



Housing Advisory Group



We wanted to update you on recent Senate developments with respect to jobs legislation and what this might mean for action on our LIHTC agenda. Yesterday, Majority Leader Harry Reid (D-NV) won a key procedural vote on a \$15 billion jobs bill that now clears the way for a final vote on the package – perhaps as soon as this evening. Five Republicans joined 57 Democrats to garner the 60 votes needed to continue consideration of the legislation. One Democrat voted against the procedural motion.

The legislation, crafted by Majority Leader Reid, contains items that were included in a larger jobs package put together earlier this month by Finance Committee Chairman Max Baucus (D-MT) and ranking member Charles Grassley (R-IA). The Reid package includes a jobs credit for new hires that have been unemployed for at least 60 days; an expansion of the Build America Bonds program; an extension of certain highway and transit programs, and increased expensing for small businesses for purchases of equipment. The package does not include the extension of the 9 percent LIHTC exchange that was included in the original Baucus-Grassley jobs package.

Following the procedural vote, Majority Leader Reid indicated that the Senate would consider an “extenders” bill perhaps as soon as the end of this week that would address certain expired provisions. We have received confirmation from Senate staff that the 9 percent credit Exchange is included in the extenders package as conflicts regarding its inclusion as an “extender” appear to have been resolved. Senator Reid indicated he is discussing content of the package with Minority Leader Mitch McConnell (R-KY), and said he would like to reach an agreement on making the bill open to amendments. Because it is unclear what might be in the underlying package, it is difficult to speculate on prospects for our larger LIHTC agenda. As we stated earlier, Senator Reid would like to bring the package up for a vote no later than Friday of this week although the situation remains very fluid.

On a parallel front, Senator Jeff Bingaman (D-NM) has crafted legislation that would extend the Sect. 1602 LIHTC Exchange and include in it housing credits arising from tax-exempt multifamily housing bonds. The proposal also includes parts A and B of the LIHTC Carryback. It does not include the passive loss changes we are seeking as part of the Consensus Group proposals. We are working to bring on Republican and Democratic cosponsors for the Bingaman effort.

We will keep you posted on these developments and the muddled process going forward. Please let us know if you have any questions.

HAG Contact Information:

[David Gasson](#), Executive Director
(617) 624-8896 – Office

[Allison E. Marino](#), Communications Associate
(617) 624-8678 – Office