



ACTION Campaign Urges Congress to Fully Retain the Tax Exemption on Multifamily Housing Bonds in Tax Cuts and Jobs Act Conference

The undersigned businesses and organizations, representing over 2,150 national, state, and local affordable housing stakeholders as part of the A Call To Invest in Our Neighborhoods (ACTION) Campaign, urge Congress to preserve tax-exempt private activity Housing Bonds, which are integral to the Low Income Housing Tax Credit (Housing Credit) program, in the conference on the Tax Cuts and Jobs Act. The Housing Credit and multifamily Housing Bonds together represent our most powerful response to our country's growing affordable rental housing crisis.

Roughly half of the affordable rental homes produced and preserved with the Housing Credit today are financed with the "4 percent" Housing Credit, which can only be triggered by the use of multifamily Housing Bonds. While the Senate-passed tax reform legislation retains private activity bonds (PAB), including Housing Bonds, the House-passed tax reform legislation would eliminate PABs from the tax code, resulting in the loss of approximately 800,000 affordable rental homes over the next decade.

Affordable rental housing financed with the Housing Credit and Housing Bonds is a vital part of our nation's public infrastructure on its own and a catalyst for investment in other types of infrastructure because housing is so often the anchor of communities. Affordable housing investment is pro-growth. It supports job creation and tax revenue generation, is critical to helping families climb the economic ladder, and helps to attract and maintain the workers who are essential to local economies.

Housing Bonds are one of the original categories of tax-exempt PABs, dating back to 1968 when Congress first defined PABs and set forth which types of PABs would qualify as tax-exempt. Congress again showed its support for Housing Bonds when it maintained them in the modern tax system established in the 1986 Tax Reform Act.

We urge Congress to fully retain the tax exemption for Housing Bonds. In doing so we implore you to reject any modifications to the PAB program that in any way would restrict or reduce the use of Housing Bonds.

House and Senate Republican leaders and the Administration pledged to preserve the Housing Credit in the Unified Framework for Fixing Our Broken Tax Code, recognizing it as "effective in promoting policy goals important in the American economy." If Congress does not also preserve the Housing Bond program, it will have failed to preserve fully the Housing Credit program, with disastrous consequences.

See the list of the [more than 2,150 national, state and local organizations and businesses](#) calling on Congress to support affordable housing in tax reform.