AMENDMENT TO RULES COMMITTEE
PRINT 115–39
OFFERED BY MS. VELÁZQUEZ OF NEW YORK

At the end of the bill, add the following:

TITLE VI—HOUSING AMERICA’S WORKFORCE

SEC. 6001. SHORT TITLE.

This title may be cited as the “Housing America’s Workforce Act of 2017”.

SEC. 6002. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds the following:

(1) Resurgent housing markets are pricing out low- and moderate-income families and are producing few lower-cost units.

(2) In many markets, housing costs have far outgrown the rate of inflation and the gap between wages and housing costs is widening, pushing affordable housing beyond the reach of an increasing number of working families.

(3) Despite some of the lowest mortgage rates in our Nation’s history, millions of working families still find it extremely difficult to rent or purchase a home. Many workers who fill jobs that provide the
backbone of our communities—teachers, firefighters, and police officers—often cannot afford to live in the communities in which they serve.

(4) The United States Department of Housing and Urban Development (HUD) considers housing affordable when a family spends no more than 30 percent of its monthly income on rent and utilities. Entry-level wage earners with annual incomes of up to $30,000 spending no more than 30 percent of their income on rent can only afford to pay up to $750 for rent. In the high job growth areas, such rents are not readily available.

(5) Affordable housing is the key to creating and sustaining healthy, economically vibrant communities.

(6) The lack of affordable housing across the United States has been shown to cause or contribute to labor shortages.

(7) Under employer-assisted housing (EAH) programs employers provide much needed housing assistance to their employees.

(8) EAH programs are innovative local solutions that have increased affordable housing opportunities for thousands of working families across America while benefiting the economy.
(9) According to findings of the Rutgers University American Affordable Housing Institute, employer-assisted housing increases productivity by reducing commuting time as well as saves money on recruitment and retention.

(10) The future growth of EAH programs will remain dependent upon increasing individual employer knowledge and implementation of these programs.

(11) EAH programs will not solve the Nation’s housing problems but such programs do seek to address the challenge from a new perspective and allow the private sector to play a direct role in promoting housing affordability. Additionally, EAH programs can help to promote redevelopment and reinvestment in distressed communities.

(b) PURPOSES.—The purposes of this title are as follows:

(1) To expand affordable housing opportunities to low- and moderate-income working individuals and families.

(2) To encourage employers, counties, and municipalities to invest in employer-assisted housing programs.
SEC. 6003. TAX CREDIT FOR EMPLOYER-PROVIDED EMPLOYEE HOUSING ASSISTANCE.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following new section:

“SEC. 45S. EMPLOYER-PROVIDED EMPLOYEE HOUSING ASSISTANCE.

“(a) ALLOWANCE OF CREDIT.—

“(1) IN GENERAL.—For purposes of section 38, the employer-provided employee housing assistance credit determined under this section for any taxable year is an amount equal to 50 percent of the qualified housing expenses paid by the employer during the taxable year if such expenses are furnished pursuant to a program described in subsection (b).

“(2) SPECIAL RULE FOR SMALL BUSINESS EMPLOYERS.—

“(A) In the case of an employer that is a small business employer, paragraph (1) shall be applied by substituting ‘100 percent’ for ‘50 percent’.

“(B) SMALL BUSINESS EMPLOYER.—For purposes of subparagraph (A), the term ‘small business employer’ means an employer that is a
small business concern (within the meaning of section 3 of the Small Business Act) which—

“(i) is engaged in a trade or business, and

“(ii) employs one or more individuals in such trade or business.

“(3) Per employee limitation.—

“(A) In general.—The aggregate amount of qualified housing expenses taken into account with respect to any eligible employee for any taxable year shall not exceed, when added to any qualified housing expenses taken into account for any preceding taxable year with respect to such employee—

“(i) in the case of homeownership assistance, the lesser of $10,000 or 6 percent of the purchase price of such employee’s principal residence, and

“(ii) in the case of rental assistance, $5,000.

“(B) Inflation adjustment.—

“(i) In general.—In the case of any taxable year beginning after 2017, each dollar amount referred to in subparagraph
(A) shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by

“(II) the cost-of-living adjustment determined under section 26 U.S.C. 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘2016’ for ‘1992’.

“(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

“(b) HOUSING ASSISTANCE PROGRAM.—For purposes of this section, a housing assistance program is a separate written plan of an employer for the exclusive benefit of such employer’s employees to provide the qualified housing expenses of such employees and which meets requirements similar to the requirements of paragraphs (2) through (6) of section 127(b).

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

“(1) ELIGIBLE EMPLOYEE.—

“(A) IN GENERAL.—The term ‘eligible employee’ means any individual—
“(i) employed by an employer,

“(ii) whose household income does not exceed 120 percent of the area median gross income (adjusted for household size) for the metropolitan statistical area (as defined in section 143(k)(2)(B)) in which the housing is located, and

“(iii) in the case of homeownership assistance, who is a qualified homebuyer.

If the housing with respect to such employee is located in a high housing cost area (as defined in section 143(f)(5)(C)), the income limitation under subparagraph (B) shall be adjusted (but not reduced) by the application of the rule under section 143(f)(5) by substituting ‘120 percent’ for ‘115 percent’ in subparagraph (B)(I) thereof.

“(B) Certain employees not eligible.—The term ‘eligible employee’ shall not include—

“(i) any individual described in subparagraph (A), (B), or (C) of section 51(i)(1), and

“(ii) any 5-percent owner (as defined in section 416(i)(1)(B)).
“(2) QUALIFIED HOUSING EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified housing expenses’ means rental assistance or homeownership assistance towards the lease or purchase of housing.

“(B) RENTAL ASSISTANCE.—The term ‘rental assistance’ means assistance with security deposits and rental payments.

“(C) HOMEOWNERSHIP ASSISTANCE.—The term ‘homeownership assistance’ means assistance for the purchase of a principal residence, including—

“(i) payment of qualified acquisition costs (as defined in section 72(t)(8)(C)),

“(ii) providing (or reducing the costs of) financing, including the funding of a permanent interest rate buydown,

“(iii) contributions to second mortgage pools or low interest loan programs accessible to eligible employees,

“(iv) mortgage guarantee programs for the repayment of any loans in default that are secured by an eligible employee and guaranteed by the employer,
“(v) contributions to Individual Development Accounts (within the meaning of section 404(h) of the Social Security Act) which are designated exclusively for the purchase of a home, and

“(vi) contributions to homebuyer education and homeownership counseling of eligible employees.

“(3) Principal residence.—The term ‘principal residence’ has the same meaning as when used in section 121, except such term shall not include a residence with a purchase price exceeding the greater of—

“(A) 90 percent of the average area purchase price applicable to the residence, or

“(B) 3.5 times the family income limit applicable to the eligible employee under paragraph (1)(A)(ii).

“(4) Qualified homebuyer.—

“(A) In general.—The term ‘qualified homebuyer’ means any individual if such individual (and if married, such individual’s spouse) had no present ownership in a principal residence during the 3-year period ending on the
date of the purchase of the principal residence
to which this section applies.

“(B) ONE TIME ONLY.—If an individual is
treated as a qualified homebuyer with respect to
any principal residence, such individual may not
be treated as a qualified homebuyer with re-

“(5) APPLICABLE RULES.—Rules similar to the
rules under section 127(c)(5)(A) shall apply for the
purposes of this section.

“(d) TREATMENT OF EMPLOYERS NOT ABLE TO
USE ENTIRE CREDIT.—

“(1) ALLOWANCE OF CREDIT.—Except as oth-
erwise provided in this subsection, any credit allow-
able under subsection (a) to any employer described
in paragraph (2)(C) may be transferred as provided
in this subsection and the determination as to
whether the credit is allowable shall be made without
regard to the tax-exempt status of the employer.

“(2) TRANSFER OF CREDIT.—

“(A) IN GENERAL.—An employer described
in subparagraph (C) may transfer any credit to
which paragraph (1) applies through an assign-
ment to any other person. Such transfer may be
revoked only with the consent of the Secretary.
“(B) Regulations.—The Secretary shall prescribe such regulations as necessary to ensure that any credit described in subparagraph (A) is assigned once and not reassigned by such other person.

“(C) Employer described.—An employer is described in this subparagraph if the employer is—

“(i) a State or political subdivision thereof, the District of Columbia, a possession of the United States, or an agency or instrumentality of any of the foregoing,

“(ii) an Indian tribal government (within the meaning of section 7871) or any agency or instrumentality thereof, or

“(iii) any entity exempt from taxation under section 501(a).

“(D) Transfer proceeds treated as arising from essential government function.—Any proceeds derived by a person described in clause (i) or (ii) of subparagraph (C) from the transfer under subparagraph (A) of any credit to which paragraph (1) applies shall be treated as arising from the exercise of an essential government function.
“(E) CREDIT NOT INCOME.—Any transfer under subparagraph (A) of any credit to which paragraph (1) applies shall not be treated as income for purposes of section 501(e)(12).”.

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 (defining current year business credit) is amended by striking “plus” at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting “, plus”, and by adding at the end the following new paragraph:

“(37) the employer-provided employee housing assistance credit determined under section 45S(a).”.

c) CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 196 of the Internal Revenue Code of 1986 is amended by striking “and” at the end of paragraph (13), by striking the period at the end of paragraph (14) and inserting “, and”, and by adding at the end the following new paragraph:

“(15) the employer-provided employee housing assistance credit determined under section 45S(a).”.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is
amended by adding at the end the following new
item:

“Sec. 458. Employer-provided employee housing assistance.”.

(d) Effective Date.—The amendments made by
this section shall apply to taxable years beginning after
December 31, 2016.

SEC. 6004. EXCLUSION FROM INCOME OF EMPLOYER-PRO-
VIDED EMPLOYEE HOUSING ASSISTANCE.

(a) In General.—Part III of subchapter B of chap-
ter 1 of the Internal Revenue Code of 1986 (relating to
items specifically excluded from gross income) is amended
by inserting after section 139F the following new section:

“SEC. 139G. EMPLOYEE HOUSING ASSISTANCE PROGRAMS.

“(a) Exclusion From Gross Income.—

“(1) In General.—Gross income of an eligible
employee does not include amounts paid or incurred
by the employer of such employee for qualified hous-
ing expenses provided to the employee if the assist-
ance is furnished pursuant to a program described
in subsection (b).

“(2) Limitation.—

“(A) In General.—The aggregate
amount of qualified housing expenses which
may be excluded under paragraph (1) with re-
pect to any eligible employee for any taxable
year shall not exceed, when added to any quali-
fied housing expenses excluded in any preceding taxable year with respect to such employee—

“(i) in the case of homeownership assistance, the lesser of $10,000 or 6 percent of the purchase price of such employee’s principal residence, and

“(ii) in the case of rental assistance, $5,000.

“(B) INFLATION ADJUSTMENT.—

“(i) IN GENERAL.—In the case of any taxable year beginning after 2017, each dollar amount referred to in subparagraph (A) shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by

“(II) the cost-of-living adjustment determined under section 26 U.S.C. 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘2016’ for ‘1992’.

“(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.
“(b) **Housing Assistance Program.**—For purposes of this section, a housing assistance program is a separate written plan of an employer for the exclusive benefit of such employer’s employees to provide the qualified housing expenses of such employees and which meets requirements similar to the requirements of paragraphs (2) through (6) of section 127(b).

“(c) **Definitions; Special Rules.**—For purposes of this section—

“(1) **In General.**—Any term used in section 45S which is also used in this section shall have the same meaning as given such term by section 45S.

“(2) **Applicable Rules.**—Rules similar to the rules under section 127(c)(5)(A) shall apply for purposes of this section.

“(3) **Basis Adjustment.**—For purposes of this subtitle, if an exclusion is allowed under subsection (a) with respect to a residence, the basis of such residence shall be reduced by the amount of the exclusion.”.

(b) **Reporting Requirements.**—Subsection (d)(1) of section 6039D of the Internal Revenue Code of 1986 (relating to returns and records with respect to certain fringe benefit plans) is amended by striking “or 137” and inserting “137, or 139G”.


(c) CONFORMING AMENDMENTS.—

(1) The table of sections for part III of sub-
chapter B of chapter 1 of the Internal Revenue Code
of 1986 is amended by inserting after the item relat-
ing to section 139F the following new item:

“Sec. 139G. Employee housing assistance programs.”.

(2) Subsection (a) of section 1016 of such Code
(relating to adjustments to basis) is amended by
striking “and” at the end of paragraph (36), by
striking the period at the end of paragraph (37) and
inserting “, and”, and by adding at the end the fol-
lowing new paragraph:

“(38) in the case of a residence with respect to
which amounts were excluded from income under
section 139G, to the extent provided in section
139G(c)(3).”.

(d) EFFECTIVE DATE.—The amendments made by
this section shall apply to taxable years beginning December 31, 2016.

SEC. 6005. GRANTS TO COVER EMPLOYER-ASSISTED HOUS-
ING PROGRAM COSTS.

(a) GRANTS AUTHORIZED.—

(1) IN GENERAL.—The Secretary may award a
grant to an eligible entity to pay—

(A) the operating costs of administering an
employer-assisted housing program;
(B) for technical assistance provided by
the eligible entity to an employer in connection
with such a program; and

(C) for costs associated with promoting,
publicizing, or otherwise attempting to dis-
tribute information relating to such a program.

(2) DURATION.—Grants in an annual aggregate
total of not more than $5,000,000 may be awarded
under this subsection during each of fiscal years

(3) AWARD BASIS.—The Secretary shall award
grants under this section on a competitive basis.

(b) ELIGIBLE ENTITIES.—To be eligible to receive a
grant under this section, an entity shall demonstrate that
it is—

(1) a nonprofit housing organization with a rel-
evante mission and demonstrated track record in
housing counseling or employer-assisted housing con-
tracted by an employer to assist the employer in es-
ablishing or maintaining an employer-assisted hous-
ing program; or

(2) a city, county, town, township, parish, vil-
lage, hamlet, or other general purpose political sub-
division of a State that seeks to establish or main-
tain, or otherwise participate in an employer-assisted housing program for its own employees.

(c) APPLICATION.—Each eligible entity seeking a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(d) LIMITATION ON USE OF FUNDS.—A grant awarded to an eligible entity under this section shall be used only for the purposes described under subsection (a).

(e) REPORTS.—

(1) IN GENERAL.—Each eligible entity receiving a grant under this section shall annually prepare and submit to the Secretary a report that describes the—

(A) amount of grant funds expended during the year;

(B) total amount—

(i) of funds expended during the year to administer an employer-assisted housing program; and

(ii) of down payment assistance provided by such a program;

(C) total number of employees utilizing such a program;
(D) number of employees utilizing such a program—
   (i) who are first-time homebuyers;
   (ii) who are previous homeowners; and
   (iii) who live in high-cost housing areas;

(E) average—
   (i) income of employees utilizing such a program;
   (ii) age of employees utilizing such a program; and
   (iii) cost of a home purchased under such a program;

(F) ethnicity of employees utilizing such a program; and

(G) number of housing units affected by such a program.

(2) Clearinghouse and Dissemination.—
   (A) In general.—Not later than 1 year after the date of enactment of this Act, the Secretary shall establish a national clearinghouse, including a website, designed—
   (i) to provide information about employer-assisted housing programs to—
(I) Federal, State, and local government entities; and

(II) interested groups, businesses, persons, and organizations; and

(ii) to collect and disseminate the information gathered from the reports required under paragraph (1).

(B) WEBPOSTING.—The Secretary shall ensure that—

(i) each report submitted under paragraph (1) is posted to the website of the national clearinghouse established under subparagraph (A); and

(ii) the website of the Department of Housing and Urban Development provides a hyperlink to such reports on the website of the national clearinghouse.

(f) DEFINITIONS.—As used in this section:

(1) SECRETARY.—The term “Secretary” means the Secretary of Housing and Urban Development.

(2) NONPROFIT HOUSING ORGANIZATION.—The term “nonprofit housing organization” means any organization that—
(A) the Internal Revenue Service has ruled 
is exempt from income taxation under para-
graph (3), (4), or (5) of section 501(c) of the 
Internal Revenue Code of 1986; and 

(B) has as its stated purpose to produce, 
maintain, operate, or promote affordable hous-
ing.

(g) AUTHORIZATION OF APPROPRIATIONS.—There 
are authorized to be appropriated $5,000,000 for each of 
fiscal years 2017, 2018, and 2019 to carry out this sec-
tion.

SEC. 6006. EVALUATION OF EMPLOYER-ASSISTED HOUSING 
PROGRAMS.

(a) In General.—A study of employer-assisted pro-
grams shall be carried out in accordance with subsection 
(b) for the purposes of evaluating the effects of the tax 
benefits provided under sections 6003 and 6004 and the 
grant program established under section 6005 on— 

(1) such programs; and 

(2) the private sector resources leveraged to 
further fund such programs.

(b) NATIONAL EVALUATION.—

(1) In General.—The Comptroller General of 
the United States (in this section referred to as the
“Comptroller General”) shall conduct the study re-
quired under subsection (a).

(2) REQUIREMENTS.—The study required
under subsection (a) shall include an analysis and
summary of—

(A) the total number of—

(i) employers participating in em-
ployer-assisted housing programs;

(ii) States that have enacted em-
ployer-assisted housing program legisla-
tion; and

(iii) States considering enacting such
legislation;

(B) the extent to which Federal funds are
being used to support employer-assisted housing
programs;

(C) the size and nature of existing Federal,
State, and private employer-assisted housing
programs;

(D) the types of assistance offered to em-
ployees under employer-assisted housing pro-
grams;

(E) the distribution of employers offering
employer-assisted housing programs, including
a review of the—
(i) geographic distribution of such employers;

(ii) industry distribution of such employers; and

(iii) size distribution of such employers;

(F) the extent to which employer-assisted housing programs are located in “high-cost” housing markets;

(G) the extent to which employers are able to, and have made, use of the tax benefits provided under this title;

(H) the information contained in the reports submitted under section 6005(e); and

(I) any other information that the Comptroller General determines would be relevant and helpful to the Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) in evaluating the effects of the tax benefits provided under sections 6003 and 6004 and the grant program established under section 6005.

(e) CONSULTATION.—In conducting the study required under subsection (a), the Comptroller General shall consult with—
(1) appropriate Federal, State, and local government entities; and
(2) interested groups, businesses, persons, universities, and organizations.

(d) REPORT.—

(1) INTERIM REPORT.—Not later than January 1, 2020, the Comptroller General shall submit to the Secretary an interim report on the findings of the study required under subsection (a).

(2) FINAL REPORT.—Not later than December 31, 2021, the Comptroller General shall submit to the Secretary a final report that describes—

(A) the findings of the study required under subsection (a); and

(B) any conclusions and recommendations of such study.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 to carry out this section.

SEC. 6007. CORPORATE RATE INCREASE TO ACHIEVE REVENUE NEUTRALITY.

(a) IN GENERAL.—The rate of tax specified in section 11(b)(1) of the Internal Revenue Code of 1986 (after the amendment made by section 3001 (a)) shall be increased by such number of percentage points as is nec-
essential to fully offset the aggregate reduction in Federal revenues which result from amendments and repeals made by section 6003 and 6004.

(b) EFFECTIVE DATE.—Subsection (a) shall apply as if such provision were an amendment made by section 3001 (a).