

107TH CONGRESS
2^D SESSION

H. R. 4712

To amend the Internal Revenue Code of 1986 to provide an exemption from the recapture provisions of the low-income housing credit for certain recipients of Federal multi-family housing loans.

IN THE HOUSE OF REPRESENTATIVES

MAY 9, 2002

Mr. WATKINS of Oklahoma 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 provide an exemption from the recapture provisions of the low-income housing credit for certain recipients of Federal multi-family housing loans.

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. EXEMPTION FROM LOW-INCOME HOUSING**
2 **CREDIT RECAPTURE PROVISIONS FOR CER-**
3 **TAIN RECIPIENTS OF FEDERAL MULTI-FAM-**
4 **ILY HOUSING LOANS.**

5 (a) IN GENERAL.—Section 42(j)(4) of the Internal
6 Revenue Code of 1986 is amended by adding at the end
7 the following:

8 “(G) NO RECAPTURE ON CERTAIN DIS-
9 POSITIONS.—In the case of a disposition of a
10 building or an interest therein the taxpayer
11 shall be discharged from liability for any addi-
12 tional tax under this subsection by reason of
13 such disposition if—

14 “(i) the taxpayer received a loan
15 which was made under section 515 of the
16 Housing Act of 1949 with respect to such
17 building,

18 “(ii) such disposition is to an organi-
19 zation described in section 501(c)(3) and
20 exempt from tax under section 501(a), and

21 “(iii) it is reasonably expected that
22 such building will continue to be operated
23 as a qualified low-income building for the
24 remaining compliance period with respect
25 to such building.”.

1 (b) **EFFECTIVE DATE.**—The amendment made by
2 this section shall apply to dispositions made after the date
3 of the enactment of this Act.

○