



**UNITED STATES HOUSE OF REPRESENTATIVES
OFFICE OF THE MAJORITY WHIP
THE HONORABLE JAMES E. CLYBURN (SC-06)**

THE WHIP PACK

WEEK OF OCTOBER 9, 2007

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Bill Text and Background for the Week of October 9, 2007

- H.R. 2895 - National Affordable Housing Trust Fund Act of 2007
- H.R. 3056 -Tax Collection Responsibility Act of 2007
- Bill Under Suspension: H.R. 400 - War Profiteering Prevention Act of 2007

H.R. 2895 - NATIONAL AFFORDABLE HOUSING TRUST FUND ACT OF 2007 (Rep. Frank – Financial Services) (Subject to a Rule)

Bill Text: [HTML Version](#), [PDF Version](#)
[Bill Summary and Status](#)

Rules Committee Meeting: Tuesday, October 9, 2007 at 5:00 p.m. in H-313 the Capitol, [Special Announcement](#), [Amendment Process Announcement](#)

Committee: [Committee on Financial Services](#)

Committee Staff Contact: 5-4247

LEGISLATION AT A GLANCE:

Funding: Funding sources include amounts from the GSE Affordable Housing Fund (H.R. 1427), FHA savings from enactment of the “Expanding American Homeownership Act” (HR 1852), and any other sources of funds subsequently identified. The goal is to construct, rehabilitate, and preserve 1,500,000 units of housing over the next 10 years.

Formula: HUD allocates funds under a formula it must develop, using factors including population, housing costs, affordability, and state of the housing stock. 60% of funds go to participating local jurisdictions and 40% goes to states, Indian Tribes and insular areas. If nationwide funding in a year is less than \$2 billion, localities entitled to less than a \$750,000 minimum will have their share go to the state in which they are located.

Eligible Uses of Trust Fund Monies: The bill would allow Trust Fund monies for construction, rehabilitation, acquisition, preservation incentives (including for manufactured housing and community land trusts) and operating assistance to facilitate affordability. Funds may be used for both rental housing that is affordable and for down payment and closing cost assistance by first time homebuyers.

Targeting/Affordability: All Trust Fund monies must be used for low income families (below 80% of state or local median income), except that this income ceiling is reduced to 60% of local median income if annual funding in any year is less than \$2 billion. At least 75% of funds must go to extremely low-income families (below 30% of median income or below the national poverty level). At least 30% of funds must go to families with incomes below the SSI income limit. In addition, at least 10% of funds must go to families with incomes over 50% of the local area median income. Projects must be affordable for tenants, and projects assisted with trust funds must be mixed income.

Eligible Recipients of Trust Fund Monies: Eligible recipients to receive and utilize grants include any organization, agency, or other entity (including for-profits, nonprofits, faith-based organizations, CDFIs, CDC, and state and local trust funds) that has demonstrated the experience, ability, and capacity to carry out the proposed use of funds.

Selection of Projects for Use of Grant Funds: Grantees must develop an allocation plan, under which grants are provided under a competitive selection process using criteria in the bill. Grantees must provide funds to rural areas proportionate to identified need in those areas. However, HUD allocates all of the money for Indian Tribes by competition.

Match Requirement: Each grantee must match Trust funds with 12.5% in state, local, or private resources or 25% in federal resources (or a combination). Up to 33% of the match may come through binding commitments to provide services for residents. The match may be reduced or waived where a zoning variance or regulatory barrier waiver was required to site the project, or where HUD determines the grantee is in fiscal distress.

Prohibited Uses: The bill prohibits recipients from using funds for administrative costs or expenses, political activities, advocacy, lobbying, counseling services, travel expenses, and preparation of or advice on tax returns. HUD shall limit the percentage of funds grantees may use for administration, in an amount not to exceed 10%. Program participants must comply with all rules, and grantees must prepare annual fund use reports. HUD may terminate or withhold funds in cases of misuse of funds.

House Report 110-362:

[HTML Version](#), [PDF Version](#)

Full Committee Mark-up:

[Full Committee Markup](#), July 31, 2007

[National Journal Report](#)

[Archived Webcast of Markup](#)

Summary of Committee Votes:

- [Chairman Frank Manager's Amendment](#) — Included several technical and substantive provisions. **Adopted by Voice Vote.**
- [Rep. Davis Rural Housing Amendment](#) — Inserted language to include "priority housing needs in rural areas" that requires grantees to make rural housing needs a priority when making allocations. **Adopted by Voice Vote.**
- [Rep. Velazquez State and Local Funding Amendment](#) — Added language stating the fund would not supplant existing state and local funding for affordable housing. **Adopted by Voice Vote.**
- [Rep. Capuano State Funding Formula Amendment](#) — Added a new formula for state funding that would not allow the re-allocation of certain state funds to other states considered more in need. **Adopted by Voice Vote.**
- [Rep. Castle Median Income Eligibility Amendment](#) — Allows participation by individuals earning up to 60 percent of the median family income for the area in which the house is located and increased the median income eligibility amount from 30 percent. **Adopted by Voice Vote.**
- [Reps. Miller, McCarthy, Capuano En Bloc Amendments](#) — Established that 10 percent of affordable housing funds each year would be used to help families making more than 50 percent of the area median income. Added a provision to the affordable housing formula that takes into account a jurisdiction's increase in the percentage of rental housing from the preceding fiscal year. Requires approval by Congress and the federal government for any housing formulas. Mandates a review of targeting requirements not later than Oct. 1, 2012, and every five-year period thereafter. **Adopted En Bloc by Voice Vote.**

- [Rep. Royce Fraudulent Participants Amendment](#) — Prohibits further assistance for fraudulent recipients for one year, or the 10-year trust fund period if there are subsequent offenses. **Adopted by Voice Vote.**
- [Rep. Hensarling Section 8 Waiting List Amendment](#) — Gives priority to families on the Section 8 waiting list for one year or longer when a property becomes eligible for Section 8 housing. **Adopted by Voice Vote.**
- [Rep. Neugebauer Substitute Amendment](#) — Would have merged portions from the manager's amendment with the Department of Housing and Urban Development's HOME program. Instead of forming a new housing trust fund, the amendment would have provided grants for housing programs. **[Rejected 24-43: R 24-6; D 0-37; I 0-0.](#)**
- [Rep. Price ID Requirements Amendment](#) — Would have established an "acceptable identification requirement" for occupancy or assistance in housing programs. Required forms of identification would have included: Social Security cards, accompanied by a government-issued photo ID, a passport, or a photo ID issued by the Department of Homeland Security. **[Rejected 33-34: R 30-0; D 3-34; I 0-0.](#)**
- [Rep. Feeney Labor Standards Amendment](#) — Would have stated that the funds used for housing construction were not subject to the Davis-Bacon labor standard, which requires contractors on federally funded projects to offer prevailing local wages and benefits. **[Rejected 20-47: R 20-10; D 0-37; I 0-0.](#)**
- [Rep. Price Funding Offsets Amendment](#) — Would have required offsets to ensure the measure does not either increase the federal deficit or reduce the federal surplus. **[Rejected 30-37: R 30-0; D 0-37; I 0-0.](#)**
- [Rep. Hensarling Appropriation of Funds Amendment](#) — Would have changed the language in the bill that allows for future deposits to the fund by striking the words "transferred or credited" and requiring that the funding be appropriated. **[Rejected 29-38: R 29-1; D 0-37; I 0-0.](#)**
- **Vote to Report:** Favorably Reported to the Full House, as Amended, by a **Recorded Vote of [45-23: R 8-23; D 37-0; I 0-0.](#)**

CRS Reports:

[RL34158](#): Creating GSE Affordable Housing Funds: Proposed Legislation in the 110th Congress

[RL33879](#): Housing Issues in the 110th Congress

GAO Reports:

[GAO-07-768R](#): Leveraging Federal Funds for Housing, Community, and Economic Development, May 25, 2007

CBO Report:

[Cost Estimate](#): Ordered Reported by the Committee on Financial Services

Full Committee Hearing:

[Full Committee Hearing on The National Affordable Housing Trust Fund Act of 2007,](#)

[H.R. 2895](#), July 19, 2007

[Archived Webcast of Hearing](#)

Member Statements: [Congressman Gillmor](#), [Congresswoman Brown-Waite](#)

Witness Testimony:

Panel One

[The Honorable Brian Montgomery](#), Assistant Secretary for Housing-Federal Housing Commissioner, U.S. Department of Housing and Urban Development

Panel Two

[The Honorable Henry Cisneros](#), Executive Chairman, CityView

[Ms. Sheila Crowley](#), President, National Low Income Housing Coalition

[The Honorable William D. Euille](#), Mayor, Alexandria, Virginia, on behalf of the U.S. Conference of Mayors

[Ms. Lisa Alberghini](#), Director, Planning Office for Urban Affairs, Archdiocese of Boston

[Ms. JoAnne Poole](#), Broker/Owner, Poole Realty, on behalf of the National Association of Realtors

Panel Three

[Mr. Dave Roberts](#), CEO and President of Lutheran Homes Society

[Ms. Barbara Thompson](#), Executive Director, National Council of State Housing Agencies

[Mr. Hilary O. Shelton](#), Director, Washington Bureau, National Association for the Advancement of Colored People

[Dr. Megan Sandel](#), Assistant Professor of Pediatrics, Boston University School of Medicine

[Mr. Joe L. Myer](#), Executive Director, NCALL, Research, Inc., on behalf of National Rural Housing Coalition

Organization Statements:

[National Association of Realtors](#)

[Department of Social Development and World Peace](#)

[Evangelical Lutheran Church in America](#)

[National Low Income Housing Coalition](#)

[Lutheran Services in America](#)

[Enterprise Community Partners](#)

[National Health Care for the Homeless Council](#)

[Jewish Council for Jewish Affairs](#)

[Housing Assistance Council](#)

[National AIDS Housing Coalition](#)

[American Network of Community Options and Resources](#)

[National Alliances of Mental Illness](#)

[National Coalition for the Homeless](#)

[National Alliance to End Homelessness](#)

[Disability Policy Collaboration](#)

[Coalition on Human Needs](#)

[National Association of Home Builders](#)

[The Jesuits in the United States](#)

[Corporation for Supportive Housing](#)

Administration Position:

(TBA)

Fact Sheets & Talking Points:

[Committee Site on National Affordable Housing Trust Fund](#)

[Summary of HR 2895](#), Committee on Financial Services

Press Releases, News Articles & Related Information:

[Financial Services Committee Passes Affordable Housing Trust Fund](#), July 31, 2007,
Committee on Financial Services

Other Resources:

[Cosponsors of H.R. 2895](#)

H.R. 3056 TAX COLLECTION RESPONSIBILITY ACT OF 2007 (*Rep. Rangel – Ways and Means*) (*Subject to a Rule*)

Bill Text: [HTML Version](#), [PDF Version](#)
[Bill Summary and Status](#)

Rules Committee Meeting: Tuesday, October 9, 2007 at 5:00 p.m. in H-313 the Capitol,
[Special Announcement](#)

Committee: [Committee on Ways and Means](#)

Committee Staff Contact: 5-3625

LEGISLATION AT A GLANCE:

Repeal of IRS authority to enter into private debt collection contracts. The provision would repeal the IRS's authority to enter into contracts with private companies to collect Federal income taxes.

Delay application of withholding requirement on certain governmental payments for goods and services. The provision would delay, for one year (to December 31, 2011), the application of the three percent withholding requirement on government payments for goods and services.

Clarification of entitlement of Virgin Islands residents to protections of limitations on assessment and collection of tax. The provision would extend to residents of the Virgin Islands the same administrative and procedural protections that are available to U.S. taxpayers, such as a three-year statute of limitations on collections

Revision of tax rules on expatriation. The provision would impose an immediate tax on individuals that renounce their U.S. citizenship and would mark-to-market gains on property of expatriating individuals.

Repeal of suspension on certain penalties and interest. The provision would repeal the suspension of interest and penalties on certain tax deficiencies (e.g., due to negligence) where the IRS has notified a taxpayer after 36 months.

Increase information return penalties. The provision is a scaled-back version of the Treasury Department's proposal to increase penalties (per return and annual cap) on failures to provide Form 1099 information returns.

Increase corporate estimated tax payment requirements. The provision would temporarily increase, for three months in 2012, required estimated tax payments for certain large corporations.

House Report 110-281:
[HTML Version](#), [PDF Version](#)

Full Committee Mark-up:
[Markup of H.R. 3046, the "Social Security Number Privacy and Identity Theft Prevention Act of 2007"](#) and [H.R. 3056 the "Tax Collection Responsibility Act of 2007"](#), July 18, 2007
[National Journal Report](#)
[Joint Tax Description of Chairman's Amendment in the Nature of a Substitute to H.R. 3056](#)
[Chairman's Amendment in the Nature of a Substitute to H.R. 3056](#)

Summary of Committee Votes:

- Rep. Herger Repeal of 3 Percent Withholding Amendment to the Manager's Amendment to the Manager's Amendment — Would have struck the private debt collector and 3 percent withholding language and replaced it with full repeal of 3 percent withholding. It would also have required increased information reporting for certain government payments for property and services. **Rejected 17-23: R 17-0; D 0-23; I 0-0.**
- Rep. Herger Delay 3 Percent Withholding Amendment to the Manager's Amendment — Would have struck certain debt collector language and amend another section to delay implementation of the 3 percent withholding provision to 2016. **Rejected 17-23: R 17-0; D 0-23; I 0-0.**
- Rep. English Alternative Minimum Tax to the Manager's Amendment — Would have exempted a taxpayer from penalties, as well as interest related to penalties, resulting from failure to make sufficient quarterly tax payments resulting from new or increased liability as a result of the Alternative Minimum Tax in tax year 2007. It would have exempted the taxpayer only from penalties and interest resulting in quarterly payments, made based on tax paid by the taxpayer under either the regular income tax or AMT in tax year 2006. **Rejected 17-23: R 17-0; D 0-23; I 0-0.**
- Rep. Weller Marriage Penalty Relief Amendment to the Manager's Amendment — Would have made relief from the so-called marriage penalty permanent. **Rejected 17-23: R 17-0; D 0-23; I 0-0.**
- Rep. Weller Domestic Production in Puerto Rico Amendment to the Manager's Amendment — Would have made deductions for income attributable to domestic production activities in Puerto Rico permanent. **Withdrawn.**
- Rep. Hulshof Death Tax Repeal Amendment to the Manager's Amendment — Would have permanently extended the repeal of the so-called death tax beyond 2010. **Rejected 18-23: R 17-0; D 1-23; I 0-0.**
- Rep. K. Brady Private Debt Collection Amendment to the Manager's Amendment — Would have struck language relating to the repeal of authority for the IRS to enter into private debt collection contracts. **Rejected 18-23: R 17-0; D 1-23; I 0-0.**
- Rep. Reynolds Civil and Criminal Penalties Amendment to the Manager's Amendment — Would have increased civil damages from \$1,000 to \$2,000 for unauthorized inspection and disclosure of any tax return or tax information by IRS employees, state employees or IRS contractors. The amendment also would have increased maximum fines and imprisonment from \$1,000 and one year to \$2,000 and two years for unauthorized inspection of any tax return or tax information by IRS employees, state employees or IRS contractors. Similarly, it would have increased maximum fines from \$5,000 and to \$10,000 for unauthorized disclosure of any tax return or tax information by IRS employees, state employees or IRS contractors. **Rejected 17-24: R 17-0; D 0-24; I 0-0.**
- **Vote to Report:** Favorably Reported to the Full House, as Amended in the Nature of a Substitute, by a **Recorded Vote of 23-18: R 0-17; D 23-1; I 0-0.**

CRS Reports:

[RL33882](#): Tax Gap and Tax Enforcement

GAO Reports:

(TBA)

CBO Report:

[Cost Estimate](#): Ordered Reported by the Committee on Ways and Means

Full Committee Hearing:

[Hearing on Internal Revenue Service's Use of Private Debt Collection Companies to Collect Federal Income Taxes](#), May 23, 2007

[Hearing Advisory](#)

Witness Testimony:

[Nina E. Olson](#), National Taxpayer Advocate, Internal Revenue Service

[Colleen M. Kelley](#), President, National Treasury Employees Union, accompanied by Elizabeth Paray

[Kevin M. Brown](#), Acting Commissioner, Internal Revenue Service

[Thomas R. Penaluna](#), President & Chief Executive Officer, The CBE Group, Inc., Waterloo, Iowa

[Gregory D. Kutz](#), Managing Director, Forensic Audits and Special Investigations, U.S. Government Accountability Office, accompanied by John J. Ryan, Assistant Director

Submissions for the Record:

[ACA International, statement](#)

[American Association of People with Disabilities, statement](#)

[James Wallace, Allied International Credit, statement](#)

[Rothman, statement](#)

[Sierra Group, statement](#)

[Tax Fairness Coalition, statement](#)

Organization Statements:

[Support Letters](#)

American Federation of State County and Municipal Employees

Citizens for Tax Justice

National Treasury Employees Union

OMB Watch

Administration Position:

(TBA)

Fact Sheets & Talking Points:

[H.R. 3056 Summary](#), Committee on Ways and Means

[Major Results of Committee Investigation](#), Committee on Ways and Means

[Private Debt Collection Update](#), Committee on Ways and Means

[Summary of H.R. 3056](#), Committee on Ways and Means

[Joint Tax Description of H.R. 3056, the "Tax Collection Responsibility Act of 2007"](#)

[H.R.3056, the "Tax Collection Responsibility Act of 2007"](#)

[Joint Tax Estimated Revenue Effects of H.R. 3056](#)

Press Releases, News Articles & Related Information:

[Ways and Means Passes Good Government Tax Bill Stands up for taxpayers by repealing troublesome private debt collection program](#), July 18, 2007

Other Resources:

[Cosponsors of H.R. 3056](#)

BILL UNDER SUSPENSION:

[H.R. 400 - WAR PROFITEERING PREVENTION ACT OF 2007](#) (Rep. Abercrombie – Judiciary)

LEGISLATION AT A GLANCE:

H.R. 400, The War Profiteering Prevention Act of 2007, strengthens the tools available to Federal law enforcement to combat contracting fraud during times of war, military action, or relief or reconstruction activities. The bill creates a new criminal fraud offense in title 18 of the United States Code to prohibit fraudulent acts involving the provision of goods or services in connection with a mission of the United States Government overseas. It also makes this new offense a predicate crime for criminal forfeiture, as well as for Federal money laundering and racketeering offenses.

House Report 110-353:

[HTML Version](#), [PDF Version](#)

CBO Report:

[Cost Estimate](#): Ordered Reported by the Committee on the Judiciary

Press Releases, News Articles & Related Information:

[Markup of: H.R. 400, H.R. 2102, H.R. 3013, H.R. 2740, H.R. 1119, and H.R. 1071](#), August 1, 2007

[National Journal Report Full Committee Markup](#)

[Markup of: H.R. 1943, H.R. 1199, H.R. 400, H.R. 2740, H.R. 2102, and H.R. 3013](#), July 25, 2007

[National Journal Report Subcommittee Markup](#)

[HASC Approves Bipartisan Bill on Planning and Oversight of Iraq Redeployment](#), July 27, 2007

Other Resources:

[Cosponsors of H.R. 400](#)