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House-Passed Reconciliation Bill Provides Largest Housing Credit Expansion in Quarter Century.

This morning, the House passed the 2025 reconciliation legislation, titled the “One Big Beautiful Bill Act,” by a 215 - 214 vote, sending the bill to the Senate, which will consider it after it returns from the Memorial Day recess. The bill represents the largest increase in Housing Credit resources since Congress raised the caps on Housing Credits and Private Activity Bonds and indexed the caps for inflation 25 years ago. The bill would:

- Increase the Housing Credit volume cap for 9 percent properties by 12.5 percent for four years: calendar years 2026, 2027, 2028, and 2029;
- Lower the bond financing threshold to 25 percent for 4 percent Housing Credit properties placed in service after December 31, 2025, so long as the bonds financing the project have an issue date between December 31, 2025, and January 1, 2030; and
- Allow state Housing Credit agencies to provide a basis boost of up to 30 percent for properties located in rural and Native American areas placed in service after December 31, 2025, and before January 1, 2030.

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