

AMENDMENT TO RULES COMMITTEE

PRINT 115–39

OFFERED BY MS. VELÁZQUEZ OF NEW YORK

At the end of the bill, add the following:

1 **TITLE VI—HOUSING AMERICA’S**
2 **WORKFORCE**

3 **SEC. 6001. SHORT TITLE.**

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

6 **SEC. 6002. FINDINGS AND PURPOSES.**

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

8 (1) Resurgent housing markets are pricing out
9 low- and moderate-income families and are pro-
10 ducing few lower-cost units.

11 (2) In many markets, housing costs have far
12 outgrown the rate of inflation and the gap between
13 wages and housing costs is widening, pushing afford-
14 able housing beyond the reach of an increasing num-
15 ber of working families.

16 (3) Despite some of the lowest mortgage rates
17 in our Nation’s history, millions of working families
18 still find it extremely difficult to rent or purchase a
19 home. Many workers who fill jobs that provide the

1 backbone of our communities—teachers, firefighters,
2 and police officers—often cannot afford to live in the
3 communities in which they serve.

4 (4) The United States Department of Housing
5 and Urban Development (HUD) considers housing
6 affordable when a family spends no more than 30
7 percent of its monthly income on rent and utilities.
8 Entry-level wage earners with annual incomes of up
9 to \$30,000 spending no more than 30 percent of
10 their income on rent can only afford to pay up to
11 \$750 for rent. In the high job growth areas, such
12 rents are not readily available.

13 (5) Affordable housing is the key to creating
14 and sustaining healthy, economically vibrant commu-
15 nities.

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

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

22 (8) EAH programs are innovative local solu-
23 tions that have increased affordable housing oppor-
24 tunities for thousands of working families across
25 America while benefiting the economy.

1 (9) According to findings of the Rutgers Uni-
2 versity American Affordable Housing Institute, em-
3 ployer-assisted housing increases productivity by re-
4 ducing commuting time as well as saves money on
5 recruitment and retention.

6 (10) The future growth of EAH programs will
7 remain dependent upon increasing individual em-
8 ployer knowledge and implementation of these pro-
9 grams.

10 (11) EAH programs will not solve the Nation's
11 housing problems but such programs do seek to ad-
12 dress the challenge from a new perspective and allow
13 the private sector to play a direct role in promoting
14 housing affordability. Additionally, EAH programs
15 can help to promote redevelopment and reinvestment
16 in distressed communities.

17 (b) PURPOSES.—The purposes of this title are as fol-
18 lows:

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

22 (2) To encourage employers, counties, and mu-
23 nicipalities to invest in employer-assisted housing
24 programs.

1 **SEC. 6003. TAX CREDIT FOR EMPLOYER-PROVIDED EM-**
2 **PLOYEE HOUSING ASSISTANCE.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 (relating to business related credits) is amended by
6 adding at the end the following new section:

7 **“SEC. 45S. EMPLOYER-PROVIDED EMPLOYEE HOUSING AS-**
8 **SISTANCE.**

9 “(a) ALLOWANCE OF CREDIT.—

10 “(1) IN GENERAL.—For purposes of section 38,
11 the employer-provided employee housing assistance
12 credit determined under this section for any taxable
13 year is an amount equal to 50 percent of the quali-
14 fied housing expenses paid by the employer during
15 the taxable year if such expenses are furnished pur-
16 suant to a program described in subsection (b).

17 “(2) SPECIAL RULE FOR SMALL BUSINESS EM-
18 PLOYERS.—

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

23 “(B) SMALL BUSINESS EMPLOYER.—For
24 purposes of subparagraph (A), the term ‘small
25 business employer’ means an employer that is a

1 small business concern (within the meaning of
2 section 3 of the Small Business Act) which—

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

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

7 “(3) PER EMPLOYEE LIMITATION.—

8 “(A) IN GENERAL.—The aggregate
9 amount of qualified housing expenses taken into
10 account with respect to any eligible employee
11 for any taxable year shall not exceed, when
12 added to any qualified housing expenses taken
13 into account for any preceding taxable year
14 with respect to such employee—

15 “(i) in the case of homeownership as-
16 sistance, the lesser of \$10,000 or 6 percent
17 of the purchase price of such employee’s
18 principal residence, and

19 “(ii) in the case of rental assistance,
20 \$5,000.

21 “(B) INFLATION ADJUSTMENT.—

22 “(i) IN GENERAL.—In the case of any
23 taxable year beginning after 2017, each
24 dollar amount referred to in subparagraph

1 (A) shall be increased by an amount equal
2 to—

3 “(I) such dollar amount, multi-
4 plied by

5 “(II) the cost-of-living adjust-
6 ment determined under section 26
7 U.S.C. 1(f)(3) for the calendar year in
8 which the taxable year begins, by sub-
9 stituting ‘2016’ for ‘1992’.

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

14 “(b) HOUSING ASSISTANCE PROGRAM.—For pur-
15 poses of this section, a housing assistance program is a
16 separate written plan of an employer for the exclusive ben-
17 efit of such employer’s employees to provide the qualified
18 housing expenses of such employees and which meets re-
19 quirements similar to the requirements of paragraphs (2)
20 through (6) of section 127(b).

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

23 “(1) ELIGIBLE EMPLOYEE.—

24 “(A) IN GENERAL.—The term ‘eligible em-
25 ployee’ means any individual—

1 “(i) employed by an employer,

2 “(ii) whose household income does not
3 exceed 120 percent of the area median
4 gross income (adjusted for household size)
5 for the metropolitan statistical area (as de-
6 fined in section 143(k)(2)(B)) in which the
7 housing is located, and

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

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

18 “(B) CERTAIN EMPLOYEES NOT ELIGI-
19 BLE.—The term ‘eligible employee’ shall not in-
20 clude—

21 “(i) any individual described in sub-
22 paragraph (A), (B), or (C) of section
23 51(i)(1), and

24 “(ii) any 5-percent owner (as defined
25 in section 416(i)(1)(B)).

1 “(2) QUALIFIED HOUSING EXPENSES.—

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

6 “(B) RENTAL ASSISTANCE.—The term
7 ‘rental assistance’ means assistance with secu-
8 rity deposits and rental payments.

9 “(C) HOMEOWNERSHIP ASSISTANCE.—The
10 term ‘homeownership assistance’ means assist-
11 ance for the purchase of a principal residence,
12 including—

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

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

18 “(iii) contributions to second mort-
19 gage pools or low interest loan programs
20 accessible to eligible employees,

21 “(iv) mortgage guarantee programs
22 for the repayment of any loans in default
23 that are secured by an eligible employee
24 and guaranteed by the employer,

1 “(v) contributions to Individual Devel-
2 opment Accounts (within the meaning of
3 section 404(h) of the Social Security Act)
4 which are designated exclusively for the
5 purchase of a home, and

6 “(vi) contributions to homebuyer edu-
7 cation and homeownership counseling of el-
8 igible employees.

9 “(3) PRINCIPAL RESIDENCE.—The term ‘prin-
10 cipal residence’ has the same meaning as when used
11 in section 121, except such term shall not include a
12 residence with a purchase price exceeding the great-
13 er of—

14 “(A) 90 percent of the average area pur-
15 chase price applicable to the residence, or

16 “(B) 3.5 times the family income limit ap-
17 plicable to the eligible employee under para-
18 graph (1)(A)(ii).

19 “(4) QUALIFIED HOMEBUYER.—

20 “(A) IN GENERAL.—The term ‘qualified
21 homebuyer’ means any individual if such indi-
22 vidual (and if married, such individual’s spouse)
23 had no present ownership in a principal resi-
24 dence during the 3-year period ending on the

1 date of the purchase of the principal residence
2 to which this section applies.

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

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

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

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

20 “(2) TRANSFER OF CREDIT.—

21 “(A) IN GENERAL.—An employer described
22 in subparagraph (C) may transfer any credit to
23 which paragraph (1) applies through an assign-
24 ment to any other person. Such transfer may be
25 revoked only with the consent of the Secretary.

1 “(B) REGULATIONS.—The Secretary shall
2 prescribe such regulations as necessary to en-
3 sure that any credit described in subparagraph
4 (A) is assigned once and not reassigned by such
5 other person.

6 “(C) EMPLOYER DESCRIBED.—An em-
7 ployer is described in this subparagraph if the
8 employer is—

9 “(i) a State or political subdivision
10 thereof, the District of Columbia, a posses-
11 sion of the United States, or an agency or
12 instrumentality of any of the foregoing,

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

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

18 “(D) TRANSFER PROCEEDS TREATED AS
19 ARISING FROM ESSENTIAL GOVERNMENT FUNC-
20 TION.—Any proceeds derived by a person de-
21 scribed in clause (i) or (ii) of subparagraph (C)
22 from the transfer under subparagraph (A) of
23 any credit to which paragraph (1) applies shall
24 be treated as arising from the exercise of an es-
25 sential government function.

1 “(E) CREDIT NOT INCOME.—Any transfer
2 under subparagraph (A) of any credit to which
3 paragraph (1) applies shall not be treated as in-
4 come for purposes of section 501(c)(12).”.

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

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

14 (c) CONFORMING AMENDMENTS.—

15 (1) Subsection (c) of section 196 of the Internal
16 Revenue Code of 1986 is amended by striking “and”
17 at the end of paragraph (13), by striking the period
18 at the end of paragraph (14) and inserting “, and”,
19 and by adding at the end the following new para-
20 graph:

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

23 (2) The table of sections for subpart D of part
24 IV of subchapter A of chapter 1 of such Code is

1 amended by adding at the end the following new
2 item:

“Sec. 45S. Employer-provided employee housing assistance.”.

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

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

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

12 **“SEC. 139G. EMPLOYEE HOUSING ASSISTANCE PROGRAMS.**

13 “(a) **EXCLUSION FROM GROSS INCOME.**—

14 “(1) **IN GENERAL.**—Gross income of an eligible
15 employee does not include amounts paid or incurred
16 by the employer of such employee for qualified hous-
17 ing expenses provided to the employee if the assist-
18 ance is furnished pursuant to a program described
19 in subsection (b).

20 “(2) **LIMITATION.**—

21 “(A) **IN GENERAL.**—The aggregate
22 amount of qualified housing expenses which
23 may be excluded under paragraph (1) with re-
24 spect to any eligible employee for any taxable
25 year shall not exceed, when added to any quali-

1 fied housing expenses excluded in any preceding
2 taxable year with respect to such employee—

3 “(i) in the case of homeownership as-
4 sistance, the lesser of \$10,000 or 6 percent
5 of the purchase price of such employee’s
6 principal residence, and

7 “(ii) in the case of rental assistance,
8 \$5,000.

9 “(B) INFLATION ADJUSTMENT.—

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

15 “(I) such dollar amount, multi-
16 plied by

17 “(II) the cost-of-living adjust-
18 ment determined under section 26
19 U.S.C. 1(f)(3) for the calendar year in
20 which the taxable year begins, by sub-
21 stituting ‘2016’ for ‘1992’.

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

1 “(b) HOUSING ASSISTANCE PROGRAM.—For pur-
2 poses of this section, a housing assistance program is a
3 separate written plan of an employer for the exclusive ben-
4 efit of such employer’s employees to provide the qualified
5 housing expenses of such employees and which meets re-
6 quirements similar to the requirements of paragraphs (2)
7 through (6) of section 127(b).

8 “(c) DEFINITIONS; SPECIAL RULES.—For purposes
9 of this section—

10 “(1) IN GENERAL.—Any term used in section
11 45S which is also used in this section shall have the
12 same meaning as given such term by section 45S.

13 “(2) APPLICABLE RULES.—Rules similar to the
14 rules under section 127(e)(5)(A) shall apply for pur-
15 poses of this section.

16 “(3) BASIS ADJUSTMENT.—For purposes of
17 this subtitle, if an exclusion is allowed under sub-
18 section (a) with respect to a residence, the basis of
19 such residence shall be reduced by the amount of the
20 exclusion.”.

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

1 (c) CONFORMING AMENDMENTS.—

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

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

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

12 “(38) in the case of a residence with respect to
13 which amounts were excluded from income under
14 section 139G, to the extent provided in section
15 139G(c)(3).”.

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning Decem-
18 ber 31, 2016.

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

21 (a) GRANTS AUTHORIZED.—

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

24 (A) the operating costs of administering an
25 employer-assisted housing program;

1 (B) for technical assistance provided by
2 the eligible entity to an employer in connection
3 with such a program; and

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

7 (2) DURATION.—Grants in an annual aggregate
8 total of not more than \$5,000,000 may be awarded
9 under this subsection during each of fiscal years
10 2017, 2018, and 2019.

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

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

16 (1) a nonprofit housing organization with a rel-
17 evant mission and demonstrated track record in
18 housing counseling or employer-assisted housing con-
19 tracted by an employer to assist the employer in es-
20 tablishing or maintaining an employer-assisted hous-
21 ing program; or

22 (2) a city, county, town, township, parish, vil-
23 lage, hamlet, or other general purpose political sub-
24 division of a State that seeks to establish or main-

1 tain, or otherwise participate in an employer-assisted
2 housing program for its own employees.

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

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

10 (e) REPORTS.—

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

15 (A) amount of grant funds expended dur-
16 ing the year;

17 (B) total amount—

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

21 (ii) of down payment assistance pro-
22 vided by such a program;

23 (C) total number of employees utilizing
24 such a program;

1 (D) number of employees utilizing such a
2 program—

3 (i) who are first-time homebuyers;

4 (ii) who are previous homeowners; and

5 (iii) who live in high-cost housing
6 areas;

7 (E) average—

8 (i) income of employees utilizing such
9 a program;

10 (ii) age of employees utilizing such a
11 program; and

12 (iii) cost of a home purchased under
13 such a program;

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

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

18 (2) CLEARINGHOUSE AND DISSEMINATION.—

19 (A) IN GENERAL.—Not later than 1 year
20 after the date of enactment of this Act, the Sec-
21 retary shall establish a national clearinghouse,
22 including a website, designed—

23 (i) to provide information about em-
24 ployer-assisted housing programs to—

1 (I) Federal, State, and local gov-
2 ernment entities; and

3 (II) interested groups, busi-
4 nesses, persons, and organizations;
5 and

6 (ii) to collect and disseminate the in-
7 formation gathered from the reports re-
8 quired under paragraph (1).

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

11 (i) each report submitted under para-
12 graph (1) is posted to the website of the
13 national clearinghouse established under
14 subparagraph (A); and

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

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

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

22 (2) NONPROFIT HOUSING ORGANIZATION.—The
23 term “nonprofit housing organization” means any
24 organization that—

1 (A) the Internal Revenue Service has ruled
2 is exempt from income taxation under para-
3 graph (3), (4), or (5) of section 501(c) of the
4 Internal Revenue Code of 1986; and

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

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

12 **SEC. 6006. EVALUATION OF EMPLOYER-ASSISTED HOUSING**
13 **PROGRAMS.**

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

19 (1) such programs; and

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

22 (b) NATIONAL EVALUATION.—

23 (1) IN GENERAL.—The Comptroller General of
24 the United States (in this section referred to as the

1 “Comptroller General”) shall conduct the study re-
2 quired under subsection (a).

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

6 (A) the total number of—

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

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

12 (iii) States considering enacting such
13 legislation;

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

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

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

23 (E) the distribution of employers offering
24 employer-assisted housing programs, including
25 a review of the—

1 (i) geographic distribution of such em-
2 ployers;

3 (ii) industry distribution of such em-
4 ployers; and

5 (iii) size distribution of such employ-
6 ers;

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

10 (G) the extent to which employers are able
11 to, and have made, use of the tax benefits pro-
12 vided under this title;

13 (H) the information contained in the re-
14 ports submitted under section 6005(e); and

15 (I) any other information that the Comp-
16 troller General determines would be relevant
17 and helpful to the Secretary of Housing and
18 Urban Development (in this section referred to
19 as the “Secretary”) in evaluating the effects of
20 the tax benefits provided under sections 6003
21 and 6004 and the grant program established
22 under section 6005.

23 (c) CONSULTATION.—In conducting the study re-
24 quired under subsection (a), the Comptroller General shall
25 consult with—

1 essary to fully offset the aggregate reduction in Federal
2 revenues which result from amendments and repeals made
3 by section 6003 and 6004.

4 (b) EFFECTIVE DATE.—Subsection (a) shall apply as
5 if such provision were an amendment made by section
6 3001 (a).

