

"Today Rep. Charles Rangel (D-NY), Chairman of the tax-writing House Ways and Means Committee, introduced the Housing Assistance Tax Act of 2008. Major components of this bill provide:

- A first-time homebuyer tax credit to assist in making a down payment on a home. This would provide individuals and families with a refundable credit (equivalent to an interest-free loan) of ten percent of the purchase price of their home (up to \$7,500). Taxpayers would be required to repay any amount received under this provision to the government over 15 years in equal installments. The credit will be phased out for taxpayers with adjusted gross income in excess of \$70,000 (\$110,000 in the case of a joint return).
- An additional standard deduction for real property taxes to help homeowners who claim the standard deduction by allowing them to claim an additional standard deduction of up to \$350 (\$700 for joint filers) for State and local real property taxes. This provision applies for 2008.
- A temporary increase in low-income housing tax credit and simplification of the credit. The bill would increase the current limit of the credit from \$2.00 for each person residing in a state by an additional 20 cents per resident. This will help put builders to work to create new options for families seeking affordable housing alternatives. The credit will also be simplified to improve its effectiveness.
- A temporary increase in mortgage revenue bonds to allow for the issuance of an additional \$10 billion of tax-exempt bonds to refinance subprime loans, provide loans to first-time homebuyers and to finance the construction of low-income rental housing.

The bill will be considered by the Ways and Means Committee tomorrow. NAHMA will be sure to keep members informed as the bill advances through the House of Representatives. In the meantime, please see <http://waysandmeans.house.gov/news.asp?formmode=release&id=633> for more detailed information about the Housing Assistance Tax Act."