

The main body of the newsletter has a background image of classical columns, likely from a government building, viewed from a low angle looking up. The image is overlaid with a semi-transparent dark blue filter. The title is written in large, white, bold, sans-serif font.

House Passes Tax Reconciliation Legislation

Read Time: 5 minutes

The House early May 22 approved by a vote of 215-214 [NMHC-, NAA- and RETTC-supported reconciliation legislation](#) representing a significant win for multifamily housing. The package would make permanent expiring ordinary income tax rates; enhance and make permanent the tax deduction for qualifying pass-through income (Section 199A); provide permanent estate tax relief; offer 100 percent bonus depreciation and looser limits on interest deductibility; enhance the Low-Income Housing Tax Credit and Opportunity Zones; and omit onerous revenue raisers targeting carried interest or, generally, the deductibility of multifamily-related business state and local taxes paid by multifamily industry taxpayers.

The package passed after the House approved a manager's amendment that, among other provisions, further reduces the ability of affected taxpayers to fully claim itemized deductions and accelerates the phase out of certain energy tax credits, while fixing a drafting error that will generally enable multifamily taxpayers organized as pass-through entities to fully deduct their multifamily-related state and local income taxes.

The reconciliation package now heads to the Senate. NMHC will continue to be engaged throughout the process to ensure that multifamily housing providers' priorities remain part of the final package.

Click through for a preliminary description of the key pieces of the House-passed legislation.

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Help Us Change the Narrative

We know that behind every apartment community are stories of residents who feel safe, supported and proud to call it home. If your organization has positive experiences to share, we want to hear them. By collecting and amplifying these stories, we can help shift the conversation—showing the real, human side of rental housing and pushing back against the growing wave of negative, anti-housing-provider rhetoric. [Fill out this form to share your story.](#)

Industry Topic Updates

ADVOCACY UPDATES

- **NMHC Meets with FHFA Director and HUD Senior Staff to Discuss Key Issues for Rental Housing Providers:** On May 21, NMHC and RETTC leaders met with FHFA Director Bill Pulte to discuss key multifamily housing issues, including a call to withdraw the 30-day eviction notice from the CARES Act. RETTC also advocated for a federal moratorium on state and local AI restrictions, citing the potential negative impact on rental housing. That same day, NMHC met with HUD's Ben Hobbs to address concerns about Davis-Bacon rule applications and voucher program efficiency, while Hobbs shared HUD's priorities on subsidy eligibility, self-sufficiency, and IT improvements.
- **NMHC Spearheads Comment Letter Urging Repeal of Davis Bacon Rule:** On May 21, NMHC joined other 15 real estate groups in a coalition letter sent to Secretary Turner (HUD) and Secretary Chavez-DeRemer (DOL) urging the DOL to repeal and revise the 2023 final rule "Updating the Davis-Bacon and Related Acts Regulations" ("Davis-Bacon rule"). Comment letter [here](#). Previous NMHC action on the issue [here](#).
- **May Rent Control Updates:** NMHC's Advocacy Action Program (AAP), in coordination with the Housing Solutions Coalition (HSC), is tracking legislative action relating to rent stabilization, or rent control, and renter protection policies.



REGULATORY UPDATES

- **House Reconciliation Bill Promotes AI Innovation:** RETTC and NMHC succeeded in advocating for a coherent approach to artificial intelligence (AI) policy during negotiations for the House Reconciliation bill. In a [letter](#) submitted to the House Energy and Commerce Committee, we supported congressional efforts to avoid duplicative or burdensome AI regulations at the state and local levels. As RETTC and NMHC have consistently said, a fragmented regulatory approach in data management, security and technology risks stifling innovation and increasing compliance costs. This ultimately undermines the benefits these systems and technologies offer to renters and housing providers alike. Previous RETTC/NMHC action on the issue [here](#).
- **Trump Administration Leads Largest Federal Deregulation Push to Date:** Earlier this month, NMHC submitted [comments](#) to the Office of Management and Budget (OMB) on regulations whose costs supersede their benefits, are outdated or unlawful, or that have proven unnecessary advocating for their rescindment or replacement. Additionally, today NMHC will be submitting comments to the DOJ's Anticompetitive Regulations Task Force, highlighting laws and regulations that hinder competition.



We are excited to announce the launch of RETTC's monthly newsletter—PolicyStack. This newsletter will cover all things real estate tech advocacy. Check out the first edition, which unpacks the FCC's "inside wiring" rule and why eliminating it could lead to better service and lower costs for renters.

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Upcoming NMHC Events and Webinars

Open Events

[2025 Q3 State of the Multifamily Market Webinar](#) | July 21

NMHC Members-Only Events

[Emerging Leaders Virtual Speaker Series: Building Through Cycle](#) | June 4

[OPTECH 365 Virtual Event: Residency](#) | June 25

[Fall Board of Directors Meeting](#) | Sept. 15-17

NMHC Members: The list doesn't stop here—log in to your member account and access other exclusive, member-only meeting and registration details.

More to Explore

Locked Out of the Dream: Regulation Making Homes Unaffordable Around the World

House Passes Reconciliation Bill With LIHTC Provisions

"Next to inflation, Americans ranked housing as their top financial worry in a Gallup survey last May. It's only gotten worse. [January home sales](#) were down 5% from last year's dismal numbers. Record numbers of first-time buyers are stuck on the sidelines as housing affordability stands at the lowest level ever recorded, while [one in three Americans now spend over 30% of their income](#) on mortgage or rent."

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“The bill, which includes several of the main provisions of the Affordable Housing Credit Improvement Act, represents the largest increase in LIHTC resources since Congress raised the caps on housing credits and private-activity bonds and indexed the caps for inflation 25 years ago, according to the National Council of State Housing Agencies.”

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