[JOINT COMMITTEE PRINT]

DESCRIPTION OF TAX BILLS

(S. 1485, S. 2075, S. 2424, and S. 2425)

SCHEDULED FOR A HEARING

BEFORE THE

SUBCOMMITTEE ON TAXATION AND
DEBT MANAGEMENT

OF THE

COMMITTEE ON FINANCE

ON MAY 21, 1982

PREPARED FOR THE USE OF THE

COMMITTEE ON FINANCE

BY THE STAFF OF THE

JOINT COMMITTEE ON TAXATION

MAY 20, 1982

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1982

94-142 O

JCS-14-82

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INTRODUCTION

The bills described in this pamphlet have been scheduled for a public hearing on May 21, 1982, by the Senate Finance Subcommittee on Taxation and Debt Management.

There are four bills scheduled for the hearing: S. 1485 (investment tax credit for single purpose agricultural or horticultural structures for closed taxable years); S. 2075 (increased interest rate on U.S. savings bonds); S. 2424 (tax credit for home health care expenditures for elderly family members); and S. 2425 (modification of mortgage subsidy bond rules and IDBs for certain residential rental property).

The first part of the pamphlet is a summary of the bills. This is followed by a more detailed description of the bills, including present law, issues, explanation of provisions, and effective dates.

I. SUMMARY

1. S. 1485—Senators Roth and Helms

Investment Tax Credit for Single Purpose Agricultural or Horticultural Structures for Closed Taxable Years

The Revenue Act of 1978 amended Code section 48 to provide expressly that "single purpose agricultural or horticultural structures" are eligible for the investment tax credit. The 1978 provision was made effective for taxable years ending after August 15, 1971 (the effective date for restoration of the credit by the Revenue Act of 1971).

The bill would provide that taxpayers may file amended returns claiming the investment tax credit for single purpose agricultural or horticultural structures, based on the provision enacted in 1978 (retroactive to 1971). If filed within one year after enactment of the bill, the claim for the credit would be allowed even though the statute of limitations, the rule of res judicata, or other law or rule of law would otherwise operate to prevent allowance of the claim.

2. S. 2075—Senator Roth

Increased Interest Rate on U.S. Savings Bonds

Present law provides that the Secretary of the Treasury, with the consent of the President, may increase the maximum interest rate on U.S. savings bonds by not more than one percentage point in any six-month period. Pursuant to the most recent exercise of this authority (May 1, 1981), the yield on Series EE bonds is now nine percent, and the yield on Series HH bonds is 8½ percent.

Under the bill, the Secretary of the Treasury would be authorized to set the investment yield on U.S. savings bonds at a yield making such bonds competitive with comparable investments, but not in excess of 85 percent of the average yield on 52-week U.S. Treasury bills (for the most recent auction). The amendment made by the bill would apply with respect to interest accrual periods beginning after the date of enactment.

3. S. 2424—Senators Heinz Packwood, and Durenberger, and others

Tax Credit for Home Health Care Expenditures for Elderly Family Members

Under present law, there is no special income tax credit or deduction for expenses incurred in providing home health care for elderly family members. However, if an elderly relative qualifies as a dependent, the taxpayer may be eligible to claim a $1,000 personal exemption for the dependent, to deduct medical expenses paid on behalf of the relative, and to claim a tax credit for certain employment-related household and dependent care expenditures if the relative is incapacitated.

The bill would provide a refundable tax credit for a portion of certain elderly care expenses paid by an individual on behalf of qualifying family members. Expenditures eligible for the credit would be amounts paid for certain home health aide services, homemaker services, adult day care, respite care, and certain unreimbursed medical or health-related equipment and supplies. Qualifying family members would include relatives who are age 75 or older (or suffering from certain types of premature senility) and who have less than $15,000 of family income.

The maximum amount of elderly care expenses eligible for the credit would be $3,500 for one qualifying family member or $7,000 for two or more qualifying family members ($1,750 and $3,500, respectively, where the taxpayer making the expenditures is a married individual filing a separate return).

The rate of the credit would be 30 percent where the taxpayer making the qualified elderly care expenditures has adjusted gross income of $10,000 or less. The rate would be reduced by one percentage point for each $2,000 of income (or fraction thereof) above $10,000, until the lowest rate (20 percent) is reached for taxpayers with income above $28,000. No credit would be allowed to taxpayers with adjusted gross income of $50,000 or more ($25,000 in the case of a married individual filing a separate return).

4. S. 2425—Senators Roth and Tsongas

Modification of Mortgage Subsidy Bond Rules; IDBs For Certain Residential Rental Property

Overview

The Mortgage Subsidy Bond Tax Act of 1980 provided rules for bonds used to finance single-family, owner-occupied residences ("qualified mortgage bonds") and for bonds used to finance residential rental projects ("multi-family industrial development bonds"). The bill would amend certain of the rules which apply to each of these types of bonds.

Qualified mortgage bonds

The bill would modify the so-called first-time home buyer or three-year rule, by providing that the rule is satisfied if at least 80 percent (rather than 100 percent, as required under present law) of the mortgagors receiving financing under the mortgage subsidy bond issue certify that they have not owned a residence within the preceding three years. In addition, the bill would provide exceptions to the three-year rule in the case of individuals who lived in residences that were either (1) made uninhabitable by natural disaster or governmental action or (2) certified by an appropriate State or local official as not meeting certain minimum housing standards.

The bill would increase the purchase price limitations from 90 percent (110 percent in targeted areas) to 110 percent (120 percent in targeted areas) of the average purchaase price. Thus, under the bill, all of the mortgages provided from the bond proceeds must be for the purchase of residences where the acquisition cost of each residence does not exceed 110 percent (120 percent in targeted areas) of the average area purchase price applicable to each residence.

The bill would increase the allowable arbitrage on mortgage investments from one percentage point to one and one quarter percentage points. In addition, the bill would provide an exception to the restrictions on arbitrage on nonmortgage investments so that no investment would have to be sold at a loss.

The bill would eliminate the registration requirement under present law for mortgage subsidy bonds.

The bill would extend the termination date an additional two years to December 31, 1985.

Multi-family rental industrial development bonds (IDBs)

Under present law, a certain percentage of units in each IDB-financed project must be occupied by individuals of low or moderate income. The bill would provide that this targeted group of tenants be either (1) those individuals whose gross income does not exceed 80 percent of the area median gross income or (2) those individuals who are classified as individuals of low or moderate income by the Secretary of Housing and Urban Development. Under present law, the targeted group conforms to those individuals who are eligible to receive section 8 rental housing assistance.

Under present law, the targeted requirement must be met for at least 20 years in order for IDBs for multi-family rental projects to be tax-exempt. The bill would provide that the targeting requirement need be met only until the later of (1) ten years from the date of first occupancy, (2) a date ending when 50 percent of the maturity of the bond has elapsed, or (3) the date on which any section 8 assistance for the project terminates.

The bill would repeal the registration requirement as it applies to IDBs for multi-family rental housing.

Effective date

The provisions of the bill would apply with respect to obligations issued after the date of enactment.

II. DESCRIPTION OF BILLS

1. S. 1485—Senators Roth and Helms

Investment Tax Credit for Single Purpose Agricultural or Horticultural Structures for Closed Taxable Years

Background

When the investment tax credit was restored by the Revenue Act of 1971, property made eligible for the credit included tangible personal property and other tangible property (not including a building or its structural components) used as an integral part of manufacturing, production, or extraction, or in furnishing certain utility services.

In its report on the 1971 Act, the Senate Finance Committee expressed its intent that the restored credit was to apply to "special purpose" structures (S. Rep. No. 92–437, 92d Cong., 1st Sess. (1971)). A special purpose structure was defined in the report as a structure that houses property used as an integral part of a manufacturing or production activity (such as farming), if the use of the structure is so closely related to the use of the equipment housed that the structure would be replaced when the equipment housed is replaced. The Internal Revenue Service, however, subsequently denied the credit for certain structures and enclosures used for raising poultry, livestock, or horticultural products, or for producing eggs, on the ground that such structures and enclosures are buildings for which no credit was allowed.

In the Revenue Act of 1978, a new Code section was enacted to make "single purpose agricultural or horticultural structures" expressly eligible for the investment credit (sec. 48(a)(1)(D)). This provision was effective for taxable years ending after August 15, 1971, i.e., all taxable years for which the restored credit was available. No provision was specifically made to allow taxpayers to claim a refund for a taxable year closed by the statute of limitations, the final judgment of a court, or other law or rule of law. In the absence of a specific provision for reopening closed years, retroactive effective dates are usually interpreted to bar such claims for refund, in the interest of providing finality for purposes of efficient administration of the tax laws.

Issue

The issue is whether claims for refund (or credit of overpayment of tax) based on the enactment of Code section 48(a)(1)(D) should be allowed, if filed within one year following enactment of the bill, where such claims otherwise would be precluded by operation of the statute of limitations, the rule of res judicata, or any other law or rule of law.

Explanation of the bill

Under the bill, claims for refund (or credit of overpayment of tax) based on the enactment of Code section 48(a)(1)(D) would be allowed, if filed within one year after the date of enactment of the bill, even though allowance of the claims otherwise would be precluded by operation of the statute of limitations, the rule of res judicata, or any other law or rule of law.

Effective date

The provisions of the bill would be effective on enactment.

2. S. 2075—Senator Roth

Increased Interest Rate on U.S. Savings Bonds

Present law

Under present law, the Secretary of the Treasury has discretionary authority, within certain statutory limits, to set the rate of interest on U.S. savings bonds and savings certificates.

The minimum investment yield on Series EE savings bonds may not be less than four percent (annual rate, compounded semiannually from the date of issuance). The statute initially sets the maximum interest rate at 5½ percent. However, with the consent of the President, the Secretary of the Treasury may increase the investment yield above the initial 5½ percent statutory limit, by no more than one percentage point in any six-month period (annual rate, compounded semiannually).

Pursuant to the most recent exercise of this authority (May 1, 1981), the yield on Series EE savings bonds is now nine percent, compounded semiannually. These bonds have a maturity date which is eight years from the date of issuance. Also, on May 1, 1981, the yield on Series HH bonds was increased to 8½ percent. These bonds mature in 10 years, and interest is paid semiannually on these bonds by check.

No person may purchase more than $15,000 in Series EE bonds, at issue price, in any one year. The limit on purchases of Series HH bonds is $20,000. Series EE and HH bonds are not marketable securities.

(The Administration has proposed that, in place of the present statutory limitations on savings bond interest, the Secretary of the Treasury should be authorized to set interest rates on savings bonds which would be related to current market interest rates. Under this proposal, a market-rate savings bond could be issued, under which holders would be guaranteed minimum interest rates that would rise gradually during the first five years after purchase. Savings bonds held after five years would receive the higher of the market-related interest rate or the guaranteed rate.)

In general, an individual who owns a Series EE savings bond does not include in income increases in the bond's redemption value until it is actually redeemed. However, pursuant to Code section 454, the individual may elect to include in income each year the increase for that year in the bond's redemption value.

Issue

The issue is whether the Secretary of the Treasury should have authority to set the investment yield on U.S. savings bonds at up to 85 percent of the average investment yield on the most recent 52-week U.S. Treasury bills.

Explanation of the bill

Under the bill, the Secretary of the Treasury would have authority to set the yield on any U.S. savings bond at a yield which makes such bond competitive with comparable investments, but the savings bond yield could not exceed 85 percent of the average yield on 52-week U.S. Treasury bills (for the most recent auction before the week in which the certificate is issued).

Effective date

The amendment made by the bill would apply with respect to interest accrual periods beginning after the date of enactment.

3. S. 2424—Senators Heinz, Packwood, and Durenberger, and others

Tax Credit for Home Health Care Expenditures for Elderly Family Members

Present law

Under present law, there is no special income tax credit or deduction for expenses incurred in providing home health care for elderly family members. However, if an elderly relative qualifies as a dependent, the taxpayer may be eligible to claim a $1,000 personal exemption for the dependent, to deduct medical expenses paid on behalf of the relative, and to claim a tax credit for certain employment-related household and dependent care expenditures if the relative is incapacitated.

An individual qualifies as a dependent if the taxpayer provides more than one-half of the individual's support, and if the individual is related to the taxpayer or a member of the taxpayer's household (Code sec. 152). Parents, grandparents, stepparents, parents-in-law, and aunts and uncles are among the relatives of a taxpayer who may qualify as dependents whether or not members of the taxpayer's household.

A taxpayer is entitled to a $1,000 personal exemption for a dependent (such as an elderly relative supported by the taxpayer) if the dependent's gross income for the year is less than $1,000 (sec. 151(e)). Also, an individual who itemizes may claim a medical expense deduction for certain unreimbursed medical expenses paid on behalf of such dependent, subject to the limitations generally applicable to that deduction (sec. 213).

If a dependent who is a member of the taxpayer's household is physically or mentally incapacitated, present law provides a tax credit for certain employment-related expenses, up to $2,400, incurred by the taxpayer for care of the dependent. The maximum credit for any one dependent in a year is limited by reference to the amount of the taxpayer's gross income, and ranges from $480 to $720. Expenses eligible for the credit include amounts paid for certain in-home and outside services.

Issue

The principal issue is whether an income tax credit should be provided for certain home health care expenses incurred on behalf of elderly family members.

Explanation of the bill

Overview

The bill would permit an individual to claim a refundable tax credit for a portion of certain elderly care expenses paid during the year for care of qualifying family members. The maximum credit allowed in one year would be $1,050 for expenses paid as to one family member ($2,100 for expenses paid as to two or more family members) by a taxpayer whose adjusted gross income for the year does not exceed $10,000. (The maximum credit amounts would be $525 and $1,050, respectively, if such taxpayer is a married individual filing a separate return.)

Qualifying family members

A qualifying family member would be defined by the bill as any individual (other than the taxpayer's spouse) who (1) is related to the taxpayer by blood or marriage, (2) is at least 75 years of age (or suffers from Alzheimer disease), and (3) has family income [1] of $15,000 or less.

Qualified elderly care expenses

Under the bill, expenses qualifying for the credit would be payments for home health agency services provided by organizations certified by the Health Care Financing Administration, homemaker services, adult day care, respite care, or certain unreimbursed expenses for health care equipment and supplies provided by an unrelated organization or individual.

However, the maximum amount of such expenses eligible in one year for the credit would be $3,500 with respect to one qualifying family member, and $7,000 with respect to two or more family members ($1,750 and $3,500, respectively, if the taxpayer is a married individual filing a separate return).

If more than one individual paid elderly care expenses on behalf of a particular family member during the year, the maximum amount of elderly care expenses eligible for the credit would be determined by treating all such contributing individuals as one taxpayer. Each contributing individual would be entitled to compute separately the allowable credit by taking into account that portion of the maximum creditable expenses equal to his or her portion of the total elderly care expenses paid.

Computation of credit

Under the bill, the credit would be computed as a percentage of qualified elderly care expenses. The maximum credit (applicable to individuals who have $10,000 or less of adjusted gross income) would be 30 percent of qualified elderly care expenses (i.e., a maximum credit of $1,050 for one qualifying family member, or $2,100 if expenses are paid on behalf of two or more family members).

The maximum 30-percent credit rate would be reduced by one percentage point for each $2,000 of the taxpayer's adjusted gross income (or fraction thereof) above $10,000, until the lowest rate (20 percent) is reached for taxpayers with income above $28,000. Thus, an individual with more than $28,000 of adjusted gross income would be entitled to a maximum credit of 20 percent of qualifying elderly care expenses (i.e., a credit of $700 for one qualifying family member, or $1,400 if expenses are paid on behalf of two or more family members).

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[1] Under the bill, family income, with respect to any unmarried family member, would be that individual's adjusted gross income or, in the case of a married individual, the adjusted gross income of such individual and his or her spouse.

No credit would be allowable for a taxpayer with adjusted gross income of $50,000 or more ($25,000 in the case of a married individual filing a separate return).

Duplication of benefits

Under the bill, an individual would not be permitted to claim a deduction or credit under any other Code section for any elderly care expenses taken into account in determining the amount of the tax credit allowed for elderly care expenses.

Reports

The bill would require the Treasury Department to prepare and submit to the Congress a report estimating (1) the number of individuals who are allowed the credit for elderly care expenses; (2) the utilization of the credit by income group and by category of qualified elderly care expenses; and (3) the total effect on revenues of enacting the credit.

A report would be required for taxable years ending in 1983 and each of the four calendar years thereafter. The report would be due by September 15 of the calendar year following the calendar year for which required.

Effective date

The provisions of the bill would apply to taxable years beginning after December 31, 1982.

4. S. 2425—Senators Roth and Tsongas

Modification of Mortgage Subsidy Bond Rules; IDBs For Certain Residential Rental Property

Present law

Overview

The Mortgage Subsidy Bond Tax Act of 1980 was enacted as part of the Omnibus Reconciliation Act of 1980 (P.L. 96-499). The Act was intended generally to direct the subsidy from the use of tax-exempt bonds for housing to those individuals who have the greatest need for the subsidy, to increase the efficiency of the subsidy, and to restrict the overall revenue loss from the use of tax-exempt bonds for housing. The Act provides for bonds used to finance single-family, owner-occupied residences (referred to as "qualified mortgage bonds") and for bonds used to finance residential rental projects ("multi-family rental industrial development bonds").

Qualified mortgage bonds

First-time homebuyer or three-year rule

In order for an issue to be a qualified mortgage bond, all of the mortgages financed from the bond proceeds must be provided to mortgagors each of whom did not have a present ownership interest in a principal residence at any time during the three-year period ending on the date that the mortgage is executed.

The three-year requirement does not apply with respect to mortgagors in three situations. First, it does not apply to mortgagors of residences that are located in a targeted area. Second, it does not apply to mortgagors who receive qualified home improvement loans. Third, it does not apply to mortgagors who receive a qualified rehabilitation loan.

Purchase price requirement

In order for an issue to be a qualified mortgage bond, all of the mortgages (or other financing) provided from the bond proceeds, except qualified home improvement loans, must be for the purchase of residences where the acquisition cost of each residence does not exceed 90 percent (110 percent in targeted areas) of the average area purchase price applicable to that residence.

The average area purchase price means the average purchase price of all single-family residences in the statistical area in which the residence is located. The average is to be based on sales during the most recent 12-month period for which sufficient statistical information is available.[1] Whether a particular residence meets the purchase price

[1] Temporary Treasury regulations provide a safe harbor rule under which an issuer may rely on the average purchase price published by the Treasury for an area for the period stated at the time of the publication (Temp. Reg. § 6a.103A-2 (f) (5)).

requirement is determined on the date that the mortgage originator makes a commitment to provide financing from the bond proceeds (or, if earlier, the date of the purchase of the residence). Separate determinations are to be made for new and used residences.

Arbitrage

In order for an issue to be a qualified mortgage bond, the proceeds of an issue which are invested in mortgage and nonmortgage investments are subject to certain arbitrage requirements.

Under present law, the effective rate of interest on mortgages financed with the proceeds of an issue of qualified mortgage bonds may not exceed the yield on the issue by more than one percentage point. In general, this requirement imposes a limitation on the amount of costs a mortgagor is required to pay, such as underwriter commissions and other issuance costs, servicing fees, and trustee fees. Under this provision, the total cost of issuing the bonds and providing mortgage financing which may be passed on the mortgagors may not exceed the yield on the issue by more than one percentage point.

Certain restrictions are imposed on the investment of proceeds in nonmortgage investments. Present law limits the amount of proceeds invested at an unrestricted yield in nonmortgage investments to 150 percent of the debt service on the issue for the bond year. An exception to the 150-percent debt service rule is provided, however, for proceeds invested for a temporary period until such proceeds are needed for mortgages. In addition, present law also requires that arbitrage earned by the issuer on nonmortgage investments is to be paid or credited to the mortgagors or paid to the Federal Government.

Registration

In order for an obligation to be a qualified mortgage bond, all of the obigations which are part of the issue must be in registered form.

Termination

Present law provides that no obligation issued after 1983 may be treated as a qualified mortgage bond.

Multi-family rental industrial development bonds (IDBs)

Targeted group

Present law provides that interest on industrial development bonds (IDBs) is exempt from Federal income taxation if substantially all of the proceeds are used to provide a qualifying project for residential rental property. A project is treated as meeting these requirements only if 20 percent (15 percent in targeted areas) or more of the units in the project are to be occupied by individuals of low or moderate income.

For purposes of these requirements, the term low or moderate income has the same meaning as in Code section 167(k)(3)(B). Under that section, low or moderate income is to be determined by the Treasury Department in a manner consistent with the Leased Housing Program under section 8 of the United States Housing Act of 1937. The current Treasury regulations provide that occupants of a dwelling unit generally are considered families and individuals of low or moderate income only if their adjusted income does not exceed 80 percent of the median income for the area, as determined by the Secretary of Housing and Urban Development.

Required period of targeting

Present law provides that, for bonds issued before January 1, 1984 (and which do not come within the transitional rules), the 20 (or 15)-percent test must be met for a period of 20 years. The 20-year period begins on the first date that the project is available for occupancy and that the tax-exempt obligations are outstanding. Under this rule, the 20-percent test will be met where the developer of the project has entered into a contract with a Federal or State agency that requires that at least 20 (or 15) percent of the units be maintained for persons of low or moderate income for a period of at least 20 years and provides rent subsidies for such persons for that period.

Registration

Multi-family rental industrial development bonds must be in registered form.

Issues

Qualified mortgage bonds

The issues raised by the bill which relate to qualified mortgage bonds are:

(1) What should be the amount of arbitrage on mortgage investments?

(2) Should 20 percent of the mortgages provided by an issue not be subject to the three-year requirement? Should additional exceptions to the three-year rule be provided for individuals owning housing made uninhabitable by a disaster or governmental action or individuals living in substandard housing? Should the issuer have any responsibility to determine if these requirements are met or should the tests be met if the mortgagor certifies that the tests are met?

(3) Should an exception be provided to the restrictions on nonmortgage investments where the sale of a nonmortgage investment would result in a loss?

(4) Should the registration requirements be repealed?

(5) Should the termination date be extended to December 31, 1985?

Multi-family rental industrial development bonds

The issues raised by the bill which relate to multi-family rental industrial development bonds (IDBs) are:

(1) Should the income of tenants which will qualify for the 20 (or 15) percent test be permanently defined as 80 percent of the median gross income for an area or as an income determined by the Secretary of Housing and Urban Development from time to time, or should the targeted group automatically be limited to those individuals who would be eligible to receive direct rental assistance (under section 8 of the United States Housing Act of 1937)?

(2) How long should the project be used to provide rental housing to low or moderate income individuals in order for such project to qualify for tax-exempt industrial development bond financing?

(3) Should the registration requirements be repealed?

Explanation of the bill

Qualified mortgage bonds

Three-year requirement

The bill would provide that an obligation meets the three-year requirement if at least 80 percent of the mortgagors to whom financing is provided certify that they (1) had an interest in a residence which an appropriate State or local official has certified does not meet the minimum housing standards established for the area by the State or local government with respect to sanitation, heating, major structural requirements, or overcrowding, (2) had an ownership interest in a prior residence which can no longer be occupied on a permanent basis due to natural disaster or governmental action, or (3) did not have a present ownership interest in a principal residence at any time during the three-year period ending on the date the mortgage is executed.

Purchase price requirement

The bill would increase the purchase price limitations from 90 percent (110 percent in targeted areas) to 110 percent (120 percent in targeted areas) of the average area purchase price. Thus, under the bill, all of the mortgages (or other financing) provided from the bond proceeds, except qualified home improvement loans, would have to be for the purchase of residences where the acquisition cost of each residence does not exceed 110 percent (120 percent in targeted areas) of the average area purchase price applicable to that residence.

Arbitrage

Th bill would increase the maximum amount by which the effective rate of interest on mortgage investments may exceed the yield on the issue from 1.0 percentage points to 1.25 percentage points.

With respect to nonmortgage investments, the bill would provide that the rule of present law requiring liquidations of reserves will not apply to the extent it requires the disposition of any assset at a loss in excess of the amount of undistributed arbitrage profits on nonmortgage investments at such time.

Registration

The bill would eliminate the registration requirement for mortgage subsidy bonds.

Termination

The bill would extend the termination date an additional two years to provide that no obligation issued after 1985 may be treated as a qualified mortgage bond.

Multi-family rental industrial development bonds (IDBs)

Targeted group

The bill would modify the provisions of present law to provide that individuals with "low or moderate" income, for whom 20 (or, in targeted areas, 15) percent of the bond-financed units must be targeted, are (1) those individuals whose incomes do not exceed 80 percent of the area median gross income, or (2) those individuals who are classified as individuals of low or moderate income by the Secretary of Housing and Urban Development. The bill would provide that the gross income for an area may be determined by the use of estimates by the Secretary of Housing and Urban Development. Also, the bill would provide that the Secretary of Housing and Urban Development may take into consideration, in determining whether individuals are of low or moderate income, (1) the size of the individual's family, (2) construction costs in the area, and (3) any other factor prevailing in the area.

Required period of targeting

The bill would provide that the 20 (15 in targeted areas) percent requirement must be met for the period beginning on the first day on which a unit of the project is occupied and continuing until the later of (1) 10 years after that day, (2) a date ending when 50 percent of the maturity of the bond has elapsed, or (3) the date on which any section 8 assistance terminates.

Registration

The bill would repeal the registration requirement as it applies to multi-family rental industrial development bonds.

Effective date

The provisions of the bill would apply to obligations issued after the date of enactment.

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