



January 18, 2024

The Honorable Jason Smith  
Chairman  
Committee on Ways and Means  
U.S. House of Representatives

The Honorable Richard E. Neal  
Ranking Member  
Committee on Ways and Means  
U.S. House of Representatives

Dear Chairman Smith and Ranking Member Neal:

On behalf of the nearly 100,000 combined members of the National Multifamily Housing Council (NMHC)<sup>1</sup> and the National Apartment Association (NAA)<sup>2</sup>, we are writing in support of provisions included in H.R. 7024, *Tax Relief for American Families and Workers Act of 2024* that will spur housing production and help address our nation's housing challenges. We appreciate the House Ways and Means Committee's focus on housing issues and, in particular, the rental housing sector and the many challenges that face our industry and its residents.

For more than 26 years, NMHC and NAA have partnered to provide a single voice for America's apartment industry. Our combined memberships are engaged in all aspects of the apartment industry, including ownership, development, management, and finance. NMHC represents the principal officers of the apartment industry's largest and most prominent firms. As a federation of 141 state and local affiliates, NAA encompasses over 95,000 members representing more than 11.6 million apartment homes globally. One-third of all Americans rent their housing and 40.0 million of them live in an apartment home.

We are in strong support of the Sections 501 and 502 which would make changes to the Low-Income Housing Tax Credit (LIHTC). These provisions would increase the 9 percent tax credit ceiling by 12.5 percent for 2023-2025 and reduce to 30 percent from 50 percent the basis of a project required to be financed by private-activity bonds. These changes would create over 200,000 new multifamily units and represent a critical step toward addressing this nation's housing supply crisis.

Additionally, we support business tax provisions included in Titles II and VI that would be beneficial to the multifamily industry, including:

- **Deductibility of Business Interest:** Section 202, which would extend through 2025 the 30 percent of EBITDA limitation for taxable years beginning after 2023 (and, if elected, taxable years beginning after 2021). Importantly, the provision would not affect the option for real estate businesses to opt out of the limitation in exchange for a longer depreciation period.
- **Bonus Depreciation:** Section 203, which would extend 100 percent bonus depreciation for qualified property placed in service after 2022 through 2025 to enable taxpayers to deduct

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<sup>1</sup> Based in Washington, D.C., NMHC is a national nonprofit association that represents the leadership of the apartment industry. Our members engage in all aspects of the apartment industry, including ownership, development, management and finance, who help create thriving communities by providing apartment homes for nearly 40 million Americans, contributing \$3.4 trillion annually to the economy. NMHC advocates on behalf of rental housing, conducts apartment-related research, encourages the exchange of strategic business information and promotes the desirability of apartment living.

<sup>2</sup> The NAA serves as the leading voice and preeminent resource through advocacy, education, and collaboration on behalf of the rental housing industry. As a federation of 141 state and local affiliates, NAA encompasses over 93,000 members representing more than 11 million apartment homes globally. NAA believes that rental housing is a valuable partner in every community that emphasizes integrity, accountability, collaboration, community responsibility, inclusivity and innovation.

the full cost of certain capital investments with a class life of 20 years or less (e.g., equipment and machinery) included in multifamily buildings.

- **Small Business Expensing:** Section 204, which would increase the amount of qualified property that a taxpayer may expense under Section 179 of the tax code.
- **Increase in 1099 Reporting Thresholds:** Section 601, which would increase to \$1,000 from \$600 the reporting threshold applicable to Forms 1099-NEC and 1099-MISC. Additionally, the threshold would apply on a calendar-year basis as opposed to the current-law taxable-year basis. The proposal would be effective for payments made after 2023, and the \$1,000 threshold would be adjusted for inflation annually.

We thank you for your leadership and reiterate our strong support for the provisions described above that will help address our nation's housing challenges.

Sincerely,



Sharon Wilson Géno  
President  
National Multifamily Housing Council



Robert Pinnegar  
President & CEO  
National Apartment Association