

Key Provisions of the American Recovery and Reinvestment Act of 2009

Tax Provisions

- \$8,000 first-time home buyer, true tax credit (no repayment) for the purchase of a principle residence between January 1 and December 1, 2009. Recaptured if home is sold within three years. Removes the restriction on the use of tax credit proceeds with Housing Finance Agency-issued tax exempt mortgage revenue bonds.
- Short-term gap financing for Low Income Housing Tax Credit (LIHTC) projects:
 1. Provision allowing states to turn in portion of 2009 LIHTC allocations for cash.
 2. Special appropriation of \$2 billion in HOME funds.
- Ten-year deferral of tax from business debt cancelled as part of a repurchase or restructuring.
- 5-year carryback of 2008 net operating losses for businesses with gross receipts of less than \$15 million (three year average).
- Extension of enhanced bonus depreciation.
- Extension of increased small business expensing.
- Enhancements to the section 25C program for energy efficiency remodeling improvements to existing homes.
- One-year patch of the Alternative Minimum Tax.
- Increase New Markets Tax Credit allocating authority for 2008 and 2009
- Delays for one year the start of 3% government contractor withholding requirement.

Appropriations Provisions

- \$2 billion for full year payments to owners of Section 8 project based rental assistance properties.
- \$2.25 billion through HOME program and Low Income Housing Tax Credit program to fill financing gaps.
- \$1 billion for CDBG
- \$2 billion for Neighborhood stabilization program.
- \$1.5 billion for homelessness prevention activities (help with rents etc)
- \$250 million for energy retrofitting and green investments in HUD assisted projects.
- \$27.5 billion for highway spending. (many of our guys are interested in this infrastructure stuff)
- \$200 million for Section 502 direct loans under the Rural Housing Service. (*Still unconfirmed*)

Other Provisions

- Increases in FHA, Fannie Mae and Freddie Mac loan limits to 2008 levels.

Provisions Not Included in Final Agreement

- Provision temporarily accelerating LIHTCs to early years of 10-year credit period.
- 5-year carryback of general business credits (LIHTCs, 45L, etc).