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(Original Signature of Member)

118TH CONGRESS
2D SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to allow for the reallocation of unused volume cap for private activity bonds for qualified residential rental projects.

IN THE HOUSE OF REPRESENTATIVES

Ms. CROCKETT introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to allow for the reallocation of unused volume cap for private activity bonds for qualified residential rental projects.

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 “Combating the Hous-
5 ing Supply Shortage Act of 2024”.

1 **SEC. 2. REALLOCATION OF UNUSED VOLUME CAP FOR PRI-**
2 **VATE ACTIVITY BONDS FOR QUALIFIED RESI-**
3 **DENTIAL RENTAL PROJECTS.**

4 (a) IN GENERAL.—Section 146 of the Internal Rev-
5 enue Code of 1986 is amended by adding at the end the
6 following new subsection:

7 “(o) REALLOCATION OF VOLUME CAP FOR HOUSING
8 PRODUCTION.—

9 “(1) ISSUANCE OF SUPPLEMENTAL BONDS.—

10 Any private activity bonds issued by an issuing au-
11 thority during a calendar year for projects described
12 in section 142(a)(7) shall not be taken into account
13 under subsection (a) to the extent the amount of
14 such bonds does not exceed so much of the State’s
15 supplemental residential rental limitation for such
16 calendar year as is allocated to such issuing author-
17 ity by such State for such calendar year.

18 “(2) SUPPLEMENTAL RESIDENTIAL RENTAL
19 LIMITATION.—For purposes of this subsection—

20 “(A) IN GENERAL.—The term ‘supple-
21 mental residential rental limitation’ means, with
22 respect to any State for any calendar year, the
23 State’s housing need percentage of the national
24 unused volume cap amount for such calendar
25 year.

1 “(B) HOUSING NEED PERCENTAGE.—The
2 ‘housing need percentage’ means, with respect
3 to any State for any calendar year, the percent-
4 age determined by the Secretary as being equal
5 to the quotient of—

6 “(i) the aggregate face amount of
7 multifamily housing bonds issued by such
8 State during the second preceding calendar
9 year, divided by

10 “(ii) the aggregate face amount of
11 such bonds issued by all States during
12 such second preceding calendar year.

13 “(C) ALLOCATIONS TO ISSUING AUTHOR-
14 ITY.—Except as otherwise provided by the Sec-
15 retary, the supplemental residential rental limi-
16 tation shall be allocated by the State to issuing
17 authorities in such manner as the State pro-
18 vides. The aggregate amount of supplemental
19 residential rental limitation taken into account
20 under paragraph (1) as allocated by any State
21 for any calendar year shall not exceed the sup-
22 plement residential rental limitation of such
23 State for such calendar year.

24 “(D) MULTIFAMILY HOUSING BONDS.—
25 The term ‘multifamily housing bond’ means,

1 with respect to any State, any bond for projects
2 described in section 142(a)(7) which is taken
3 into account under subsection (a) with respect
4 to an issuing authority of such State.

5 “(3) NATIONAL UNUSED VOLUME CAP
6 AMOUNT.—For purposes of this subsection—

7 “(A) IN GENERAL.—The term ‘national
8 unused volume cap amount’ means, with respect
9 to a calendar year, the amount which is esti-
10 mated by the Secretary as being equal to the
11 sum of—

12 “(i) the excess (if any) of—

13 “(I) sum of the State ceilings for
14 all States for the second preceding
15 calendar year, over

16 “(II) the sum of the aggregate
17 face amount of private activity bonds
18 taken into account under subsection
19 (a) for the second preceding calendar
20 year plus any portion of the amount
21 described in subclause (I) which is
22 carried forward under subsection (f),

23 “(ii) the amount of any carryforward
24 under subsection (f) which expired at the

1 close of the second preceding calendar
2 year, plus

3 “(iii) any supplemental residential
4 limitation allocated under this subsection
5 for the second preceding calendar year
6 which was unused as of the close of such
7 year.

8 “(B) ADJUSTMENTS.—The Secretary shall
9 make proper adjustments to the national un-
10 used volume cap amount for any calendar year
11 to the extent the Secretary’s estimates for pre-
12 ceding calendar years were in excess of or less
13 than the Secretary’s current estimates for such
14 preceding calendar years.

15 “(4) INFORMATION REPORTING.—

16 “(A) IN GENERAL.—The Secretary shall
17 require each State to submit to the Secretary in
18 such manner (including electronically) such in-
19 formation as the Secretary determines to be
20 necessary or appropriate to carry out this sub-
21 section. In the case of any State which fails to
22 provide the information referred to in the pre-
23 ceding sentence, the Secretary may reduce the
24 State ceiling of such State for the calendar year
25 following the calendar year in which such fail-

1 ure occurs by an amount equal to not more
2 than 5 percent of the amount of such State ceil-
3 ing (determined without regard to this para-
4 graph) as the Secretary determines appropriate.

5 “(B) PUBLICATION.—The Secretary shall,
6 not later than December 31 of each year, pub-
7 lish the following information for the preceding
8 calendar year:

9 “(i) With respect to each State—

10 “(I) the sum of the face amounts
11 of bonds issued by such State that
12 were not taken into account under
13 subsection (a) through the operation
14 of paragraph (1),

15 “(II) the supplemental residential
16 rental limitation for such State, and

17 “(III) the housing need percent-
18 age of such State.

19 “(ii) The amounts determined under
20 clauses (i), (ii), and (iii) of paragraph
21 (3)(A).

22 “(iii) The amount and justification for
23 any adjustment made under paragraph
24 (3)(B).”.

1 (b) EFFECTIVE DATE.— The amendment made by
2 this section shall apply to bonds issued in calendar years
3 beginning after the date of the enactment of this Act.