To amend the Internal Revenue Code of 1986 to repeal the qualified contract exception to the extended low-income housing commitment rules for purposes of the low-income housing credit, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. WYDEN (for himself, Mr. YOUNG, Mr. CARDIN, and Mr. BROWN) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to repeal the qualified contract exception to the extended low-income housing commitment rules for purposes of the low-income housing credit, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Save Affordable Housing Act of 2019”.

SEC. 2. REPEAL OF QUALIFIED CONTRACT OPTION.

(a) Termination of Option for Certain Build-

ings.
(1) IN GENERAL.—Subclause (II) of section 42(h)(6)(E)(i) of the Internal Revenue Code of 1986 is amended by inserting “in the case of a building described in clause (iii),” before “on the last day”.

(2) BUILDINGS DESCRIBED.—Subparagraph (E) of section 42(h)(6) of such Code is amended by adding at the end the following new clause:

“(iii) BUILDINGS DESCRIBED.—A building described in this clause is a building—

“(I) which received its allocation of housing credit dollar amount before January 1, 2019, or

“(II) in the case of a building any portion of which is financed as described in paragraph (4), which received before January 1, 2019, a determination from the issuer of the tax-exempt bonds or the housing credit agency that the building is eligible to receive an allocation of housing credit dollar amount under the rules of paragraphs (1) and (2) of subsection (m).”.
(b) RULES RELATING TO EXISTING PROJECTS.—

Subparagraph (F) of section 42(h)(6) of the Internal Revenue Code of 1986 is amended by striking “the nonlow-income portion” and all that follows and inserting “the nonlow-income portion and the low-income portion of the building for fair market value (determined by the housing credit agency by taking into account the rent restrictions required for the low-income portion of the building to continue to meet the standards of paragraphs (1) and (2) of subsection (g)). The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this paragraph.”.

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (6) of section 42(h) of the Internal Revenue Code of 1986 is amended by striking subparagraph (G) and by redesignating subparagraphs (H), (I), (J) and (K) as subparagraphs (G), (H), (I), and (J), respectively.

(2) Subclause (II) of section 42(h)(6)(E)(i) of such Code, as amended by subsection (a), is further amended by striking “subparagraph (I)” and inserting “subparagraph (H)”.

(d) TECHNICAL AMENDMENT.—Subparagraph (I) of section 42(h)(6) of the Internal Revenue Code of 1986,
as redesignated by subsection (e), is amended by striking “agreement” and inserting “commitment”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to buildings with respect to which a written request described in section 42(h)(6)(H) of the Internal Revenue Code of 1986 is submitted after the date of the enactment of this Act.