

-----Original Message-----

From: Boardman, Jerrold
Sent: Thursday, February 13, 2003 10:24 AM
To: Benson, Scott A
Cc: Lutz, Chuck; 'andrea.kajer@ci.minneapolis.mn.us'
Subject: FW: Dividend Tax Proposal

This might be something that we should consider as part of our Federal Legislative action. The Presidents corporate dividend proposal may have a negative impact on corporate investment in affordable housing through Low Income Housing Tax Credits. We are already seeing significant drops in investment levels and have gotten some indication from Fannie Mae that nationally there is some problems in finding investors to purchase tax credits.

LIHTC is one of the City's primary sources of equity in affordable mixed income projects.

Jerry

-----Original Message-----

From: Paul D Williams [<mailto:PWilliams@LISCNET.ORG>]
Sent: Monday, January 27, 2003 8:28 AM
To: clewis@centralmpls.org; David.Fey@ci.minneapolis.mn.us;
missy_thompson@fanniema.com; tfulton@fhfund.org;
dorothy@franklinbankmpls.com; Jerrold.Boardman@mcd.org;
cberde@mcknight.org; patricia.l.hanson@norwest.com; rmiller@nnp.org;
ken.stabler@nspco.com; jgc@saintpaulfoundation.org;
smillett@selbyareacdc.com; mike.haley@state.mn.us;
Mary.Pickard@stpaul.com; seidelsm@tchabitat.org;
REZA.AGHAMIRZADEH@usbank.com
Subject: Dividend Tax Proposal

Some of you may have heard about the potential negative impact of President Bush's new proposal to eliminate corporate taxes on dividends. Attached are some materials describing the apparent adverse impact this change could have on the Low Income Housing Tax Credit (LIHTC), one of the major sources of equity for affordable housing. The proposal, in essence, could significantly reduce the economic incentives for corporations to use tax credits as a way of reducing their tax burden. The change would also similarly impact the New Markets Tax Credit as well as the the proposed homeownership tax credit. National LISC is aggressively pursuing this issue. At the local level, they are asking CDCs, funders, advocates and supporters of community development to contact their congressional delegations, Senators, the media and other key policy makers. Feel free to call me at 651-265-2297 if you have any questions.