

116TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

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.

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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 \_\_\_\_\_

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**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.

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 “Save Affordable Hous-  
5       ing Act of 2019”.

6       **SEC. 2. REPEAL OF QUALIFIED CONTRACT OPTION.**

7       (a) **TERMINATION OF OPTION FOR CERTAIN BUILD-**  
8       **INGS.—**

1           (1) IN GENERAL.—Subclause (II) of section  
2           42(h)(6)(E)(i) of the Internal Revenue Code of 1986  
3           is amended by inserting “in the case of a building  
4           described in clause (iii),” before “on the last day”.

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

8                   “(iii) BUILDINGS DESCRIBED.—A  
9                   building described in this clause is a build-  
10                  ing—

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

14                                   “(II) in the case of a building  
15                                   any portion of which is financed as  
16                                   described in paragraph (4), which re-  
17                                   ceived before January 1, 2019, a de-  
18                                   termination from the issuer of the  
19                                   tax-exempt bonds or the housing cred-  
20                                   it agency that the building is eligible  
21                                   to receive an allocation of housing  
22                                   credit dollar amount under the rules  
23                                   of paragraphs (1) and (2) of sub-  
24                                   section (m).”.

1 (b) RULES RELATING TO EXISTING PROJECTS.—  
2 Subparagraph (F) of section 42(h)(6) of the Internal Rev-  
3 enue Code of 1986 is amended by striking “the nonlow-  
4 income portion” and all that follows and inserting “the  
5 nonlow-income portion and the low-income portion of the  
6 building for fair market value (determined by the housing  
7 credit agency by taking into account the rent restrictions  
8 required for the low-income portion of the building to con-  
9 tinue to meet the standards of paragraphs (1) and (2) of  
10 subsection (g)). The Secretary shall prescribe such regula-  
11 tions as may be necessary or appropriate to carry out this  
12 paragraph.”.

13 (c) CONFORMING AMENDMENTS.—

14 (1) Paragraph (6) of section 42(h) of the Inter-  
15 nal Revenue Code of 1986 is amended by striking  
16 subparagraph (G) and by redesignating subpara-  
17 graphs (H), (I), (J) and (K) as subparagraphs (G),  
18 (H), (I), and (J), respectively.

19 (2) Subclause (II) of section 42(h)(6)(E)(i) of  
20 such Code, as amended by subsection (a), is further  
21 amended by striking “subparagraph (I)” and insert-  
22 ing “subparagraph (H)”.

23 (d) TECHNICAL AMENDMENT.—Subparagraph (I) of  
24 section 42(h)(6) of the Internal Revenue Code of 1986,

1 as redesignated by subsection (c), is amended by striking  
2 “agreement” and inserting “commitment”.

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