

Rent Relief Act of 2018

The middle class is shrinking, and the tax system seems to help more people at the top than at the bottom of the income scale. For the last generation, most Americans have not seen their real earnings rise, but their bills are going up every month, and the costs of housing, healthcare, and childcare are pushing more and more families out of the middle class. Nationally, over 21 million Americans spend more than 30% of their earnings on rent.¹ This proposal would help ease the cost of living for millions of families.

In 2015, 38 percent of all U.S. renters were “rent burdened.” This means families had to spend over 30% of their earnings on rent. The number of renters who are “severely rent burdened” (spending 50 percent or more of their monthly income on rent) went up 42% between 2001 and 2015.²

The Rent Relief Act will help make rental housing more affordable for struggling households. The bill would create a new, refundable tax credit to put more money in the pockets of families at a time when renters’ wages have remained stagnant and housing costs have increased rapidly. More and more Americans are finding it increasingly difficult to make it month to month.

This bill would help ease their rent burden by allowing qualified taxpayers to claim a refundable tax credit for the rent that they pay. In order to qualify, taxpayers must spend at least 30% of their gross income for the taxable year on their rent including utilities. The proposal would allow individuals living in government-subsidized housing to receive the tax benefit as well. This bill would give much-needed relief to low and moderate income residents.

Support for the bill includes the National Low Income Housing Coalition, National Alliance to End Homelessness, the National Housing Law Project, National Fair Housing Alliance, California Housing Partnership, the Fair Housing Advocates of Northern California and many more.

¹ <https://ternercenter.berkeley.edu/blog/fair-credit>

² http://www.pewtrusts.org/-/media/assets/2018/04/rent-burden_report_v2.pdf