Foreign Service
11 of the United States, or

12 “(iii) an employee of the intelligence
13 community.

14 “(h) DEFINITIONS.—For purposes of this section—

15 “(1) FIRST-TIME HOMEBUYER.—The term
16 ‘first-time homebuyer’ means any individual if such
17 individual (and if married, such individual’s
18 spouse)—

19 “(A) had no present ownership interest in
20 a principal residence during the 10-year period
21 ending on the date of the purchase of the prin-
22 cipal residence to which this section applies,

23 “(B) has not been allowed a credit under
24 subsection (a) for any preceding taxable year,
25 and

1 “(C) attests that such individual (and if
2 married, such individual’s spouse) has never
3 had a majority interest in a residential prop-
4 erty.

5 “(2) PRINCIPAL RESIDENCE.—The term ‘prin-
6 cipal residence’ has the same meaning as when used
7 in section 121.

8 “(3) PURCHASE.—

9 “(A) IN GENERAL.—The term ‘purchase’
10 means any acquisition, but only if—

11 “(i) the property is purchased using a
12 mortgage loan from a commercial lender,

13 “(ii) the property is not acquired from
14 a person related to the person acquiring
15 such property (or, if married, such individ-
16 ual’s spouse), and

17 “(iii) the basis of the property in the
18 hands of the person acquiring such prop-
19 erty is not determined—

20 “(I) in whole or in part by ref-
21 erence to the adjusted basis of such
22 property in the hands of the person
23 from whom acquired, or

24 “(II) under section 1014(a).

1 “(B) CONSTRUCTION.—A residence which
2 is constructed by the taxpayer shall be treated
3 as purchased by the taxpayer on the date the
4 taxpayer first occupies such residence.

5 “(C) GUARANTEED LOANS INCLUDED.—A
6 loan shall not fail to be treated as a mortgage
7 loan from a commercial lender under subparagraph
8 (A)(i) merely because such loan is guaranteed under section 184 of the Housing and
9 Community Development Act of 1992.

10 “(4) QUALIFIED HOME PURCHASES EXPENSES.—The term ‘qualified home purchase expenses’ means amounts paid for—

11 “(A) a down payment on the purchase of
12 a home, and

13 “(B) closing costs with respect to such
14 purchase.

15 “(5) RELATED PERSONS.—A person shall be
16 treated as related to another person if the relationship between such persons would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267(b) and (c) for purposes of this section, paragraph (4) of section 267(c)(4) shall
17 be treated as providing that the family of an indi-

1 vidual shall include only his spouse, ancestors, and
2 lineal descendants).

3 “(i) BASIS ADJUSTMENT.—For purposes of this sub-
4 title, if a credit is allowed under this section in connection
5 with any expenditure for any property, the increase in the
6 basis of such property which would (but for this sub-
7 section) result from such expenditure shall be reduced by
8 the amount of the credit so determined.

9 “(j) INFLATION ADJUSTMENT.—

10 “(1) IN GENERAL.—in the case of any taxable
11 year beginning after 2025, the dollar amounts in
12 this section shall be increased by an amount equal
13 to—

14 “(A) such dollar amount, multiplied by
15 “(B) the cost-of-living adjustment deter-
16 mined under section 1(f)(3) for the calendar
17 year in which the taxable year begins, deter-
18 mined by substituting ‘calendar year 2024’ for
19 calendar year 2016 in subparagraph (A)(ii).

20 “(2) ROUNDING.—If any increase under para-
21 graph (1) is not a multiple of \$100, such increase
22 shall be rounded to the nearest multiple of \$100.

23 “(k) REPORTING.—

24 “(1) IN GENERAL.—If the Secretary requires
25 information reporting under section 6045 by a per-

1 son described in subsection (e)(2) thereof to verify
2 the eligibility of taxpayers for the credit allowable by
3 this section, the exception provided by section
4 6045(e) shall not apply.

5 “(2) INFORMATION FROM LENDER.—The Sec-
6 retary may require any lender issuing a loan for the
7 purchase of a property with respect to which a credit
8 is allowed under subsection (a) or with respect to
9 which a first-time homebuyer has made a request for
10 a transfer under subsection (f)(1) to provide such in-
11 formation relating to the related purchase as the
12 Secretary determines appropriate.

13 “(l) REGULATIONS.—The Secretary shall issue such
14 regulations or other guidance as may be necessary or ap-
15 propriate to carry out the purposes of this section.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to residences purchased in taxable
18 years beginning after the date of the enactment of this
19 Act.

20 STARTER HOME CONSTRUCTION CREDIT

21 SEC. 4.

22 (a) IN GENERAL.—Subpart D of part IV of sub-
23 chapter A of chapter 1 of the Internal Revenue Code of
24 1986 is amended by adding at the end the following new
25 section:

1 **“SEC. 45BB. STARTER HOME CONSTRUCTION CREDIT.**

2 “(a) IN GENERAL.—For the purposes of section 38,
3 the starter home construction credit determined under this
4 section for any taxable year is an amount equal to 15 per-
5 cent of the qualified home construction costs of the tax-
6 payer for the taxable year.

7 “(b) LIMITATION.—The amount allowable as a credit
8 under subsection (a) to any taxpayer for any taxable year
9 shall not exceed the amount allocated to such taxpayer for
10 the calendar year in which such taxable year ends under
11 subsection (e).

12 “(c) INCREASE FOR FIRST-TIME HOMEBUYER.—In
13 the case of a unit of housing sold to a first-time home-
14 buyer (as defined in section 36(g)(1)), subsection (a) shall
15 be applied by substituting ‘30 percent’ for ‘15 percent’.

16 “(d) QUALIFIED HOME CONSTRUCTION COSTS.—For
17 purposes of this section, the term ‘qualified home con-
18 struction costs’ means, with respect to a taxable year,
19 amounts paid or incurred by the taxpayer for labor and
20 material costs to construct a unit of housing placed in
21 service during such taxable year—

22 “(1) the total square footage of which does not
23 exceed 1200 feet, and

24 “(2) the sale price of which does not exceed 80
25 percent of the area median home price.

26 “(e) STATE ALLOCATION.—

1 “(1) IN GENERAL.—The aggregate starter
2 home construction credit dollar amount which a
3 housing credit agency may allocate for any calendar
4 year is the portion of the State starter home con-
5 struction credit ceiling allocated under this sub-
6 section for such calendar year to such agency.

7 “(2) STATE CEILING INITIALLY ALLOCATED TO
8 STATE HOUSING CREDIT AGENCIES.—The State
9 starter home construction credit ceiling for each cal-
10 endar year shall be allocated to the housing credit
11 agency of such State. If there is more than 1 hous-
12 ing credit agency of a State, all such agencies shall
13 be treated as a single agency.

14 “(3) STATE STARTER HOME CONSTRUCTION
15 CREDIT CEILING.—For purposes of this subsection,
16 the State starter home construction credit ceiling ap-
17 plicable to any State for any calendar year shall be
18 an amount equal to \$30 multiplied by the population
19 of the State (determined in accordance with section
20 146(j)).

21 “(4) REALLOCATION OF UNUSED STARTER
22 HOME CONSTRUCTION CREDIT AMOUNTS AMONG
23 STATES.—

24 “(A) IN GENERAL.—The unused starter
25 home construction credit amount of a State for

1 any calendar year shall be assigned by the Sec-
2 retary for allocation among qualified States for
3 the succeeding calendar year.

4 “(B) UNUSED STARTER HOME CONSTRUC-
5 TION CREDIT AMOUNT.—For purposes of this
6 paragraph, the unused starter home construc-
7 tion credit amount of a State for any calendar
8 year is the excess (if any) of—

9 “(i) the aggregate amount allocated to
10 such State for such year under this sub-
11 section, over

12 “(ii) the aggregate starter home con-
13 struction credit dollar amount allocated for
14 such year.

15 “(C) FORMULA FOR ALLOCATION OF UN-
16 USED STARTER HOME CONSTRUCTION CREDIT
17 AMOUNTS AMONG QUALIFIED STATES.—The
18 amount allocated under this paragraph to a
19 qualified State for any calendar year shall be
20 the amount determined by the Secretary to bear
21 the same ratio to the aggregate unused starter
22 home construction credit amounts of all States
23 for the preceding calendar year as such State’s
24 population for the calendar year bears to the
25 population of all qualified States for the cal-

1 endar year. For purposes of the preceding sen-
2 tence, population shall be determined in accord-
3 ance with section 146(j).

4 “(D) QUALIFIED STATE.—For purposes of
5 this paragraph, the term ‘qualified State’
6 means, with respect to a calendar year, any
7 State—

8 “(i) which allocated its entire State
9 starter home credit ceiling for the pre-
10 ceding calendar year, and

11 “(ii) which requests (not later than
12 May 1 of the calendar year) an allocation
13 under subparagraph (C).

14 “(E) SECRETARIAL WAIVER.—The Sec-
15 retary may issue a waiver if the Secretary de-
16 termines such waiver will serve the purposes of
17 this section to allow such portion of the State
18 starter home credit ceiling of any State for any
19 calendar year as was allocated to such State
20 under paragraph (3) for such calendar year (de-
21 termined without regard to this paragraph)—

22 “(i) to be treated as allocated to such
23 State for the following calendar year under
24 such paragraph, and

1 “(ii) to not be treated as unused
2 starter home construction credit amount of
3 such State for purposes of this paragraph.

4 “(5) CERTIFICATE OF OCCUPANCY RE-
5 QUIRED.—The State starter home construction cred-
6 it ceiling determined under paragraph (3) for any
7 calendar year shall be reduced by the amount equal
8 to 50 percent of the amount of allocations made
9 under this subsection by such State’s housing credit
10 agency during the second preceding calendar year to
11 construct housing with respect to which no certifi-
12 cate of occupancy has been issued.

13 “(6) HOUSING CREDIT AGENCY.—For purposes
14 of this subsection, the term ‘housing credit agency’
15 has the meaning given in section 42(h)(8)(A).

16 “(f) TRIBAL ALLOCATION.—

17 “(1) IN GENERAL.—The aggregate starter
18 home construction credit dollar amount which an In-
19 dian Tribal Government may allocate for any cal-
20 endar year is the portion of the aggregate Indian
21 starter home construction credit ceiling allocated
22 under paragraph (3) for such calendar year to such
23 Indian Tribal Government.

24 “(2) AGGREGATE INDIAN STARTER HOME CON-
25 STRUCTION CREDIT CEILING.—The aggregate Indian

1 starter home construction credit ceiling for any cal-
2 endar year shall be the greatest of—

3 “(A) \$30 multiplied by total number of en-
4 rolled citizens of all Tribes estimated by the
5 Secretary of the Interior with respect to such
6 calendar year,

7 “(B) in the case of a calendar year begin-
8 ning after the first calendar year with respect
9 to which an amount was determined under sub-
10 section (e)(3), the lowest amount determined
11 with respect to any State in the preceding cal-
12 endar year under such subsection, or

13 “(C) \$30,000,000.

14 “(3) ALLOCATION OF AGGREGATE AMONG
15 TRIBES.—

16 “(A) IN GENERAL.—Not later than 1 year
17 after the date of the enactment of the American
18 Homeownership Opportunity Act of 2025, the
19 Secretary of the Treasury, in consultation with
20 the Secretary of the Interior and representa-
21 tives of such Indian Tribal Governments as ad-
22 minister qualified Indian lands and request to
23 participate in such consultation, shall determine
24 an appropriate process to allocate the aggregate
25 Indian starter home construction credit ceiling

1 among eligible Indian Tribal Governments for
2 each calendar year.

3 “(B) REVISION.—The Secretary, in con-
4 sultation with the Secretary of the Interior and
5 representatives of such Indian Tribal Govern-
6 ments as administer qualified Indian lands and
7 request to participate in such consultation, shall
8 evaluate the process established under subpara-
9 graph (A) not less frequently than every 5 years
10 and may make such changes to such process as
11 such Secretary, after such consultation, deter-
12 mines appropriate to further the purposes of
13 this section.

14 “(4) INTERTRIBAL CONSORTIA.—Under regula-
15 tions prescribed by the Secretary, an Indian Tribal
16 Government (or partnership of Indian Tribal Gov-
17 ernments) may authorize an intertribal consortium,
18 an organization, or an Alaska Native regional or vil-
19 lage corporation, as defined in, or established pursu-
20 ant to, the Alaska Native Claims Settlement Act, to
21 plan for, coordinate or otherwise administer services,
22 finances, functions, or activities on behalf of such
23 Government under this subsection, except that the
24 authorized entity shall have the rights and respon-
25 sibilities of the authorizing Indian Tribal Govern-

1 ment (or Indian Tribal Governments) only to the ex-
2 tent provided in the authorizing resolution.

3 “(5) DEFINITIONS.—For purposes of this sub-
4 section—

5 “(A) QUALIFIED INDIAN LANDS.—The
6 term ‘qualified Indian lands’ means—

7 “(i) Indian lands within the meaning
8 of section 29(j)(8) of the Stevenson-Wydler
9 Technology Innovation Act of 1980,

10 “(ii) land held in fee simple by an In-
11 dian Tribal Government,

12 “(iii) land held by incorporated Native
13 groups, regional corporations, and village
14 corporations under the provisions of the
15 Alaska Native Claims Settlement Act, and

16 “(iv) Hawaiian Home Lands (as de-
17 fined in section 801 of the Native Amer-
18 ican Housing Assistance and Self-Deter-
19 mination Act of 1996).

20 “(B) ELIGIBLE INDIAN TRIBAL GOVERN-
21 MENT.—For purposes of this subsection, the
22 term ‘eligible Indian Tribal Government’ means,
23 with respect to a calendar year, an Indian Trib-
24 al Government that—

1 “(i) requests an allocation under this
2 subsection for such calendar year, and

3 “(ii) administers qualified Indian
4 lands.

5 “(C) INDIAN TRIBAL GOVERNMENT.—The
6 term ‘Indian Tribal Government’ means the
7 recognized governing body of any Indian or
8 Alaska Native tribe, band, nation, pueblo, vil-
9 lage, community, component band, or compo-
10 nent reservation, individually identified (includ-
11 ing parenthetically) pursuant to section 104 of
12 the Federally Recognized Indian Tribe List Act
13 of 1994.

14 “(g) INFLATION ADJUSTMENT.—

15 “(1) IN GENERAL.—In the case of any taxable
16 year beginning after 2025, the dollar amounts in
17 subsection (e)(3) and (f)(2) shall each be increased
18 by an amount equal to—

19 “(A) such dollar amount, multiplied by

20 “(B) the cost-of-living adjustment deter-
21 mined under section 1(f)(3) for the calendar
22 year in which the taxable year begins, deter-
23 mined by substituting ‘calendar year 2024’ for
24 ‘calendar year 2016’ in subparagraph (A)(ii)
25 thereof.

1 “(2) ROUNDING.—If any increase under sub-
2 paragraph (A) is not a multiple of \$5, such increase
3 shall be rounded to the nearest multiple of \$5.

4 “(h) BASIS ADJUSTMENT.—For purposes of this sub-
5 title, if a credit is allowed under this section in connection
6 with any expenditure for any property, the increase in the
7 basis of such property which would (but for this sub-
8 section) result from such expenditure shall be reduced by
9 the amount of the credit so determined.

10 “(i) REGULATIONS.—The Secretary shall issue such
11 regulations or other guidance as may be necessary or ap-
12 propriate to carry out the purposes of this section.”.

13 (b) CREDIT TO BE PART OF GENERAL BUSINESS
14 CREDIT.—Section 38(b) of such Code is amended by strik-
15 ing “plus” at the end of paragraph (40), by striking the
16 period at the end of paragraph (41) and inserting “, plus”,
17 and by adding at the end the following new paragraph:

18 “(42) the starter home construction credit de-
19 termined under section 45BB(a).”.

20 (c) CLERICAL AMENDMENT.—The table of sections
21 for subpart D of part IV of subchapter A of chapter 1
22 of such Code is amended by inserting after the item relat-
23 ing to section 45AA the following new item:

“Sec. 45BB. Starter home construction credit.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 the date of the enactment of this section.

4 AFFORDABLE HOUSING CONVERSION CREDIT

5 SEC. 5.

6 (a) INVESTMENT CREDIT FOR CONVERSION OF NON-
7 RESIDENTIAL BUILDINGS TO AFFORDABLE HOUSING.—

8 (1) IN GENERAL.—Subpart E of part IV of
9 subchapter A of chapter 1 of subtitle A of the Inter-
10 nal Revenue Code of 1986 is amended by inserting
11 after section 48E the following new section:

12 **“SEC. 48F. AFFORDABLE HOUSING CONVERSION CREDIT.**

13 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
14 tion 46, the affordable housing conversion credit for any
15 taxable year is an amount equal to 20 percent of the qual-
16 fied conversion expenditures of the taxpayer with respect
17 to a qualified affordable housing building placed in service
18 by the taxpayer during the taxable year.

19 “(b) QUALIFIED CONVERSION EXPENDITURES.—For
20 purposes of this section—

21 “(1) IN GENERAL.—The term ‘qualified conver-
22 sion expenditures’ means, with respect to any qual-
23 fied affordable housing building, any amount prop-
24 erly chargeable to capital account—

25 “(A) for property for which depreciation is
26 allowable under section 168, and

1 “(B) in connection with the qualified con-
2 version of a qualified affordable housing build-
3 ing.

4 “(2) CERTAIN EXPENDITURES NOT IN-
5 CLUDED.—The term ‘qualified conversion expendi-
6 tures’ does not include—

7 “(A) LIMITATION ON PERIOD OF CONVER-
8 SION.—Except as provided in subsection (f),
9 any amount paid or incurred other than during
10 the 2-year period ending on the date on which
11 the taxpayer places the qualified affordable
12 housing building in service.

13 “(B) COST OF ACQUISITION.—The cost of
14 acquiring any building or interest therein.

15 “(3) SPECIAL RULE FOR BROWNFIELDS.—
16 Paragraph (1)(A) shall not apply with respect to any
17 expenditure for clean up of qualifying brownfield
18 property (as defined in section 512(b)(19)).

19 “(4) COORDINATION WITH REHABILITATION
20 CREDIT.—In the case of any qualified conversion ex-
21 penditures which are taken into account for pur-
22 poses of determining the rehabilitation credit under
23 section 47, the amount of such expenditures taken
24 into account under this section (determined without

1 regard to this paragraph) shall be reduced by 50
2 percent.

3 “(c) **QUALIFIED CONVERSION**.—For purposes of this
4 section—

5 “(1) **IN GENERAL**.—The term ‘qualified conver-
6 sion’ means the conversion of an eligible commercial
7 building into a qualified affordable housing building
8 if the qualified conversion expenditures of the tax-
9 payer with respect to such conversion exceed the
10 greater of—

11 “(A) an amount equal to 50 percent of the
12 adjusted basis of such building (determined im-
13 mediately prior to such conversion), or

14 “(B) \$100,000.

15 “(2) **ELIGIBLE COMMERCIAL BUILDING**.—The
16 term ‘eligible commercial building’ means any build-
17 ing which, with respect to any conversion—

18 “(A) was originally placed in service not
19 less than 20 years before the date on which
20 such conversion begins, and

21 “(B) immediately prior to such conversion,
22 was nonresidential real property (as defined in
23 section 168).

24 “(d) **QUALIFIED AFFORDABLE HOUSING BUILD-
25 ING**.—For purposes of this section—

1 “(1) IN GENERAL.—The term ‘qualified afford-
2 able housing building’ means any residential building
3 if during the 30-year period beginning on the date
4 on which such building is placed in service by the
5 taxpayer, not less than 20 percent of the residential
6 units in the building are both rent-restricted and re-
7 served for individuals whose income is 80 percent or
8 less of the area median income.

9 “(2) RENT AND INCOME LIMITATION.—For
10 purposes of this subsection, rules similar to the rules
11 of subsection (g) of section 42 shall apply to deter-
12 mine whether a unit is rent-restricted, treatment of
13 units occupied by individuals whose incomes rise
14 above the limit, and the treatment of units where
15 Federal rental assistance is reduced as tenant’s in-
16 come increases.

17 “(e) LIMITATION ON AGGREGATE CREDIT ALLOW-
18 ABLE.—

19 “(1) CREDIT MAY NOT EXCEED CREDIT
20 AMOUNT ALLOCATED TO BUILDING.—

21 “(A) IN GENERAL.—The amount of the
22 credit determined under this section with re-
23 spect to any building shall not exceed the quali-
24 fied conversion credit dollar amount allocated to
25 such building under this subsection by the

1 housing credit agency of the State in which
2 such building is located.

3 “(B) TIME FOR MAKING ALLOCATION.—

4 Except in the case of an allocation which meets
5 the requirements of subparagraph (C), an allo-
6 cation shall be taken into account under sub-
7 paragraph (A) only if it is made not later than
8 the close of the calendar year in which the
9 building is placed in service.

10 “(C) EXCEPTION WHERE BINDING COM-
11 MITMENT.—An allocation meets the require-
12 ments of this subparagraph if there is a binding
13 commitment (not later than the close of the cal-
14 endar year in which the building is placed in
15 service) by the housing credit agency to allocate
16 a specified housing credit dollar amount to such
17 building beginning in a later taxable year.

18 “(2) STATE LIMITATION.—

19 “(A) IN GENERAL.—The aggregate qual-
20 fied conversion credit dollar amount which a
21 housing credit agency of any State may allocate
22 is the sum of—

23 “(i) the amount which bears the same
24 ratio to the national qualified conversion
25 credit limitation as—

2 bears to

4 plus

7 “(B) NATIONAL QUALIFIED CONVERSION
8 CREDIT LIMITATION.—The national qualified
9 conversion credit limitation is \$12,000,000,000.

23 the amount determined under this para-
24 graph with respect to such building shall
25 be the amount originally allocated by the

1 housing credit agency of the State under
2 clause (i).

14 “(D) REALLOCATION OF CERTAIN
15 AMOUNTS.—

1 such State's share of the reallocation
2 amount.

8 “(3) MANNER OF ALLOCATION.—

9 “(A) PLAN FOR ALLOCATION.—

1 “(I) which sets selection criteria
2 for allocations, taking into account—
3 “(aa) whether the credit is
4 needed to assure the financial
5 feasibility of the conversion,
6 “(bb) the extent to which
7 the conversion results in the cre-
8 ation of affordable housing,
9 “(cc) the extent to which the
10 conversion results in the creation
11 of housing near transportation,
12 employment, and commercial op-
13 portunities,
14 “(dd) the extent to which
15 the conversion will support small
16 businesses and economic revital-
17 ization in the surrounding area,
18 “(ee) the degree of local gov-
19 ernment support for the conver-
20 sion, and
21 “(ff) the readiness of the
22 building for a qualified conver-
23 sion, and
24 “(II) which provides a procedure
25 that the agency (or an agent or other

1 private contractor of such agency) will
2 follow in monitoring for noncompli-
3 ance with the requirements of sub-
4 section (d) and in notifying the Inter-
5 nal Revenue Service of such non-
6 compliance.

7 “(B) BINDING ALLOCATION AGREEMENTS;
8 REPORTING.—In making allocations of qualified
9 conversion credit dollar amounts, each housing
10 credit agency shall—

23 “(C) STATE EXTENDED USE REQUIRE-
24 MENTS PERMITTED PAST 30 YEARS.—For pur-
25 poses of this paragraph, a housing credit agen-

1 cy's plan shall not fail to be treated as a con-
2 version credit allocation plan merely because it
3 includes, and nothing in this section shall be
4 construed to limit a binding allocation agree-
5 ment from including, affordability or rent re-
6 striction requirements with respect to the build-
7 ing that apply for a longer period than the 30-
8 year period described in subsections (d) and
9 (g)(1)(B).

10 “(4) DEFINITIONS AND OTHER RULES.—

11 “(A) HOUSING CREDIT AGENCY.—The
12 term ‘housing credit agency’ means, with re-
13 spect to any State, the housing credit agency
14 authorized under section 42(h)(8) or such other
15 agency as authorized by the State for purposes
16 of this section.

17 “(B) ECONOMICALLY DISTRESSED AREA.—

18 The term ‘economically distressed area’ means
19 any area which—

20 “(i) has been designated as a qualified
21 census tract under section 42(d)(5)(B)(ii)
22 or as a difficult development area under
23 section 42(d)(5)(B)(iii), or

1 “(ii) meets the requirement of section
2 301(a)(3) of the Public Works and Eco-
3 nomic Development Act of 1965.

4 “(C) STATE.—The term ‘State’ includes a
5 possession of the United States.

6 “(D) OTHER RULES.—Rules similar to the
7 rules of subparagraphs (A) and (B) of section
8 42(h)(7) shall apply for purposes of this sec-
9 tion.

10 “(f) PROGRESS EXPENDITURES.—If the Secretary
11 determines, on the basis of architectural plans and speci-
12 fications that a qualified conversion is reasonably expected
13 to exceed 2 years, rules similar to the rules of section
14 47(d) shall apply with respect to such conversion for pur-
15 poses of this section.

16 “(g) SPECIAL RULES FOR CERTAIN AREAS.—

17 “(1) QUALIFIED CENSUS TRACTS AND DIF-
18 FICULT DEVELOPMENT AREAS.—In the case of a
19 qualified affordable housing building—

20 “(A) which is located in any area which is
21 designated as a qualified census tract under
22 section 42(d)(5)(B)(ii) or as a difficult develop-
23 ment area under section 42(d)(5)(B)(iii)), and

24 “(B) with respect to which during 30-year
25 period beginning on the date on which such

1 building is placed in service by the taxpayer,
2 not less than 20 percent of the residential units
3 in the building are both rent-restricted and re-
4 served for individuals whose income is 60 per-
5 cent or less of the area median income,
6 subsection (a) shall be applied by substituting ‘30
7 percent’ for ‘20 percent’.

8 “(2) HISTORIC PRESERVATION IN RURAL
9 AREAS.—

10 “(A) IN GENERAL.—In the case of a qual-
11 fied affordable housing building which is in a
12 rural area and is part of an historic preserva-
13 tion project, the taxpayer may elect to sub-
14 stitute ‘35 percent’ for ‘20 percent’ under sub-
15 section (a) with respect to such portion of the
16 aggregate qualified conversion expenditures
17 taken into account under such subsection as
18 does not exceed \$2,000,000.

19 “(B) DEFINITIONS.—For purposes of this
20 paragraph—

21 “(i) RURAL AREA.—The term ‘rural
22 area’ shall have the meaning given such
23 term under section 1393(a)(2).

24 “(ii) HISTORIC PRESERVATION
25 PROJECT.—The term ‘historic preservation

1 project' means a qualified conversion which
2 involves the certified rehabilitation of a
3 certified historic structure. Whether con-
4 version of a certified historic structure in-
5 volves certified rehabilitation shall be de-
6 termined under rules similar to the rules of
7 section 47(c)(2)(C).

8 “(h) REGULATIONS.—The Secretary shall issue such
9 regulations or other guidance as may be necessary or ap-
10 propriate to carry out the purposes of this section, includ-
11 ing regulations or other guidance—

12 “(1) providing for the recapture of the credit
13 determined under subsection (a) if the qualified af-
14 fordable housing building ceases to be a qualified af-
15 fordable housing building during the 30-year period
16 beginning on the date that such building is placed
17 in service by the taxpayer,

18 “(2) detailing any certifications required from
19 the taxpayer or any housing credit agency of a
20 State,

21 “(3) with respect to the application of sub-
22 section (b)(4),

23 “(4) with respect to information reporting on
24 allocations of qualified conversion credit dollar
25 amounts,

1 “(5) providing rules for making a determination
2 as to whether an area is described in subsection
3 (e)(4)(B), and

4 “(6) which encourages housing credit agencies
5 to allocate, to the extent practicable, qualified con-
6 version credit dollar amounts to non-metropolitan
7 counties within a State in proportion to the non-
8 metropolitan population of the State, but only to the
9 extent it is demonstrated within such non-metropoli-
10 tan counties that there are sufficient qualified con-
11 version expenditures to warrant such allocations.”.

12 (b) TRANSFERABILITY OF CREDIT.—Section
13 6418(f)(1)(A) of such Code is amended by adding at the
14 end the following new clause:

15 “(xii) The affordable housing conver-
16 sion credit determined under section
17 48F.”.

18 (c) CONFORMING AMENDMENTS.—

19 (1) Section 46 of such Code is amended in
20 paragraph (5) by striking “and” at the end, in para-
21 graph (6) by striking the period at the end and in-
22 serting “, and”, and by adding at the end the fol-
23 lowing new paragraph:

24 “(7) the affordable housing conversion credit.”.

“Sec. 48F. Affordable housing conversion credit.”.

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to qualified affordable housing
18 buildings (as defined in section 48F of the Internal Rev-
19 enue Code of 1986, as added by this section) placed in
20 service after the date of the enactment of this Act.

21 LIHTC BOOST FOR EXTREMELY LOW-INCOME

22 HOUSEHOLDS

23 SEC. 6.

1 (a) IN GENERAL.—Section 42(d)(5) of the Internal
2 Revenue Code of 1986 is amended by adding at the end
3 the following new subparagraph:

4 “(C) INCREASE IN CREDIT FOR PROJECTS
5 DESIGNATED TO SERVE EXTREMELY LOW-IN-
6 COME HOUSEHOLDS.—In the case of any build-
7 ing—

8 “(i) 20 percent or more of the resi-
9 dential units (determined as if the imputed
10 income limitation applicable to such units
11 were 30 percent of area median gross in-
12 come) in which are designated by the tax-
13 payer for occupancy by households the ag-
14 gregate household income of which does
15 not exceed the greater of—

16 “(I) 30 percent of area median
17 gross income, or

18 “(II) 100 percent of an amount
19 equal to the Federal poverty line
20 (within the meaning of section
21 36B(d)(3)), and

22 “(ii) which is designated by the hous-
23 ing credit agency as requiring the increase
24 in credit under this subparagraph in order
25 for such building to be financially feasible

1 as part of a qualified low-income housing
2 project,

3 subparagraph (B) shall not apply to the portion
4 of such building which is comprised of such
5 units (determined in a manner similar to the
6 unit fraction under subsection (c)(1)(C)), and
7 the eligible basis of such portion of the building
8 shall be 150 percent of such basis determined
9 without regard to this subparagraph.”

10 (b) EFFECTIVE DATE.—The amendment made by
11 this section shall apply to buildings which receive alloca-
12 tions of housing credit dollar amount after the date of en-
13 actment of this Act, or in the case of buildings that are
14 described in section 42(h)(4)(B) of the Internal Revenue
15 Code of 1986, for obligations that are part of an issue
16 the issue date of which is after December 31, 2025.

17 RENTER TAX CREDIT

18 SEC. 7.

19 (a) IN GENERAL.—Subpart C of part IV of sub-
20 chapter A of chapter 1 of the Internal Revenue Code of
21 1986 is amended by inserting after section 36B the fol-
22 lowing new section:

23 **“SEC. 36C. RENTER TAX CREDIT.**

24 “(a) IN GENERAL.—In the case of an individual who
25 leases the individual’s principal residence (within the
26 meaning of section 121) during the taxable year and who

1 pays rent with respect to such residence in excess of 30
 2 percent of the taxpayer's adjusted gross income for such
 3 taxable year, there shall be allowed as a credit against the
 4 tax imposed by this subtitle for such taxable year an
 5 amount equal to the applicable percentage of such excess.

6 “(b) CREDIT LIMITED BY 100 PERCENT OF SMALL
 7 AREA FAIR MARKET RENT.—Solely for purposes of deter-
 8 mining the amount of the credit allowed under subsection
 9 (a) with respect to a residence for the taxable year, there
 10 shall not be taken into account rent in excess of an
 11 amount equal to 100 percent of the small area fair market
 12 rent (including the utility allowance) applicable to the resi-
 13 dence involved (as most recently published, as of the be-
 14 ginning of the taxable year, by the Department of Housing
 15 and Urban Development).

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

18 “(1) APPLICABLE PERCENTAGE.—The term
 19 ‘applicable percentage’ means the percentage deter-
 20 mined 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.

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

6 “(3) RENT.—The term ‘rent’ includes any
7 amount paid for utilities of a type taken into ac-
8 count for purposes of determining the utility allow-
9 ance under section 42(g)(2)(B)(ii).

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

22 “(d) RECONCILIATION OF CREDIT AND ADVANCE
23 PAYMENTS.—The amount of the credit allowed under this
24 section for any taxable year shall be reduced (but not
25 below zero) by the aggregate amount of any advance pay-

1 ments of such credit under section 7527B for such taxable
2 year.”.

3 (b) ADVANCE PAYMENT.—Chapter 77 of the Internal
4 Revenue Code of 1986 is amended by inserting after sec-
5 tion 7527A the following new section:

6 **“SEC. 7527B. ADVANCE PAYMENT OF RENTER TAX CREDIT.**

7 “(a) IN GENERAL.—Not later than 6 months after
8 the date of the enactment of the Rent Relief Act of 2023,
9 the Secretary shall establish a program for making ad-
10 vance payments of the credit allowed under section 36C
11 on a monthly basis to any taxpayer who—

12 “(1) the Secretary has determined will be al-
13 lowed such credit for the taxable year, and
14 “(2) has made an election under subsection (c).

15 “(b) AMOUNT OF ADVANCE PAYMENT.—

16 “(1) IN GENERAL.—For purposes of subsection
17 (a), the amount of the monthly advance payment of
18 the credit provided to a taxpayer during the applica-
19 ble period shall be equal to the lesser of—

20 “(A) an amount equal to—

21 “(i) the amount of the credit which
22 the Secretary has determined will be al-
23 lowed to such taxpayer under section 36C
24 for the taxable year ending in such applica-
25 ble period, divided by

1 “(ii) 12, or
2 “(B) such other amount as is elected by
3 the taxpayer.

4 “(2) APPLICABLE PERIOD.—For purposes of
5 this section, the term ‘applicable period’ means the
6 12-month period from the month of July of the tax-
7 able year through the month of June of the subse-
8 quent taxable year.

9 “(c) ELECTION OF ADVANCE PAYMENT.—A taxpayer
10 may elect to receive an advance payment of the credit al-
11 lowed under section 36C for any taxable year by including
12 such election on a timely filed return for the preceding
13 taxable year.

14 “(d) INTERNAL REVENUE SERVICE NOTIFICA-
15 TION.—The Internal Revenue Service shall take such
16 steps as may be appropriate to ensure that taxpayers who
17 are eligible to receive the credit under section 36C are
18 aware of the availability of the advance payment of such
19 credit under this section.

20 “(e) REGULATIONS.—The Secretary may prescribe
21 such regulations or other guidance as may be necessary
22 or appropriate to carry out the purposes this section.”.

23 (c) CLERICAL AMENDMENTS.—

24 (1) IN GENERAL.—The table of sections for
25 subpart C of part IV of subchapter A of chapter 1

1 of the Internal Revenue Code of 1986 is amended by
2 inserting after the item relating to section 36B the
3 following new item:

“Sec. 36C. Renter tax credit.”.

4 (2) ADVANCE PAYMENT.—The table of sections
5 for chapter 77 of such Code is amended by inserting
6 after the item relating to section 7527A the fol-
7 lowing new item:

“Sec. 7527B. Advance payment of renter tax credit.”.

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall apply with respect to taxable years begin-
10 ning after December 31, 2023.

11 (e) COMMUNITY OUTREACH.—Immediately upon the
12 enactment of this Act, in addition to amounts otherwise
13 available, there are appropriated out of any money in the
14 Treasury not otherwise appropriated \$50,000,000 to re-
15 main available until 5 years after the enactment of this
16 Act for necessary expenses for the Internal Revenue Serv-
17 ice to support efforts to increase enrollment of eligible
18 households in the Renter Tax Credit allowed under section
19 36C of the Internal Revenue Code of 1986 (including the
20 advance payment of such credit under section 7527B of
21 such Code), including but not limited to program out-
22 reach, costs of data sharing arrangements, systems
23 changes, forms changes, and related efforts, and efforts
24 by Federal agencies to facilitate the cross-enrollment of

1 beneficiaries of other programs in such Renter Tax Credit,
2 including by establishing intergovernmental cooperative
3 agreements with States and local governments, tribal gov-
4 ernments, and possessions of the United States: Provided,
5 that such amount shall be available in addition to any
6 amounts otherwise available: Provided further, that these
7 funds may be awarded by Federal agencies to State and
8 local governments, tribal governments, and possessions of
9 the United States, and private entities, including organiza-
10 tions dedicated to free tax return preparation.

