

119TH CONGRESS
2^D SESSION

H. R. 9267

To amend the Internal Revenue Code of 1986 to modify the low-income housing tax credit to incentivize affordable and transit-oriented development and development in certain difficult development areas, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 2026

Mr. CASE (for himself, Mr. MOYLAN, and Ms. TOKUDA) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to modify the low-income housing tax credit to incentivize affordable and transit-oriented development and development in certain difficult development areas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Transit Oriented De-
5 velopment Act of 2026”.

1 **SEC. 2. LOW-INCOME HOUSING TAX CREDIT FOR TRANSIT-**
2 **ORIENTED DEVELOPMENT AREAS.**

3 (a) IN GENERAL.—Section 42(d)(5) of the Internal
4 Revenue Code of 1986 is amended by adding at the end
5 the following new subparagraph:

6 “(C) INCREASE IN CREDIT FOR BUILDINGS
7 IN TRANSIT-ORIENTED DEVELOPMENT
8 AREAS.—

9 “(i) IN GENERAL.—In the case of any
10 building located in a transit-oriented devel-
11 opment area which is designated for pur-
12 poses of this subparagraph—

13 “(I) in the case of a new build-
14 ing, the eligible basis of such building
15 shall be 150 percent of such basis de-
16 termined without regard to this sub-
17 paragraph, and

18 “(II) in the case of an existing
19 building, the rehabilitation expendi-
20 tures taken into account under sub-
21 section (e) shall be 150 percent of
22 such expenditures determined without
23 regard to this subparagraph.

24 “(ii) INCREASED ELIGIBLE BASIS FOR
25 NONCONTIGUOUS STATES AND TERRI-
26 TORIES.—In the case of a transit-oriented

1 development area in Hawaii, Alaska, or
2 any territory of the United States, sub-
3 clauses (I) and (II) of clause (i) shall each
4 be applied by substituting ‘155 percent’ for
5 ‘150 percent’.

6 “(iii) TRANSIT-ORIENTED DEVELOP-
7 MENT AREA.—For purposes of this sub-
8 paragraph, the term ‘transit-oriented de-
9 velopment area’ means an area designated
10 by the Secretary of Housing and Urban
11 Development and State housing credit
12 agency as located in an area within $\frac{1}{2}$ of
13 a mile from a rail, bus, harbor, or water-
14 way station and as zoned for high-density.

15 “(iv) LIMIT ON AREAS DES-
16 IGNATED.—The portions of metropolitan
17 statistical areas which may be designated
18 for purposes of this subparagraph shall not
19 exceed an aggregate area having 20 per-
20 cent of the population of such metropolitan
21 statistical areas. A comparable rule shall
22 apply to nonmetropolitan statistical areas.

23 “(v) COORDINATION WITH HIGH COST
24 AREAS.—If the eligible basis of a new
25 building, or the rehabilitation expenditures

1 with respect to an existing building, are
2 determined pursuant to subparagraph (B),
3 such building shall not be treated as lo-
4 cated in a transit-oriented development
5 area for purposes of this subparagraph.”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to buildings placed in service after
8 the date of the enactment of this Act.

9 **SEC. 3. HUD STUDY REGARDING ADJUSTMENT OF TAX**
10 **CREDIT ALLOCATIONS TO REFLECT GEO-**
11 **GRAPHIC COST-OF-LIVING DIFFERENCES.**

12 The Secretary of Housing and Urban Development
13 shall conduct a study to identify cost-of-living differences
14 throughout the United States based on geographic loca-
15 tion and proximity and accessibility to transit. Not later
16 than the expiration of the 1-year period beginning on the
17 date of the enactment of this Act, the Secretary shall sub-
18 mit a report to the Congress setting forth the results and
19 conclusions of the study and recommending formulas for
20 the adjustment of annual allocations to the States of low-
21 income housing tax credits under section 42 of the Inter-
22 nal Revenue Code of 1986 to reflect such cost-of-living dif-
23 ferences.

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