

117TH CONGRESS
1ST SESSION

H. R. 4205

To amend the Internal Revenue Code of 1986 to repeal the qualified contract exception to the extended low-income housing commitment rules for purposes of the low-income housing credit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2021

Mr. NEGUSE introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to repeal the qualified contract exception to the extended low-income housing commitment rules for purposes of the low-income housing credit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Save Affordable Hous-
5 ing Act of 2021”.

6 **SEC. 2. REPEAL OF QUALIFIED CONTRACT OPTION.**

7 (a) **TERMINATION OF OPTION FOR CERTAIN BUILD-**
8 **INGS.—**

1 (1) IN GENERAL.—Subclause (II) of section
2 42(h)(6)(E)(i) of the Internal Revenue Code of 1986
3 is amended by inserting “in the case of a building
4 described in clause (iii),” before “on the last day”.

5 (2) BUILDINGS DESCRIBED.—Subparagraph
6 (E) of section 42(h)(6) of such Code is amended by
7 adding at the end the following new clause:

8 “(iii) BUILDINGS DESCRIBED.—A
9 building described in this clause is a build-
10 ing—

11 “(I) which received its allocation
12 of housing credit dollar amount before
13 January 1, 2019, or

14 “(II) in the case of a building
15 any portion of which is financed as
16 described in paragraph (4), which re-
17 ceived before January 1, 2019, a de-
18 termination from the issuer of the
19 tax-exempt bonds or the housing cred-
20 it agency that the building is eligible
21 to receive an allocation of housing
22 credit dollar amount under the rules
23 of paragraphs (1) and (2) of sub-
24 section (m).”.

1 (b) RULES RELATING TO EXISTING PROJECTS.—
 2 Subparagraph (F) of section 42(h)(6) of the Internal Rev-
 3 enue Code of 1986 is amended by striking “the nonlow-
 4 income portion” and all that follows and inserting “the
 5 nonlow-income portion and the low-income portion of the
 6 building for fair market value (determined by the housing
 7 credit agency by taking into account the rent restrictions
 8 required for the low-income portion of the building to con-
 9 tinue to meet the standards of paragraphs (1) and (2) of
 10 subsection (g)). The Secretary shall prescribe such regula-
 11 tions as may be necessary or appropriate to carry out this
 12 paragraph.”.

13 (c) CONFORMING AMENDMENTS.—

14 (1) Paragraph (6) of section 42(h) of the Inter-
 15 nal Revenue Code of 1986 is amended by striking
 16 subparagraph (G) and by redesignating subpara-
 17 graphs (H), (I), (J), and (K) as subparagraphs (G),
 18 (H), (I), and (J), respectively.

19 (2) Subclause (II) of section 42(h)(6)(E)(i) of
 20 such Code, as amended by subsection (a), is further
 21 amended by striking “subparagraph (I)” and insert-
 22 ing “subparagraph (H)”.

23 (d) TECHNICAL AMENDMENT.—Subparagraph (I) of
 24 section 42(h)(6) of the Internal Revenue Code of 1986,

1 as redesignated by subsection (c), is amended by striking
2 “agreement” and inserting “commitment”.

3 (e) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to buildings with respect to which
5 a written request described in section 42(h)(6)(H) of the
6 Internal Revenue Code of 1986, as redesignated by sub-
7 section (c), is submitted after the date of the enactment
8 of this Act.

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