

Reconciliation Bill Tax Incentive Highlights from House Ways & Means Markup

- Lower 50% bond financing threshold test to 25% for 7 years, from 2022 – 2028
- Increase annual Housing Credit allocation by 74%:
 - Phased in over 4 years
 - Extension of prior 12.5% increase with inflation adjustments for 2022 – 2025 and annual inflation increases through 2028
 - 10% set aside for extremely low-income (ELI) households
- **50% basis boost and minimum 10% set-aside for ELI units** through 2031
 - 50% boost available to up to 15% of the state's annual Housing Credit allocation and 10% of the state's Private Activity Bond volume cap
- Allow state allocating agencies to provide a **30% basis boost for properties financed with 4% credits** and bonds if needed for financial feasibility through 2028
- Provide **30% basis boosts for developments in rural communities and Native communities** if needed for financial feasibility, effective after December 31, 2021, with no end date