



HOMES
JOBS
COMMUNITY



A Look at LIHTC and NMTC

The Changing Landscape in Washington Webinar Series

Presented by: Jane Campbell | April 13, 2017



2017 NDC ACADEMY
OCTOBER 23-25, 2017

*Rethinking How We Invest:
Homes, Jobs and Communities
in 2017 and Beyond*

WASHINGTON, D.C.

2017 NDC Academy Awards Submission Now Open!

Haven't you always wanted to say, "I want to thank the Academy"? The NDC Academy 2017 Awards are an opportunity to highlight your projects with your colleagues and congressional leaders. If you have a challenging and creative project that you want to show off, now is the time to submit for NDC's consideration.

LEARN MORE AND SUBMIT TODAY

**The deadline for submission is
Friday, April 21, 2017**



Bob Rapoza

New Markets Tax Credit Coalition





Trump's Tax Plan

**10-Year Cost
Static Scoring**

Tax Rates/Brackets

**Capital Gains, Dividends,
Interest Income**

Cost of \$6.0 trillion + \$1 trillion in
interest

Three individual tax brackets:
12, 25, 33%

Repeal ACA investment surtax, tax
carried interest as ordinary income

Trump's Tax Plan cont.

Individual Exemptions, Deductions, & Credits

Consolidate/increase standard deduction, cap individual deductions at \$100k for individuals, \$200k for couples, create childcare tax credit, increase EITC

Business Taxes

Reduce corporate rate to 15 percent by eliminating most business tax deductions and credits, most pass-through entities taxed at 15 percent

Offsets

Elimination of business tax credits (LIHTC, NMTC, HTC, Bonds)
1% per year reduction in discretionary spending
Higher economic growth



House Blueprint for Tax Reform

- **Similar to Trump in Overall Direction**
- **Proposes Border Adjustment Tax (BAT)**
- **“The Current Code Delivers Special Interest Subsidies and Crony Capitalism”**
 - On tax expenditures, the House Blueprint said that the current policy directs resources to politically favored interests, hindering both economic growth and job creation, at the expense of the tax payers
 - Annual Cost: \$1.4 trillion.

Where Do We Stand?

- PATH Act:
 - Authorized NMTC for 2015 to 2019
 - \$3.5 billion in annual credit authority
 - Awards for 2015-16 made in November
 - \$10.5 billion in remaining allocation



New Markets Tax Credit Extension Act of 2017, H.R. 1098/S.384

- Permanent Authorization
- About \$5 billion in annual credit authority adjusted for inflation
- Exception from AMT for NMTC investors



House Sponsors (H.R. 1098)

Leads: **Pat Tiberi (R-OH),**
Richard Neal (D-MA),
Tom Reed (R-NY)

Cosponsors:

Rep. Bilirakis, Gus M. [R-FL-12]
Rep. Buchanan, Vern [R-FL-16]
Rep. Curbelo, Carlos [R-FL-26]
Rep. Diaz-Balart, Mario [R-FL-25]
Rep. Gibbs, Bob [R-OH-7]
Rep. Johnson, Bill [R-OH-6]*
Rep. Joyce, David P. [R-OH-14]*
Rep. Kelly, Mike [R-PA-3]*
Rep. King, Peter [R-NY-2]
Rep. Long, Billy [R-MO-7]
Rep. McKinley, David B. [R-WV-1]*
Rep. Meehan, Patrick [R-PA-7]*
Rep. Paulsen, Erik [R-MN-3]*
Rep. Renacci, James B. [R-OH-16]*
Rep. Rooney, Thomas J. [R-FL-17]
Rep. Ross, Dennis [R-FL-15]
Rep. Smith, Jason [R-MO-8]*
Rep. Smucker, Lloyd [R-PA-16]
Rep. Stivers, Steve [R-OH-15]*
Rep. Turner, Michael R. [R-OH-10]*
Rep. Valadao, David G. [R-CA-21]
Rep. Yoho, Ted S. [R-FL-3]
Rep. Young, Don [R-AK-At Large]

Rep. Kind, Ron [D-WI-3]*
Rep. Higgins, Brian [D-NY-26]*
Rep. Blumenauer, Earl [D-OR-3]*
Rep. Davis, Danny K. [D-IL-7]*
Rep. Thompson, Mike [D-CA-5]*
Rep. Pascrell, Bill, Jr. [D-NJ-9]*
Rep. Sewell, Terri A. [D-AL-7]*
Rep. Larson, John B. [D-CT-1]*
Rep. Sanchez, Linda T. [D-CA-38]*
Rep. Norton, Eleanor Holmes [D-DC]
Rep. Price, David E. [D-NC-4]
Rep. Ryan, Tim [D-OH-13]
Rep. Cummings, Elijah E. [D-MD-7]
Rep. Ellison, Keith [D-MN-5]
Rep. DelBene, Suzan K. [D-WA-1]
Rep. Doyle, Michael F. [D-PA-14]

Senate Sponsors (S. 384)

Leads: **Roy Blunt (R- MO),**
Ben Cardin (D-MD)

Cosponsors: Sen. Cochran, Thad [R-MS] Sen. Schumer, Charles E. [D-NY]
Sen. Wicker, Roger [R-MS] Sen. Gillibrand, Kirsten E. [D-NY]

Senate Targets:

Portman (R-OH)

Heller (R-NV)

Scott (R-SC)

Capito (R-WV)

Collins (R-ME)

Murkowski (R-AK)

Resources

- <https://ndconline.org/new-markets-tax-credits/>
- <http://nmtccoalition.org/advocacy>

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@NatlDevCouncil

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Affordable Housing Credit Improvement Act of 2017

S. 548



Senator Cantwell
D-Washington



Finance Committee
Chairman Hatch
R-Utah

- Introduced March 7
- Strong Bipartisan Support: 6 Republicans and 9 Democrats
- Strong Support on the Finance Committee: Nearly $\frac{1}{4}$ of the Finance Committee including both the Chairman (lead sponsor) and Ranking Member



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Affordable Housing Credit Improvement Act of 2017

H.R. 1661



Representative Tiberi
R-Ohio



W&M Ranking
Member Neal
D-Massachusetts

- Introduced March 21
- Strong bipartisan support: 15 Republicans and 11 Democrats
- Strong support on Ways and Means: Nearly 50 percent of the Committee, including the Ranking Member (lead sponsor)



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Affordable Housing Credit Improvement Act of 2017

S. 548/H.R.1661

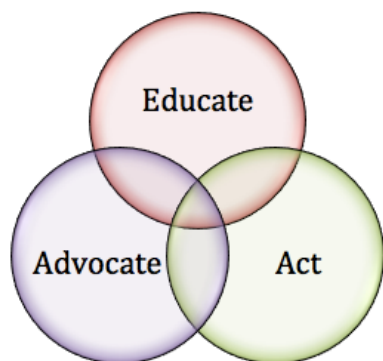


Over 20 Programmatic Modifications that would:

- Expand Housing Credit authority by 50 percent (Senate bill only)
- Strengthen the 4 Percent Credit/Tax-Exempt Bond program.
- Improve ability to preserve affordable housing with the Housing Credit.
- Facilitate development for hard-to-reach populations and in challenging markets.
- Provide new flexibility and streamline program requirements.

Advocating for S.548/H.R.1661

Make “the Ask”:



- Urge members to cosponsor Housing Credit legislation.
- Urge them to tell Committee leaders to include the provisions in the bill in tax legislation.
- Low-hanging fruit: Make sure to thank those Senators who cosponsored the Cantwell-Hatch bill in the last Congress and urge their support again.
- Other potential supporters: members who sponsored S.1193 and H.R. 1142
- Target members on the tax-writing committees (Finance and Ways and Means), but seek support from all members.

Advocating for the Housing Credit and Bonds

- Stress the importance of the Credit and Bonds to their state/district:
 - Growing affordable housing need
 - Production, preservation, and homeownership accomplishments
 - Local economic benefits: job creation and state & local revenues
- Remind them that but for the Housing Credit and Bonds there would be virtually no affordable housing development.
- Stress program attributes:
 - Public-private partnerships
 - State-administered for limited federal bureaucracy
 - An important contributor to our economic well-being
 - A critical part of our nation's infrastructure
 - A record of exceptional performance
 - Meeting a need the private sector could not otherwise address
 - Alleviates poverty by promoting financial stability and economic mobility—health outcomes, school performance, discretionary income, better access to transportation and employment



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Tell Congress to:

- Preserve the Credit and maintain the tax-exemption on private activity Housing Bonds in tax reform.
- Ensure that changes to the tax code do not result in reduced production potential for the Credit and Bonds.
- Expand and strengthen the Housing Credit by increasing program authority by at least 50 percent and providing new flexibility to states to maximize Housing Credit resources.
- Strengthen the Housing Bond program.
- Urge House members to join the Municipal Finance Caucus.



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