Legislation to provide a refundable income tax credit against tax on rent was introduced by Representative Danny K. Davis (D-IL) in July 2022. The Rent Relief Act of 2022 would provide individuals leasing their principal residence with a tax credit, in addition to establishing a program under the Department of Treasury for making advance payments of the respective tax credit.

The Rent Relief Act of 2022 provides much needed assistance to renters, particularly with the heavy financial burdens imposed on individuals by the COVID-19 pandemic.

- This bill allows for a tax credit for individuals who lease their principal residence while paying in excess of 30% of their adjusted gross income. This tax credit would be an equal amount to the percentage of such excess, which is decided based on the individual’s adjusted gross income.

- This bill establishes a program dedicated to making advance payments of the aforementioned tax credit on a monthly basis. The specific amount of the monthly advance payment shall be the lesser of the amount of the tax credit divided by 12, or whatever amount that is elected by the taxpayer.

- This bill allows taxpayers the opportunity to elect to receive advance payments of their tax credit by including an election on a filed return for the preceding taxable year.

- Rent in excess of 100% of the small area fair market rent would not be taken into account for determining the amount of the tax credit.

- Individuals with adjusted gross incomes exceeding $100,000 are not eligible to receive this particular tax credit provided by the enactment of this bill.

With the Supreme Court effectively lifting the federal eviction moratorium in August 2021, millions of individuals have lost critical tenant protections. This collective vulnerability is compounded by the financial burdens exacerbated by the COVID-19 pandemic, leaving people in dire need of rent relief and financial assistance. With a glaring lack of tenant protections at the federal, state, and local levels, individuals and families need assistance to be able to maintain housing stability and prevent homelessness.
The National Coalition for the Homeless is a national network of people who are currently experiencing or who have experienced homelessness, activists and advocates, community-based and faith-based service providers, and others committed to a single mission: To end and prevent homelessness while ensuring the immediate needs of those experiencing homelessness are met and their civil rights are respected and protected.

Contact NCH with questions: Donald Whitehead, Executive Director, dwhitehead@nationalhomeless.org.

**Cosponsors:**


**RENT RELIEF ACT OF 2022**