

# **Housing America's Workforce Act**

## **S. 1078 and H.R. 1850**

Across the country, resurgent housing markets are pricing out low- and moderate-income families and producing few lower-cost units. Housing production has failed to keep pace with job growth which continues to push affordable housing beyond the reach of an increasing number of working families. Employer Assisted Housing programs (EAH) address this housing challenge from a new perspective by allowing the private sector to play a direct role in promoting housing affordability. The Housing America's Workforce Act builds upon these efforts by providing incentives that will help expand EAH programs nationally.

### ***Section I: Employer Tax Credit***

Federal tax laws and corporate accounting rules do not currently provide incentives for employers to offer housing assistance to their employees. The creation of a new business tax credit would provide employers with the incentive to partially offset the cost of providing a housing benefit for their workers.

The Housing America's Workforce Act provides a tax credit equal to 50 percent of the cost of qualified housing expenses for eligible low- and moderate-income employees, which takes into account up to \$10,000 or six percent of the employee's home purchase price (whichever is less) and up to \$2,000 in the case of rental assistance offered. Rental assistance could be used toward security deposits and rental payments. Homeownership assistance could be used to subsidize down payments, closing costs, financing costs, contributions to second mortgage pools, mortgage guarantee programs, or contributions to an employee homeownership savings account.

### ***Section II: Housing Benefit Exclusion***

Some employer-provided benefits such as health, dental, and life insurance result in no taxable income to employees. However, federal tax laws do not currently include housing as a tax-free employee benefit. The Housing America's Workforce Act treats housing assistance as a nontaxable benefit by excluding from taxable income up to \$10,000 in home ownership assistance and up to \$2,000 of rental assistance received. This exclusion will help ensure that employees receive the full value of the housing benefit.

### ***Section III: EAH Grants***

EAH programs offer an innovative mechanism for leveraging public and private funds to address housing affordability challenges, regional jobs-housing imbalances, community revitalization, and recruitment and retention issues. Yet, employers for the most part lack the knowledge and expertise needed to undertake an EAH initiative. To help address this challenge, the Housing America's Workforce Act will establish a competitive grant program available to nonprofit housing organizations that provide technical assistance, program administration, and/or education and outreach support to employers undertaking EAH initiatives.