



COLORADO HOUSING
AND FINANCE AUTHORITY
Investing in Home and Business.

PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM

2005 JUN 21 P 1: 54

June 8, 2005

The President's Advisory Panel on Federal Tax Reform
1440 New York Avenue, NW, Ste. 2100
Washington, DC 20220

Dear Chairman Mack and other Panel members:

The President's Advisory Panel on Federal Tax Reform is about to begin its important discussions on potential reforms to the Internal Revenue Code. Your discussions could have tremendous impact on our economy, and the lives of Americans in the years ahead.

As you pursue these discussions, it is critical that you consider the potential impact of changes on two programs that have worked extremely well in meeting the housing needs of low- and moderate-income people around the country -- the Low Income Housing Tax Credit and tax-exempt private activity bond programs. Even proposals that may seem to have no impact on these two programs could have significant unintended consequences, as was discovered in 2003 when a dividend tax cut proposal threatened to reduce annual housing credit apartment production by more than one-third.

The Housing Credit and Mortgage Revenue Bond programs have been extremely effective nationwide, and CHFA has used it very effectively in Colorado. In 2004, alone, 2,741 households of modest income purchased their first home using our MRB program. Historically, CHFA has helped over 57,000 households achieve their goal of home ownership. Likewise, since the inception of the Housing Credit program in 1986, over 30,800 units have been created using this valuable resource.

As the nation looks at ways to cut funds, housing programs have been significantly impacted. This fact makes the Housing Credit and private activity bond programs even more important.

Please oppose any tax reform proposals that would either directly or indirectly harm these vital programs.

Sincerely,

Milroy A. Alexander
Executive Director