

118TH CONGRESS  
1ST SESSION

# H. R. 3238

To amend the Internal Revenue Code of 1986 to reform the low-income housing credit, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2023

Mr. LAHOOD (for himself, Ms. DELBENE, Mr. WENSTRUP, Mr. BEYER, Ms. TENNEY, Mr. PANETTA, Mr. BUCHANAN, Mr. BLUMENAUER, Mr. KELLY of Pennsylvania, Mr. PASCRELL, Mr. SCHWEIKERT, Mr. DAVIS of Illinois, Mr. FERGUSON, Ms. SÁNCHEZ, Mr. SMUCKER, Mr. HIGGINS of New York, Mrs. MILLER of West Virginia, Ms. SEWELL, Mr. KUSTOFF, Ms. CHU, Mr. FITZPATRICK, Ms. MOORE of Wisconsin, Mr. MOORE of Utah, Mr. KILDEE, Ms. VAN DUYN, Mr. EVANS, Mr. FEENSTRA, Mr. SCHNEIDER, Mr. CAREY, Mr. CLEAVER, Mr. EMMER, Mrs. BEATTY, Mr. MCHENRY, Mr. TORRES of New York, Mr. ROSE, Ms. BLUNT ROCHESTER, Mr. FLEISCHMANN, Mr. MORELLE, Mr. BALDERSON, Ms. CRAIG, Mr. BERGMAN, Mr. PETERS, Mr. HUDSON, Mr. GOMEZ, Mr. MOOLENAAR, Mr. COHEN, Mr. LAWLER, Mr. KILMER, Mr. LAMALFA, Mrs. LEE of Nevada, Mr. STAUBER, Ms. PEREZ, Mr. MOLINARO, Mr. PHILLIPS, Mr. FINSTAD, Mr. KHANNA, Mr. GARBARINO, Ms. DEAN of Pennsylvania, Mr. JOYCE of Ohio, Ms. TITUS, Mrs. HARSHBARGER, Ms. MANNING, Mr. WITTMAN, Mr. QUIGLEY, Mrs. KIM of California, and Mr. LATURNER) 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 reform 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Affordable Housing Credit Improvement Act of 2023”.

4 (b) TABLE OF CONTENTS.—The table of contents for  
5 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—REFORM OF STATE ALLOCATION FORMULAS

Sec. 101. Increases in State allocations.

TITLE II—REFORMS RELATING TO TENANT ELIGIBILITY

Sec. 201. Average income test applicability to exempt facility bonds.

Sec. 202. Codification of rules relating to increased tenant income.

Sec. 203. Modification of student occupancy rules.

Sec. 204. Tenant voucher payments taken into account as rent for certain pur-  
poses.

Sec. 205. Requirement that low-income housing credit-supported housing pro-  
tect victims of domestic abuse.

Sec. 206. Clarification of general public use requirement relating to veterans,  
etc.

TITLE III—RULES RELATING TO CREDIT ELIGIBILITY AND  
DETERMINATION

Sec. 301. Reconstruction or replacement period after casualty loss.

Sec. 302. Modification of previous ownership rules; limitation on acquisition  
basis.

Sec. 303. Certain relocation costs taken into account as rehabilitation expendi-  
tures.

Sec. 304. Repeal of qualified census tract population cap.

Sec. 305. Determination of community revitalization plan to be made by hous-  
ing credit agency.

Sec. 306. Prohibition of local approval and contribution requirements.

Sec. 307. Increase in credit for certain projects designated to serve extremely  
low-income households.

Sec. 308. Increase in credit for bond-financed projects designated by State  
agency.

Sec. 309. Elimination of basis reduction for low-income housing properties en-  
ergy efficient commercial building deduction.

Sec. 310. Restriction of planned foreclosures.

Sec. 311. Increase of population cap for difficult development areas.

Sec. 312. Increased cost oversight and accountability.

Sec. 313. Tax-exempt bond financing requirement.

TITLE IV—REFORMS RELATING TO NATIVE AMERICAN  
ASSISTANCE

Sec. 401. Selection criteria under qualified allocation plans.

Sec. 402. Inclusion of Indian areas as difficult development areas for purposes of certain buildings.

TITLE V—REFORMS RELATING TO RURAL ASSISTANCE

Sec. 501. Inclusion of rural areas as difficult development areas.

Sec. 502. Uniform income eligibility for rural projects.

TITLE VI—EXEMPT FACILITY BONDS

Sec. 601. Revision and clarification of the treatment of refunding issues.

TITLE VII—AFFORDABLE HOUSING TAX CREDIT

Sec. 701. Affordable housing tax credit.

TITLE VIII—DATA AND TRANSPARENCY

Sec. 801. Sense of Congress.

1       **TITLE I—REFORM OF STATE**  
 2       **ALLOCATION FORMULAS**

3       **SEC. 101. INCREASES IN STATE ALLOCATIONS.**

4       (a) IN GENERAL.—Clause (ii) of section 42(h)(3)(C)  
 5 of the Internal Revenue Code is amended—

6           (1) in subclause (I), by striking “\$1.75” and  
 7           inserting “the per capita amount”, and

8           (2) in subclause (II), by striking “\$2,000,000”  
 9           and inserting “the minimum amount”.

10       (b) PER CAPITA AMOUNT; MINIMUM AMOUNT.—Sec-  
 11 tion 42(h)(3) of the Internal Revenue Code of 1986 is  
 12 amended by striking subparagraphs (H) and (I) and in-  
 13 serting the following:

14           “(H) PER CAPITA AMOUNT.—For purposes  
 15           of subparagraph (C)(ii)(I), the per capita  
 16           amount shall be determined as follows:

1                   “(i) CALENDAR YEAR 2023.—For cal-  
2                   endar year, 2023, the per capita amount is  
3                   \$3.90.

4                   “(ii) CALENDAR YEAR 2024.—For cal-  
5                   endar year 2024, the per capita amount is  
6                   the product of—

7                                 “(I) 1.25, and

8                                 “(II) the dollar amount under  
9                   clause (i) increased by an amount  
10                   equal to—

11                                 “(aa) such dollar amount,  
12                                 multiplied by

13                                 “(bb) the cost-of-living ad-  
14                   justment determined under sec-  
15                   tion 1(f)(3) for such calendar  
16                   year, determined by substituting  
17                   ‘calendar year 2022’ for ‘cal-  
18                   endar year 2016’ in subpara-  
19                   graph (A)(ii) thereof.

20                   If the amount determined after appli-  
21                   cation of the preceding sentence is not  
22                   a multiple of \$5,000, such amount  
23                   shall be rounded to the next lowest  
24                   multiple of \$5,000.

1           “(iii) CALENDAR YEARS AFTER  
2           2024.—In the case of any calendar year  
3           after 2024, the per capita amount is the  
4           dollar amount determined under clause (ii)  
5           increased by an amount equal to—

6                   “(I) such dollar amount, multi-  
7                   plied by

8                   “(II) the cost-of-living adjust-  
9                   ment determined under section 1(f)(3)  
10                  for such calendar year, determined by  
11                  substituting ‘calendar year 2023’ for  
12                  ‘calendar year 2016’ in subparagraph  
13                  (A)(ii) thereof.

14           Any amount increased under the preceding  
15           sentence which is not a multiple of 5 cents  
16           shall be rounded to the next lowest mul-  
17           tiple of 5 cents.

18           “(I) MINIMUM AMOUNT.—For purposes of  
19           subparagraph (C)(ii)(II), the minimum amount  
20           shall be determined as follows:

21                   “(i) CALENDAR YEAR 2023.—For cal-  
22                   endar year, 2023, the minimum amount is  
23                   \$4,495,000.

1           “(ii) CALENDAR YEAR 2024.—For cal-  
2           endar year 2024, the minimum amount is  
3           the product of—

4                     “(I) 1.25, and

5                     “(II) the dollar amount under  
6           clause (i) increased by an amount  
7           equal to—

8                     “(aa) such dollar amount,  
9                     multiplied by

10                    “(bb) the cost-of-living ad-  
11           justment determined under sec-  
12           tion 1(f)(3) for such calendar  
13           year, determined by substituting  
14           ‘calendar year 2022’ for ‘cal-  
15           endar year 2016’ in subpara-  
16           graph (A)(ii) thereof.

17           If the amount determined after appli-  
18           cation of the preceding sentence is not  
19           a multiple of 5 cents, such amount  
20           shall be rounded to the next lowest  
21           multiple of 5 cents.

22           “(iii) CALENDAR YEARS AFTER  
23           2024.—In the case of any calendar year  
24           after 2024, the minimum amount is the

1 dollar amount determined under clause (ii)  
2 increased by an amount equal to—

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

5 “(II) the cost-of-living adjust-  
6 ment determined under section 1(f)(3)  
7 for such calendar year, determined by  
8 substituting ‘calendar year 2023’ for  
9 ‘calendar year 2016’ in subparagraph  
10 (A)(ii) thereof.

11 Any amount increased under the preceding  
12 sentence which is not a multiple of \$5,000  
13 shall be rounded to the next lowest mul-  
14 tiple of \$5,000.”.

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to calendar years beginning after  
17 December 31, 2022.

## 18 **TITLE II—REFORMS RELATING** 19 **TO TENANT ELIGIBILITY**

### 20 **SEC. 201. AVERAGE INCOME TEST APPLICABILITY TO EX-** 21 **EMPT FACILITY BONDS.**

22 (a) IN GENERAL.—Paragraph (1) of section 142(d)  
23 of the Internal Revenue Code of 1986 is amended—

24 (1) by striking “(A) or (B)” and inserting “(A),  
25 (B), or (C)”, and

1           (2) by inserting after subparagraph (B) the fol-  
2           lowing new subparagraph:

3                   “(C) AVERAGE INCOME TEST.—A project  
4                   meets the requirements of this subparagraph if  
5                   it meets the minimum requirements of section  
6                   42(g)(1)(C).”.

7           (b) EFFECTIVE DATE.—The amendments made by  
8           this section shall apply to elections made under section  
9           142(d)(1) of the Internal Revenue Code of 1986 after  
10          March 23, 2018.

11 **SEC. 202. CODIFICATION OF RULES RELATING TO IN-**  
12 **CREASED TENANT INCOME.**

13          (a) IN GENERAL.—Clause (i) of section 42(g)(2)(D)  
14          of the Internal Revenue Code of 1986 is amended by strik-  
15          ing “clauses (ii), (iii), and (iv)” and all that follows and  
16          inserting “clauses (ii), (iii), (iv), and (vi), notwithstanding  
17          an increase in the income of the occupants above the in-  
18          come limitation applicable under paragraph (1)—

19                   “(I) a low-income unit shall con-  
20                   tinue to be treated as a low-income  
21                   unit if the income of such occupants  
22                   initially was 60 percent or less of area  
23                   median gross income and such unit  
24                   continues to be rent-restricted, and



1                   “(II) a unit to which, at the time  
2                   of initial occupancy by such occu-  
3                   pants, any Federal, State, or local  
4                   government income restriction ap-  
5                   plied, and which subsequently becomes  
6                   part of a building with respect to  
7                   which rehabilitation expenditures are  
8                   taken into account under subsection  
9                   (e), shall be treated as a low-income  
10                  unit if the income of such occupants  
11                  initially was 60 percent or less of area  
12                  median gross income and does not ex-  
13                  ceed 120 percent of area median gross  
14                  income as of the date of acquisition of  
15                  the property by the taxpayer.”.

16           (b) EXCEPTION.—Subparagraph (D) of section  
17 42(g)(2) of the Internal Revenue Code of 1986, as amend-  
18 ed by this Act, is further amended by adding at the end  
19 the following new clause:

20                   “(vi) EXCEPTION TO RULE RELATING  
21                   TO INCREASED TENANT INCOME.—In the  
22                   case of an occupant of a low-income unit  
23                   who initially qualified to occupy such unit  
24                   by reason of paragraph (1)(C) with an in-  
25                   come in excess of 60 percent of area me-

1           dian gross income but not in excess of 80  
2           percent of area median gross income,  
3           clause (i) shall be applied for substituting  
4           ‘80 percent’ for ‘60 percent’ each place it  
5           appears.”.

6           (c) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to taxable years beginning after  
8 December 31, 2022.

9 **SEC. 203. MODIFICATION OF STUDENT OCCUPANCY RULES.**

10          (a) IN GENERAL.—Subparagraph (D) of section  
11 42(i)(3) of the Internal Revenue Code of 1986 is amended  
12 to read as follows:

13                   “(D) RULES RELATING TO STUDENTS.—

14                           “(i) IN GENERAL.—A unit occupied  
15 solely by individuals who—

16                                   “(I) have not attained age 24,  
17 and

18                                   “(II) are enrolled in a full-time  
19 course of study at an institution of  
20 higher education (as defined in section  
21 3304(f)),

22 shall not be treated as a low-income unit.

23                           “(ii) EXCEPTION FOR CERTAIN FED-  
24 ERAL PROGRAMS.—In the case of a feder-  
25 ally-assisted building (as defined in sub-

1 section (d)(6)(C)(i)), clause (i) shall not  
2 apply to a unit all of the occupants of  
3 which meet all applicable requirements  
4 under the housing program described in  
5 such subsection through which the building  
6 is assisted, financed, or operated.

7 “(iii) OTHER EXCEPTIONS.—An indi-  
8 vidual shall not be treated as described in  
9 clause (i) if the individual meets the in-  
10 come limitation applicable under subsection  
11 (g)(1) to the project of which the building  
12 is a part and—

13 “(I) is married,

14 “(II) is a person with disabilities  
15 (as defined in section 3(b)(3)(E) of  
16 the United States Housing Act of  
17 1937),

18 “(III) is a veteran (as defined in  
19 section 101(2) of title 38, United  
20 States Code),

21 “(IV) has 1 or more qualifying  
22 children (as defined in section  
23 152(c)),

24 “(V) is or has been a victim or  
25 threatened victim of domestic violence,

1 dating violence, sexual assault, or  
2 stalking (as defined in section 40002  
3 of the Violence Against Women Act of  
4 1994),

5 “(VI) is or has been a victim of  
6 any form of human trafficking, or

7 “(VII) is, or was prior to attain-  
8 ing the age of majority—

9 “(aa) an emancipated minor  
10 or in legal guardianship as deter-  
11 mined by a court of competent  
12 jurisdiction in the individual’s  
13 State of legal residence,

14 “(bb) under the care and  
15 placement responsibility of the  
16 State agency responsible for ad-  
17 ministering a plan under part B  
18 or part E of title IV of the Social  
19 Security Act, or

20 “(cc) an unaccompanied  
21 youth (within the meaning of sec-  
22 tion 725(6) of the McKinney-  
23 Vento Homeless Assistance Act  
24 (42 U.S.C. 11434a(6))) or a  
25 homeless child or youth (within

1 the meaning of section 725(2) of  
2 such Act (42 U.S.C.  
3 11434a(2))).

4 For purposes of subclause (VI), an in-  
5 dividual is or has been a victim of  
6 human trafficking if such individual  
7 was subjected to an act or practice de-  
8 scribed in paragraph (11) or (12) of  
9 section 103 of the Trafficking Victims  
10 Protection Act of 2000.”.

11 (b) EFFECTIVE DATE.—The amendment made by  
12 this section shall apply to taxable years beginning after  
13 December 31, 2023.

14 **SEC. 204. TENANT VOUCHER PAYMENTS TAKEN INTO AC-**  
15 **COUNT AS RENT FOR CERTAIN PURPOSES.**

16 (a) IN GENERAL.—Subparagraph (B) of section  
17 42(g)(2) of the Internal Revenue Code of 1986 is amended  
18 by adding at the end the following new sentence: “In the  
19 case of a project with respect to which the taxpayer elects  
20 the requirements of subparagraph (C) of paragraph (1),  
21 or the portion of a project to which subsection (d)(5)(C)  
22 applies, clause (i) shall not apply with respect to any ten-  
23 ant-based assistance (as defined in section 8(f)(7) of the  
24 United States Housing Act of 1937 (42 U.S.C.  
25 1437f(f)(7))).”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to rent paid in taxable years begin-  
3 ning after December 31, 2023.

4 **SEC. 205. REQUIREMENT THAT LOW-INCOME HOUSING**  
5 **CREDIT-SUPPORTED HOUSING PROTECT VIC-**  
6 **TIMS OF DOMESTIC ABUSE.**

7 (a) IN GENERAL.—Subparagraph (B) of section  
8 42(h)(6) of the Internal Revenue Code of 1986 is amended  
9 by striking “and” at the end of clause (v), by striking the  
10 period at the end of clause (vi) and inserting “, and”, and  
11 by adding at the end the following new clause:

12 “(vii) which—

13 “(I) prohibits the refusal to lease  
14 to, or termination of a lease by, a per-  
15 son solely on the basis of criminal ac-  
16 tivity directly relating to domestic vio-  
17 lence, dating violence, sexual assault,  
18 or stalking that is engaged in by a  
19 member of the household of the ten-  
20 ant or any guest or other person  
21 under the control of the tenant, if the  
22 tenant or an affiliated individual of  
23 the tenant is the victim or threatened  
24 victim of such domestic violence, dat-

1                   ing violence, sexual assault, or stalk-  
2                   ing, and

3                   “(II) allows prospective, present,  
4                   or former occupants of the building  
5                   the right to enforce in any State court  
6                   the prohibition of subclause (I).”.

7           (b) BIFURCATION.—

8                   (1) IN GENERAL.—Subparagraph (B) of section  
9                   42(h)(6) of the Internal Revenue Code of 1986, as  
10                  amended by subsection (a), is further amended by  
11                  adding at the end the following new flush sentence:

12                   “For purposes of clause (vii)(I), rules similar to  
13                   the rules of section 41411(b)(3)(B) of the Vio-  
14                   lence Against Women Act of 1994 shall apply  
15                   with respect to the owner or manager of a  
16                   building.”.

17                  (2) EFFECT OF BIFURCATION.—Paragraph (2)  
18                  of section 42(g) of such Code is amended by adding  
19                  at the end the following new subparagraph:

20                   “(F) TREATMENT OF BIFURCATION IN  
21                   CASES OF DOMESTIC VIOLENCE.—In any case  
22                   in which—

23                   “(i) an occupant is evicted or removed  
24                   from a low-income unit because such occu-  
25                   pant has engaged in criminal activity di-

1           rectly relating to domestic violence, dating  
2           violence, sexual assault, or stalking against  
3           an affiliated individual or other individual  
4           on the basis of criminal activity directly re-  
5           lating to domestic violence, dating violence,  
6           sexual assault, or stalking, and

7                   “(ii) the lease on such unit is bifur-  
8                   cated as provided in the last sentence of  
9                   subsection (h)(6)(B),

10           then the remaining occupants of such low-in-  
11           come unit shall not be treated as a new tenant  
12           for purposes of this section.”.

13           (c) CLARIFICATION OF GENERAL PUBLIC USE RE-  
14           QUIREMENT.—Paragraph (9) of section 42(g) of the Inter-  
15           nal Revenue Code of 1986 is amended by striking “or”  
16           at the end of subparagraph (B), by striking the period  
17           at the end of subparagraph (C) and inserting “, or”, and  
18           by adding at the end the following new subparagraph:

19                   “(D) who are victims or threatened victims  
20                   of criminal activity directly relating to domestic  
21                   violence, dating violence, sexual assault, or  
22                   stalking.”.

23           (d) EFFECTIVE DATES.—

24                   (1) IN GENERAL.—Except as provided in para-  
25                   graph (2), the amendments made by this section



1 shall apply to agreements executed or modified on or  
2 after the date that is 30 days after the date of the  
3 enactment of this Act.

4 (2) PUBLIC USE REQUIREMENT.—The amend-  
5 ments made by subsection (c) shall apply to build-  
6 ings placed in service before, on, or after the date  
7 of the enactment of this Act.

8 **SEC. 206. CLARIFICATION OF GENERAL PUBLIC USE RE-**  
9 **QUIREMENT RELATING TO VETERANS, ETC.**

10 (a) IN GENERAL.—Paragraph (9) of section 42(g) of  
11 the Internal Revenue Code of 1986, as amended by section  
12 205, is further amended by adding at the end the following  
13 flush language:

14 “Any veteran of the Armed Forces shall be treated  
15 as a member of a specified group under a Federal  
16 program for purposes of subparagraph (B).”.

17 (b) QUALIFIED RESIDENTIAL RENTAL PROJECTS.—  
18 Paragraph (2) of section 142(d) of the Internal Revenue  
19 Code of 1986 is amended by adding at the end the fol-  
20 lowing new subparagraph:

21 “(F) CLARIFICATION OF GENERAL PUBLIC  
22 USE REQUIREMENT.—A unit shall not fail to  
23 meet the general public use requirement solely  
24 because of occupancy restrictions or pref-  
25 erences, if such restrictions or preferences meet

1 the general public use requirement of section  
2 42.”.

3 (c) EFFECTIVE DATES.—

4 (1) IN GENERAL.—The amendment made by  
5 subsection (a) shall apply to buildings placed in serv-  
6 ice before, on, or after the date of the enactment of  
7 this Act.

8 (2) QUALIFIED RESIDENTIAL RENTAL  
9 PROJECTS.—The amendment made by subsection (b)  
10 shall apply to bonds issued before, on, or after the  
11 date of the enactment of this Act.

12 **TITLE III—RULES RELATING TO**  
13 **CREDIT ELIGIBILITY AND DE-**  
14 **TERMINATION**

15 **SEC. 301. RECONSTRUCTION OR REPLACEMENT PERIOD**  
16 **AFTER CASUALTY LOSS.**

17 (a) NO RECAPTURE FOLLOWING CASUALTY LOSS.—

18 Subparagraph (E) of section 42(j)(4) of the Internal Rev-  
19 enue Code of 1986 is amended to read as follows:

20 “(E) NO RECAPTURE BY REASON OF CAS-  
21 UALTY LOSS.—

22 “(i) IN GENERAL.—The increase in  
23 tax under this subsection shall not apply to  
24 a reduction in qualified basis by reason of  
25 a casualty loss to the extent such loss is

1 restored by reconstruction or replacement  
2 within a reasonable period established by  
3 the applicable housing credit agency, not to  
4 exceed 25 months from the date on which  
5 the qualified casualty loss arises.

6 “(ii) QUALIFIED CASUALTY LOSSES.—

7 In the case of a qualified casualty loss, the  
8 period described in clause (i) may be ex-  
9 tended, but not in excess of 12 months, if  
10 the applicable housing credit agency deter-  
11 mines the qualified casualty arose by rea-  
12 son of an event which was not discrete to  
13 the building and which made a reconstruc-  
14 tion or replacement within 25 months im-  
15 practical. In the event the applicable hous-  
16 ing credit agency determines a period in  
17 excess of 25 months is necessary for such  
18 reconstruction or replacement, the compli-  
19 ance period shall be increased by any such  
20 additional time.

21 “(iii) APPLICATION.—The determina-

22 tion under paragraph (1) shall not be  
23 made with respect to a property the basis  
24 of which is affected by a qualified casualty  
25 loss until the period described in clause (i)

1 (as modified by clause (ii), if applicable)  
2 with respect to such property has expired.

3 “(iv) QUALIFIED CASUALTY LOSS.—  
4 For purposes of this subparagraph, the  
5 term ‘qualified casualty loss’ means a cas-  
6 ualty loss that is the result of a Federally  
7 declared disaster (as defined in section  
8 165(i)(5)).”.

9 (b) QUALIFIED BASIS FOLLOWING CASUALTY  
10 LOSS.—Paragraph (1) of section 42(c) of the Internal  
11 Revenue Code of 1986 is amended by adding at the end  
12 the following new subparagraph:

13 “(F) QUALIFIED BASIS FOLLOWING CAS-  
14 UALTY LOSS.—If a casualty causes the qualified  
15 basis of a building in any year to be less than  
16 the qualified basis in the immediately preceding  
17 year then, in the year of such casualty and each  
18 succeeding year until such building or the units  
19 affected by the casualty are reconstructed or re-  
20 placed (but only through the last year of the pe-  
21 riod permitted for reconstruction or replace-  
22 ment under subsection (j)(4)(E))—

23 “(i) the qualified basis of such build-  
24 ing shall be equal to the qualified basis of  
25 such building as of the last day of the year

1 preceding the year in which such casualty  
2 occurred,

3 “(ii) if such building is not recon-  
4 structed or replaced by the expiration of  
5 the applicable period for such reconstruc-  
6 tion or replacement under subsection  
7 (j)(4), then the recapture amount provided  
8 for in subsection (j)(1) shall include the  
9 amount of any credit claimed under this  
10 section by reason of the application of  
11 clause (i), and

12 “(iii) a building which was a qualified  
13 low-income building as of the last day of  
14 the year preceding the year in which such  
15 casualty occurred shall not cease to be a  
16 qualified low-income building solely be-  
17 cause of such casualty.”.

18 (c) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to casualties occurring after the  
20 date which is 25 months before the date of the enactment  
21 of this Act.

22 **SEC. 302. MODIFICATION OF PREVIOUS OWNERSHIP RULES;**  
23 **LIMITATION ON ACQUISITION BASIS.**

24 (a) IN GENERAL.—Clause (ii) of section 42(d)(2)(B)  
25 of the Internal Revenue Code of 1986 is amended by in-

1 serting “, or the taxpayer elects the application of sub-  
2 paragraph (C)(ii)” after “service”.

3 (b) LIMITATION ON ACQUISITION BASIS.—Subpara-  
4 graph (C) of section 42(d)(2) of the Internal Revenue  
5 Code of 1986 is amended—

6 (1) by striking “For purposes of subparagraph  
7 (A), the adjusted basis” and inserting “For pur-  
8 poses of subparagraph (A)—

9 “(i) IN GENERAL.—The adjusted  
10 basis”, and

11 (2) by adding at the end the following new  
12 clauses:

13 “(ii) BUILDINGS IN SERVICE WITHIN  
14 PREVIOUS 10 YEARS.—If the period be-  
15 tween the date of acquisition of the build-  
16 ing by the taxpayer and the date the build-  
17 ing was last placed in service is less than  
18 10 years, the taxpayer’s basis attributable  
19 to the acquisition of the building which is  
20 taken into account in determining the ad-  
21 justed basis shall not exceed the sum of—

22 “(I) the lowest amount paid for  
23 acquisition of the building by any per-  
24 son during the 10 years preceding the  
25 date of the acquisition of the building

1 by the taxpayer, adjusted as provided  
2 in clause (iii), and

3 “(II) the value of any capital im-  
4 provements made by the person who  
5 sells the building to the taxpayer  
6 which are reflected in such seller’s  
7 basis.

8 “(iii) ADJUSTMENT.—With respect to  
9 a basis determination made in any taxable  
10 year, the amount described in clause (ii)(I)  
11 shall be increased by an amount equal to—

12 “(I) such amount, multiplied by  
13 “(II) a cost-of-living adjustment,  
14 determined in the same manner as  
15 under section 1(f)(3) for the calendar  
16 year in which the taxable year begins  
17 by taking into account the acquisition  
18 year in lieu of calendar year 1992.

19 For purposes of the preceding sentence,  
20 the acquisition year is the calendar year in  
21 which the lowest amount referenced in  
22 clause (ii)(I) was paid for the acquisition  
23 of the building.”.

1 (c) CONFORMING AMENDMENTS.—Clause (i) of sec-  
2 tion 42(d)(2)(D) of the Internal Revenue Code of 1986  
3 is amended—

4 (1) by striking “FOR SUBPARAGRAPH (B)” in  
5 the heading, and

6 (2) by striking “subparagraph (B)(ii)” in the  
7 matter preceding subclause (I) and inserting “sub-  
8 paragraph (B)(ii) or (C)(ii)”.

9 (d) MODIFICATION OF PLACED IN SERVICE RULE.—  
10 Clause (iii) of section 42(d)(2)(B) of the Internal Revenue  
11 Code of 1986 is amended to read as follows:

12 “(iii) the building was not owned by  
13 the taxpayer or by any person related (as  
14 of the date of acquisition by the taxpayer)  
15 to the taxpayer at any time during the 5-  
16 year period ending on the date of acqui-  
17 sition by the taxpayer, and”.

18 (e) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to buildings placed in service after  
20 December 31, 2022.

21 **SEC. 303. CERTAIN RELOCATION COSTS TAKEN INTO AC-**  
22 **COUNT AS REHABILITATION EXPENDITURES.**

23 (a) IN GENERAL.—Paragraph (2) of section 42(e) of  
24 the Internal Revenue Code of 1986 is amended by adding  
25 at the end the following new subparagraph:



1           “(C) CERTAIN RELOCATION COSTS.—In  
2           the case of a rehabilitation of a building to  
3           which section 280B does not apply, costs relat-  
4           ing to the relocation of occupants, including—  
5                   “(i) amounts paid to occupants,  
6                   “(ii) amounts paid to third parties for  
7                   services relating to such relocation, and  
8                   “(iii) amounts paid for temporary  
9                   housing for occupants,  
10           shall be treated as chargeable to capital account  
11           and taken into account as rehabilitation ex-  
12           penditures.”.

13       (b) EFFECTIVE DATE.—The amendment made by  
14       this section shall apply to expenditures paid or incurred  
15       after December 31, 2022.

16       (c) NO INFERENCE.—Nothing in the amendment  
17       made by this section shall be construed to create any infer-  
18       ence with respect to the treatment of relocation costs paid  
19       or incurred before December 31, 2022.

20       **SEC. 304. REPEAL OF QUALIFIED CENSUS TRACT POPU-**  
21                   **LATION CAP.**

22       (a) IN GENERAL.—Clause (ii) of section 42(d)(5)(B)  
23       of the Internal Revenue Code of 1986 is amended—

24           (1) by striking subclauses (II) and (III), and

25           (2) by striking “QUALIFIED CENSUS TRACT.—

1                                   “(I) IN GENERAL.—The term”,  
2           and inserting “QUALIFIED CENSUS TRACT.—The  
3           term”.

4           (b) EFFECTIVE DATE.—The amendments made by  
5           this section shall apply to designations of qualified census  
6           tracts under section 42(d)(5)(B)(ii) of the Internal Rev-  
7           enue Code of 1986 after December 31, 2023.

8   **SEC. 305. DETERMINATION OF COMMUNITY REVITALIZA-**  
9                                   **TION PLAN TO BE MADE BY HOUSING CREDIT**  
10                                  **AGENCY.**

11           (a) IN GENERAL.—Subclause (III) of section  
12           42(m)(1)(B)(ii) of the Internal Revenue Code of 1986 is  
13           amended by inserting “, as determined by the housing  
14           credit agency according to criteria established by such  
15           agency,” after “(d)(5)(B)(ii) and”.

16           (b) CRITERIA.—Paragraph (1) of section 42(m) of  
17           the Internal Revenue Code of 1986 is amended by adding  
18           at the end the following new subparagraph:

19                                  “(E) CRITERIA FOR DETERMINATION RE-  
20                                  LATING TO CONCERTED COMMUNITY REVITAL-  
21                                  IZATION PLAN.—For purposes of subparagraph  
22                                  (B)(ii)(III), the criteria which shall be estab-  
23                                  lished by a housing credit agency for deter-  
24                                  mining whether the development of a project  
25                                  contributes to a concerted community develop-

1           ment plan shall take into account any factors  
2           the agency deems appropriate, including the ex-  
3           tent to which the proposed plan—

4                   “(i) is geographically specific,

5                   “(ii) outlines a clear plan for imple-  
6                   mentation and goals for outcomes,

7                   “(iii) includes a strategy for applying  
8                   for or obtaining commitments of public or  
9                   private investment (or both) in nonhousing  
10                  infrastructure, amenities, or services, and

11                  “(iv) demonstrates the need for com-  
12                  munity revitalization.”.

13           (c) **EFFECTIVE DATE.**—The amendments made by  
14 this section shall apply to allocations of housing credit dol-  
15 lar amounts made under qualified allocation plans (as de-  
16 fined in section 42(m)(1)(B) of the Internal Revenue Code  
17 of 1986) adopted after December 31, 2023.

18 **SEC. 306. PROHIBITION OF LOCAL APPROVAL AND CON-**  
19 **TRIBUTION REQUIREMENTS.**

20           (a) **IN GENERAL.**—Paragraph (1) of section 42(m)  
21 of the Internal Revenue Code of 1986, as amended by sec-  
22 tion 305, is further amended—

23                   (1) by striking clause (ii) of subparagraph (A)  
24                   and by redesignating clauses (iii) and (iv) thereof as  
25                   clauses (ii) and (iii), and

1           (2) by adding at the end the following new sub-  
2 paragraph:

3                   “(F) LOCAL APPROVAL OR CONTRIBUTION  
4 NOT TAKEN INTO ACCOUNT.—The selection cri-  
5 teria under a qualified allocation plan shall not  
6 include consideration of—

7                           “(i) any support or opposition with re-  
8 spect to the project from local or elected  
9 officials, or

10                           “(ii) any local government contribu-  
11 tion to the project, except to the extent  
12 such contribution is taken into account as  
13 part of a broader consideration of the  
14 project’s ability to leverage outside funding  
15 sources, and is not prioritized over any  
16 other source of outside funding.”.

17           (b) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to allocations of housing credit dol-  
19 lar amounts made under qualified allocation plans (as de-  
20 fined in section 42(m)(1)(B) of the Internal Revenue Code  
21 of 1986) adopted after December 31, 2023.

1 **SEC. 307. INCREASE IN CREDIT FOR CERTAIN PROJECTS**  
2 **DESIGNATED TO SERVE EXTREMELY LOW-IN-**  
3 **COME HOUSEHOLDS.**

4 (a) IN GENERAL.—Paragraph (5) of section 42(d) of  
5 the Internal Revenue Code of 1986 is amended by adding  
6 at the end the following new subparagraph:

7 “(C) INCREASE IN CREDIT FOR PROJECTS  
8 DESIGNATED TO SERVE EXTREMELY LOW-IN-  
9 COME HOUSEHOLDS.—In the case of any build-  
10 ing—

11 “(i) 20 percent or more of the resi-  
12 dential units (determined as if the imputed  
13 income limitation applicable to such units  
14 were 30 percent of area median gross in-  
15 come) in which are designated by the tax-  
16 payer for occupancy by households the ag-  
17 gregate household income of which does  
18 not exceed the greater of—

19 “(I) 30 percent of area median  
20 gross income, or

21 “(II) 100 percent of an amount  
22 equal to the Federal poverty line  
23 (within the meaning of section  
24 36B(d)(3)), and

25 “(ii) which is designated by the hous-  
26 ing credit agency as requiring the increase

1           in credit under this subparagraph in order  
2           for such building to be financially feasible  
3           as part of a qualified low-income housing  
4           project,  
5           subparagraph (B) shall not apply to the portion  
6           of such building which is comprised of such  
7           units (determined in a manner similar to the  
8           unit fraction under subsection (c)(1)(C)), and  
9           the eligible basis of such portion of the building  
10          shall be 150 percent of such basis determined  
11          without regard to this subparagraph.”.

12          (b) **EFFECTIVE DATE.**—The amendment made by  
13 this section shall apply to buildings which receive alloca-  
14 tions of housing credit dollar amount after the date of en-  
15 actment of this Act, or in the case of buildings that are  
16 described in section 42(h)(4)(B) of the Internal Revenue  
17 Code of 1986, for obligations that are part of an issue  
18 the issue date of which is after December 31, 2023.

19 **SEC. 308. INCREASE IN CREDIT FOR BOND-FINANCED**  
20 **PROJECTS DESIGNATED BY STATE AGENCY.**

21          (a) **IN GENERAL.**—Clause (v) of section 42(d)(5)(B)  
22 of the Internal Revenue Code of 1986 is amended by strik-  
23 ing the second sentence.

1 (b) TECHNICAL AMENDMENT.—Clause (v) of section  
 2 42(d)(5)(B) of the Internal Revenue Code of 1986, as  
 3 amended by subsection (a), is further amended—

4 (1) by striking “STATE” in the heading, and

5 (2) by striking “State housing credit agency”  
 6 and inserting “housing credit agency”.

7 (c) EFFECTIVE DATE.—The amendments made by  
 8 this section shall apply to buildings that are described in  
 9 section 42(h)(4)(B) of the Internal Revenue Code of 1986,  
 10 taking into account only obligations that are part of an  
 11 issue the issue date of which is after December 31, 2023.

12 **SEC. 309. ELIMINATION OF BASIS REDUCTION FOR LOW-IN-**  
 13 **COME HOUSING PROPERTIES ENERGY EFFI-**  
 14 **CIENT COMMERCIAL BUILDING DEDUCTION.**

15 (a) ENERGY EFFICIENT COMMERCIAL BUILDINGS  
 16 DEDUCTION.—Subsection (e) of section 179D of the In-  
 17 ternal Revenue Code of 1986 is amended—

18 (1) by striking “REDUCTION.—For purposes”  
 19 and inserting “REDUCTION.—

20 “(1) IN GENERAL.—For purposes”, and

21 (2) by adding at the end the following new  
 22 paragraph:

23 “(2) EXCEPTION FOR AFFORDABLE HOUSING  
 24 PROPERTIES.—Paragraph (1) shall not apply for

1 purposes of determining eligible basis under section  
2 42.”.

3 (b) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall apply to buildings which receive alloca-  
5 tions of housing credit dollar amount after the date of the  
6 enactment of this Act and to buildings that are described  
7 in section 42(h)(4)(B) of the Internal Revenue Code of  
8 1986 taking into account only obligations that are part  
9 of an issue the issue date of which is after December 31,  
10 2023.

11 **SEC. 310. RESTRICTION OF PLANNED FORECLOSURES.**

12 (a) **IN GENERAL.**—Subclause (I) of section  
13 42(h)(6)(E)(i) of the Internal Revenue Code of 1986 is  
14 amended to read as follows:

15 “(I) on the 61st day after the  
16 taxpayer (or a successor in interest)  
17 provides notice to the Secretary and  
18 the housing credit agency that the  
19 building has been acquired by fore-  
20 closure (or instrument in lieu of fore-  
21 closure) and that the taxpayer intends  
22 the termination of such period, unless,  
23 before such date, the Secretary or the  
24 housing credit agency determines that  
25 such acquisition is part of an arrange-



1                   ment with the taxpayer a purpose of  
2                   which is to terminate such period,  
3                   or”.

4           (b) CONFORMING AMENDMENT.—The second sen-  
5 tence of clause (i) of section 42(h)(6)(E) of the Internal  
6 Revenue Code of 1986 is amended by striking “Subclause  
7 (II)” and inserting “Subclauses (I) and (II)”.

8           (c) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to acquisitions by foreclosure (or  
10 instrument in lieu of foreclosure) after December 31,  
11 2022.

12 **SEC. 311. INCREASE OF POPULATION CAP FOR DIFFICULT**  
13 **DEVELOPMENT AREAS.**

14           (a) IN GENERAL.—Subclause (II) of section  
15 42(d)(5)(B)(iii) of the Internal Revenue Code of 1986 is  
16 amended by striking “20 percent” and inserting “30 per-  
17 cent”.

18           (b) EFFECTIVE DATE.—The amendment made by  
19 this section shall apply to designations made under section  
20 42(d)(5)(B)(iii) of the Internal Revenue Code of 1986  
21 after December 31, 2023.

22 **SEC. 312. INCREASED COST OVERSIGHT AND ACCOUNT-**  
23 **ABILITY.**

24           (a) IN GENERAL.—Subparagraph (C) of section  
25 42(m)(1) of the Internal Revenue Code of 1986 is amend-

1 ed by striking “and” at the end of clause (ix), by striking  
2 the period at the end of clause (x) and inserting “, and”,  
3 and by adding at the end the following new clause:

4 “(xi) the reasonableness of the devel-  
5 opment costs of the project.”.

6 (b) **EFFECTIVE DATE.**—The amendments made by  
7 this section shall apply to allocations of credits under sec-  
8 tion 42 of the Internal Revenue Code of 1986 made after  
9 December 31, 2023.

10 **SEC. 313. TAX-EXEMPT BOND FINANCING REQUIREMENT.**

11 (a) **IN GENERAL.**—Subparagraph (B) of section  
12 42(h)(4) of the Internal Revenue Code of 1986 is amended  
13 by adding at the end the following new sentence: “In the  
14 case of buildings financed by an obligation first taken into  
15 account under section 146 in calendar years beginning  
16 after the date of the enactment of the Affordable Housing  
17 Credit Improvement Act of 2023, the preceding sentence  
18 shall be applied by substituting ‘25 percent’ for ‘50 per-  
19 cent’.”.

20 (b) **EFFECTIVE DATE.**—The amendment made by  
21 this section shall apply to any building some portion of  
22 which, or of the land on which the building is located, is  
23 financed by an obligation which is described in section  
24 42(h)(4)(A) of the Internal Revenue Code of 1986 and

1 which is part of an issue the issue date of which is after  
2 December 31, 2023.

3 **TITLE IV—REFORMS RELATING**  
4 **TO NATIVE AMERICAN AS-**  
5 **SISTANCE**

6 **SEC. 401. SELECTION CRITERIA UNDER QUALIFIED ALLO-**  
7 **CATION PLANS.**

8 (a) IN GENERAL.—Subparagraph (C) of section  
9 42(m)(1) of the Internal Revenue Code of 1986, as  
10 amended by section 312, is further amended by striking  
11 “and” at the end of clause (x), by striking the period at  
12 the end of clause (xi) and inserting “, and”, and by adding  
13 at the end the following new clause:

14 “(xii) the affordable housing needs of  
15 individuals in the State who are—

16 “(I) enrolled members of a tribe  
17 with respect to an Indian tribal gov-  
18 ernment (including any agencies or in-  
19 strumentalities of an Indian tribal  
20 government and any Alaska Native re-  
21 gional or village corporation, as de-  
22 fined in, or established pursuant to,  
23 the Alaska Native Claims Settlement  
24 Act (43 U.S.C. 1601 et seq.), or

1                   “(II) described in section 801(9)  
2                   of the Native American Housing As-  
3                   sistance and Self-Determination Act  
4                   of 1996 (25 U.S.C. 4221(9)).”.

5           (b) **EFFECTIVE DATE.**—The amendments made by  
6 this section shall apply to allocations of credits under sec-  
7 tion 42 of the Internal Revenue Code of 1986 made after  
8 December 31, 2023.

9   **SEC. 402. INCLUSION OF INDIAN AREAS AS DIFFICULT DE-**  
10                   **VELOPMENT AREAS FOR PURPOSES OF CER-**  
11                   **TAIN BUILDINGS.**

12           (a) **IN GENERAL.**—Subclause (I) of section  
13 42(d)(5)(B)(iii) of the Internal Revenue Code of 1986 is  
14 amended by inserting before the period the following: “,  
15 and any Indian area”.

16           (b) **INDIAN AREA.**—Clause (iii) of section  
17 42(d)(5)(B) of the Internal Revenue Code of 1986 is  
18 amended by redesignating subclause (II) as subclause  
19 (III) and by inserting after subclause (I) the following new  
20 subclause:

21                   “(II) **INDIAN AREA.**—For pur-  
22                   poses of subclause (I), the term ‘In-  
23                   dian area’ means any Indian area (as  
24                   defined in section 4(11) of the Native  
25                   American Housing Assistance and

1 Self Determination Act of 1996 (25  
2 U.S.C. 4103(11))) and any housing  
3 area (as defined in section 801(5) of  
4 such Act (25 U.S.C. 4221(5))).”.

5 (c) ELIGIBLE BUILDINGS.—Clause (iii) of section  
6 42(d)(5)(B) of the Internal Revenue Code of 1986, as  
7 amended by subsection (b), is further amended by adding  
8 at the end the following new subclause:

9 “(IV) SPECIAL RULE FOR BUILD-  
10 INGS IN INDIAN AREAS.—In the case  
11 of an area which is a difficult develop-  
12 ment area solely because it is an In-  
13 dian area, a building shall not be  
14 treated as located in such area unless  
15 such building is assisted or financed  
16 under the Native American Housing  
17 Assistance and Self Determination  
18 Act of 1996 (25 U.S.C. 4101 et seq.)  
19 or the project sponsor is an Indian  
20 tribe (as defined in section  
21 45A(c)(6)), a tribally designated hous-  
22 ing entity (as defined in section 4(22)  
23 of such Act (25 U.S.C. 4103(22))), or  
24 wholly owned or controlled by such an

1 Indian tribe or tribally designated  
2 housing entity.”.

3 (d) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to buildings placed in service after  
5 December 31, 2023.

6 **TITLE V—REFORMS RELATING**  
7 **TO RURAL ASSISTANCE**

8 **SEC. 501. INCLUSION OF RURAL AREAS AS DIFFICULT DE-**  
9 **VELOPMENT AREAS.**

10 (a) IN GENERAL.—Subclause (I) of section  
11 42(d)(5)(B)(iii) of the Internal Revenue Code of 1986, as  
12 amended by section 402, is further amended by inserting  
13 “, any rural area” after “median gross income”.

14 (b) RURAL AREA.—Clause (iii) of section  
15 42(d)(5)(B) of the Internal Revenue Code of 1986, as  
16 amended by section 402, is further amended by redesignig-  
17 nating subclause (III) as subclause (IV) and by inserting  
18 after subclause (II) the following new subclause:

19 “(III) RURAL AREA.—For pur-  
20 poses of subclause (I), the term ‘rural  
21 area’ means any non-metropolitan  
22 area, or any rural area as defined by  
23 section 520 of the Housing Act of  
24 1949, which is identified by the quali-

1                   fied allocation plan under subsection  
2                   (m)(1)(B).”.

3           (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to buildings placed in service after  
5 December 31, 2023.

6 **SEC. 502. UNIFORM INCOME ELIGIBILITY FOR RURAL**  
7                   **PROJECTS.**

8           (a) IN GENERAL.—Paragraph (8) of section 42(i) of  
9 the Internal Revenue Code of 1986 is amended by striking  
10 the second sentence.

11           (b) EFFECTIVE DATE.—The amendment made by  
12 this section shall apply to taxable years beginning after  
13 December 31, 2022.

14                   **TITLE VI—EXEMPT FACILITY**  
15                   **BONDS**

16 **SEC. 601. REVISION AND CLARIFICATION OF THE TREAT-**  
17                   **MENT OF REFUNDING ISSUES.**

18           (a) IN GENERAL.—Subparagraph (A) of section  
19 146(i)(6) of the Internal Revenue Code of 1986 is amend-  
20 ed to read as follows:

21                   “(A) IN GENERAL.—During the 12-month  
22                   period beginning on the date of a repayment of  
23                   a loan financed by an issue 95 percent or more  
24                   of the net proceeds of which are used to provide  
25                   projects described in section 142(d), if such re-

1 payment is used to provide a new loan for any  
2 project described in section 142(a)(7) or for  
3 any purpose described in subsection (a)(2)(A)  
4 or (b) of section 143, any bond which is issued  
5 to refinance such issue shall be treated as a re-  
6 funding issue. Any issue treated as a refunding  
7 issue by reason of the preceding sentence shall  
8 be so treated only to the extent the principal  
9 amount of such refunding issue does not exceed  
10 the principal amount of the bonds refunded.”.

11 (b) REMOVAL OF ONE-REFUNDING LIMIT.—Sub-  
12 paragraph (B) of section 146(i)(6) of the Internal Rev-  
13 enue Code of 1986 is amended—

14 (1) by striking “4 years” in clause (i) and in-  
15 serting “10 years”,

16 (2) by striking “was issued” in clause (ii) and  
17 inserting “is issued”,

18 (3) by redesignating clauses (i) (as so amend-  
19 ed), (ii) (as so amended), and (iii) as subclauses (I),  
20 (II), and (III), respectively, and by moving such sub-  
21 clauses 2 ems to the right,

22 (4) by striking “LIMITATIONS.—Subparagraph  
23 (A) shall apply to only one refunding of the original  
24 issue and” and inserting “LIMITATIONS.—



1                   “(i) IN GENERAL.—Subparagraph (A)  
2                   shall apply to a bond”, and

3                   (5) by adding at the end the following new  
4                   clause:

5                   “(ii) SOURCE OF LOAN REPAY-  
6                   MENT.—Subparagraph (A) shall not apply  
7                   to any repayment of a loan which is—

8                   “(I) made by a repayment of an-  
9                   other loan, or

10                   “(II) financed by an issue treated  
11                   as a refunding issue under subpara-  
12                   graph (A).”.

13                   (c) CONFORMING AMENDMENT.—The heading of  
14                   paragraph (6) of section 146(i) of the Internal Revenue  
15                   Code of 1986 is amended by striking “RESIDENTIAL  
16                   RENTAL PROJECT BONDS AS REFUNDING BONDS IRRE-  
17                   SPECTIVE OF OBLIGOR” and inserting “BONDS AS RE-  
18                   FUNDING BONDS”.

19                   (d) EFFECTIVE DATES.—

20                   (1) IN GENERAL.—The amendments made by  
21                   subsections (a) and (c) shall apply to refunding  
22                   issues described in section 146(i)(6)(A) of the Inter-  
23                   nal Revenue Code of 1986 issued on or after the  
24                   date of the enactment of this Act.

1           (2) REMOVAL OF ONE-REFUNDING LIMIT.—The  
2           amendments made by subsection (b) shall apply to  
3           repayments of loans received after July 30, 2008.

4                   **TITLE VII—AFFORDABLE**  
5                   **HOUSING TAX CREDIT**

6   **SEC. 701. AFFORDABLE HOUSING TAX CREDIT.**

7           (a) IN GENERAL.—The heading of section 42 of the  
8           Internal Revenue Code of 1986 is amended by striking  
9           “**LOW-INCOME**” and inserting “**AFFORDABLE**”.

10          (b) CONFORMING AMENDMENTS.—

11               (1) Subsection (a) of section 42 of the Internal  
12               Revenue Code of 1986 is amended by striking “low-  
13               income” and inserting “affordable”.

14               (2) Paragraph (5) of section 38(b) of such Code  
15               is amended by striking “low-income” and inserting  
16               “affordable”.

17               (3) The heading of subparagraph (D) of section  
18               469(i)(3) of such Code is amended by striking  
19               “LOW-INCOME” and inserting “AFFORDABLE”.

20               (4) The heading of subparagraph (B) of section  
21               469(i)(6) of such Code is amended by striking  
22               “LOW-INCOME” and inserting “AFFORDABLE”.

23               (5) Paragraph (7) of section 772(a) of such  
24               Code is amended by striking “low-income” and in-  
25               serting “affordable”.

1           (6) Paragraph (5) of section 772(d) of such  
2           Code is amended by striking “low-income” and in-  
3           serting “affordable”.

4           (c) CLERICAL AMENDMENT.—The item relating to  
5           section 42 in the table of sections for subpart D of part  
6           IV of subchapter A of chapter 1 of the Internal Revenue  
7           Code of 1986 is amended to read as follows:

“Sec. 42. Affordable housing credit.”.

8                           **TITLE VIII—DATA AND**  
9                           **TRANSPARENCY**

10       **SEC. 801. SENSE OF CONGRESS.**

11           It is the sense of Congress that in addition to expand-  
12           ing and strengthening the affordable housing credit  
13           through the provisions in the Affordable Housing Credit  
14           Improvement Act of 2023, subsequent steps should also  
15           be taken to share data and identify other ways to increase  
16           the transparency of the program, and the House of Rep-  
17           resentatives and the Senate should work together with  
18           Federal agencies to identify data sources that can be  
19           shared.

○