

119TH CONGRESS
1ST SESSION

H. R. 3964

To amend the Internal Revenue Code of 1986 to increase the low-income housing tax credit for projects designated to serve extremely low-income households.

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2025

Mr. GOMEZ (for himself and Ms. DELBENE) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to increase the low-income housing tax credit for projects designated to serve extremely low-income households.

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 “Affordable Housing
5 Equity Act of 2025”.

1 **SEC. 2. INCREASE IN CREDIT FOR CERTAIN PROJECTS DES-**
2 **IGNATED TO SERVE EXTREMELY LOW-IN-**
3 **COME HOUSEHOLDS.**

4 (a) IN GENERAL.—Section 42(d)(5) of the Internal
5 Revenue Code of 1986 is amended by adding at the end
6 the following new subparagraph:

7 “(C) INCREASE IN CREDIT FOR PROJECTS
8 DESIGNATED TO SERVE EXTREMELY LOW-IN-
9 COME HOUSEHOLDS.—In the case of any build-
10 ing—

11 “(i) 20 percent or more of the resi-
12 dential units (determined as if the imputed
13 income limitation applicable to such units
14 were 30 percent of area median gross in-
15 come) in which are designated by the tax-
16 payer for occupancy by households the ag-
17 gregate household income of which does
18 not exceed the greater of—

19 “(I) 30 percent of area median
20 gross income, or

21 “(II) 100 percent of an amount
22 equal to the Federal poverty line
23 (within the meaning of section
24 36B(d)(3)), and

25 “(ii) which is designated by the hous-
26 ing credit agency as requiring the increase

1 in credit under this subparagraph in order
2 for such building to be financially feasible
3 as part of a qualified low-income housing
4 project,
5 subparagraph (B) shall not apply to the portion
6 of such building which is comprised of such
7 units (determined in a manner similar to the
8 unit fraction under subsection (c)(1)(C)), and
9 the eligible basis of such portion of the building
10 shall be 150 percent of such basis determined
11 without regard to this subparagraph.”

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall apply to buildings which receive alloca-
14 tions of housing credit dollar amount after the date of en-
15 actment of this Act, or in the case of buildings that are
16 described in section 42(h)(4)(B) of the Internal Revenue
17 Code of 1986, for obligations that are part of an issue
18 the issue date of which is after December 31, 2025.

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