

2023 LEGISLATIVE PRIORITIES



1. INCENTIVIZE MORE OWNERS TO SELL THEIR HOMES

HOUSE & SENATE ACTION REQUESTED: *Support and pass H.R. 1321, the More Homes on the Market Act.*

Thank current cosponsors of the bill:

- **Jimmy Panetta (Bill Author)** **Eric Swalwell**
Kevin Kiley **Brad Sherman**

H.R. 1321 will double the capital gains exclusion and index it for inflation going forward. The current limits of \$250,000 for individuals and \$500,000 for joint filers was created in 1997 and never indexed. H.R. 1321 raises the limits to approximately the level it would have been if the law had been originally indexed.

Every year this issue is not addressed, more and more households are choosing not to sell their home, limiting homebuying opportunities. A number of these households never envisioned their home as an investment, but purchased their homes decades ago, and can't sell because of the tax burden.

2. ATTRACT PRIVATE INVESTMENT FOR BUILDING AND REHABILITATING HOMES

HOUSE & SENATE ACTION REQUESTED: *Support and pass S. 657, the Neighborhood Homes Investment Act, or similar legislation.*

S. 657 will create tax credits to incentivize and support the building and rehabilitating of homes for low- and moderate-income homeowners. The tax credits will promote neighborhood stability through sustainable homeownership.

There is a gap in the construction and availability of low- and moderate-housing. A tax incentive will help promote housing supply for this underserved segment of the market.

3. COMMERCIAL TO RESIDENTIAL AND MIXED-USE PROPERTIES

HOUSE & SENATE ACTION REQUESTED: *Support legislation that will create tax credits to offset the cost of converting commercial space to residential or mixed-use.*

Congress can incentivize the development of housing units through the creation of tax credits to offset the cost of conversion. COVID has changed how many businesses view the need for office space, while e-commerce has changed demand for retail space. This has led to an increase in commercial space vacancies. Creating incentives can offset the cost for landlords to update their properties to meet the evolving needs of their communities.

4. IMPROVE THE HUD HOUSING CHOICE VOUCHER PROGRAM

HOUSE & SENATE ACTION REQUESTED: *Support and pass S. 32, the Choice in*

Affordable Housing Act, or similar legislation.

S. 32 will improve HUD's housing choice voucher program (also known as Section 8). The legislation will:

- Use neighborhood-specific data to set fair rents.
- Reduce inspection delays by allowing units in buildings financed by other federal housing programs to meet the voucher inspection if the unit had been inspected in the past year.
- Allow a housing provider to request a pre-inspection that would be good for 60 days.

REALTORS® understand the importance of Section 8 vouchers and these changes will go a long way toward improving the program.

5. FAIR HOUSING

HOUSE AND SENATE ACTION REQUESTED: Support the Reauthorization and increase in funding for HUD fair housing enforcement programs.

Congress should support legislation that closes the homeownership gaps among demographic groups and reauthorize and increase funding for HUD's fair housing enforcement grant programs. As stewards of the right to own, use, and transfer private property, REALTORS® know an open housing market free from discrimination benefits consumers, communities, and the American economy. Yet, more than 50 years after passage of the federal Fair Housing Act, the homeownership rates for African Americans, Hispanic Americans, and Asian Americans lag behind that of White Americans. REALTORS® are committed to the enforcement of fair housing laws and to policies that remove historic barriers to homeownership.

6. STATE AND LOCAL TAX DEDUCTION

HOUSE AND SENATE ACTION REQUESTED: Eliminate or increase the current cap of \$10,000 on state and local tax deductions.

The SALT cap is punitive to California homebuyers and homeowners. Not allowing the full deduction of state and local taxes is a double taxation on California residents. When a household pays their state taxes, that is money not available to them to utilize; however, the federal government is now requiring these households to pay taxes on that money.

7. NEW UPFRONT LOAN FEES ON FANNIE MAE AND FREDDIE MAC MORTGAGES

HOUSE AND SENATE ACTION REQUESTED: Share with your member of Congress NAR's letter and explain the importance of the issue.

REALTORS® welcome the reduced fees for entry-level borrowers, but the higher fees on middle-wealth borrowers should be eliminated. The fee increases exacerbate the 3-percentage point surge in rates over the last year, harming borrowers. Fannie Mae and Freddie Mac are extremely profitable and did not need to raise fees. Given their position as market utilities with a Congressional charter, there is no need to charge more.