

103^D CONGRESS
1ST SESSION

H.R. 1619

To amend the Internal Revenue Code of 1986 to make the low-income housing credit permanent and to facilitate the rehabilitation of public housing using such credit.

IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 1993

Mrs. COLLINS of Illinois 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 make the low-income housing credit permanent and to facilitate the rehabilitation of public housing using such credit.

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 “Public Housing Reha-
5 bilitation Equity Act”.

6 **SEC. 2. LOW INCOME HOUSING CREDIT MADE PERMANENT.**

7 Subsection (o) of section 42 of the Internal Revenue
8 Code of 1986 (relating to termination of low-income hous-
9 ing credit) is hereby repealed.

1 **SEC. 3. HOUSING CREDIT AVAILABLE FOR REHABILITA-**
2 **TION OF PUBLIC HOUSING.**

3 (a) IN GENERAL.—Subsection (i) of section 42 of the
4 Internal Revenue Code of 1986 (relating to definitions and
5 special rules) is amended by adding at the end thereof the
6 following new paragraph:

7 “(8) SPECIAL RULES FOR CERTAIN LEASES.—

8 “(A) IN GENERAL.—In the case of an
9 agreement with respect to public housing, if all
10 of the parties to the agreement characterize
11 such agreement as a lease and elect to have the
12 provisions of this paragraph apply with respect
13 to such agreement, and if the requirements of
14 subparagraph (B) are met, then, for purposes
15 of this subtitle—

16 “(i) such agreement shall be treated
17 as a lease entered into by the parties (and
18 any lessor shall be deemed to have entered
19 into the lease in the course of carrying on
20 its trade or business), and

21 “(ii) the lessor shall be treated as the
22 owner of the property and the lessee shall
23 be treated as the lessee of the property.

24 “(B) CERTAIN REQUIREMENTS MUST BE
25 MET.—The requirements of this subparagraph
26 are met if—

1 “(i) the lessee is a public housing
2 agency (as defined in section 3(b)(6) of the
3 United States Housing Act of 1937),

4 “(ii) the lessor agrees to incur suffi-
5 cient rehabilitation expenditures to be al-
6 lowed a credit by reason of subsection (e)
7 not later than the 2d year after entering
8 into the lease,

9 “(iii) the term of the lease ends at the
10 close of the compliance period for the
11 building, and

12 “(iv) at the end of the lease term—

13 “(I) all of the property subject to
14 the lease is owned by the public hous-
15 ing agency, and

16 “(II) in the case of property in
17 existence on the date of the enactment
18 of this paragraph, the applicable frac-
19 tion for the property (relating to low-
20 income occupancy) is not less than the
21 applicable fraction for such property
22 on such date.

23 “(C) PUBLIC HOUSING.—The term ‘public
24 housing’ has the meaning given such term by

1 section 3(b)(1) of the United States Housing
2 Act of 1937.

3 “(D) NO OTHER FACTORS TAKEN INTO AC-
4 COUNT IN DETERMINING WHETHER THERE IS A
5 LEASE.—If the requirements of subparagraphs
6 (A) and (B) are met with respect to any trans-
7 action described in subparagraph (A), no other
8 factors shall be taken into account in making a
9 determination as to whether subparagraph
10 (A)(i) or (ii) applies with respect to the trans-
11 action.

12 “(E) 10-YEAR RULE NOT TO APPLY.—Sub-
13 section (d)(2)(B)(ii) shall not apply to any
14 property which is the subject of a transaction to
15 which subparagraph (A) applies.”

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall apply to agreements entered into after
18 December 31, 1993.

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