



**AN ACT REGARDING STATE INCOME TAX CREDIT FOR RENTING UNSUBSIDIZED PROPERTIES  
AT BELOW MARKET RENTS  
S.1494/H.1534**

**Sponsors: Senator Joseph Boncore and Representative Kevin Honan**

The proposed bill would give a \$1,500 tax credit to residential property owners who maintain below market rents.

**FREQUENTLY ASKED QUESTIONS**

***What are the goals of this Bill?***

The real estate market has experienced strong demand in recent years and in many neighborhoods rents have surged. The purpose of this bill is to encourage and incentivize small landlords to keep and maintain rents at or below market rate and help stabilize neighborhoods.

***Who can take advantage of this tax credit?***

Landlords who own and rent a 2-4 unit unsubsidized building.

***What rent level qualifies as below fair market?***

Qualifying rents will be based on the High HOME Rent limits published annually by US Department of Housing and Urban Development (HUD). For information on current HOME rent limits, visit:  
[https://www.hudexchange.info/resource/reportmanagement/published/HOME\\_RentLimits\\_State\\_MA\\_2016.pdf](https://www.hudexchange.info/resource/reportmanagement/published/HOME_RentLimits_State_MA_2016.pdf)

***How many units can qualify for this credit?***

Owners are entitled to a credit for *each* unit rented in a 2-4 unit building at rents at or below the fair market rents established by HUD for up to 6 units. For example, the owner-occupant of a triple decker could receive a \$3,000 credit if the rents for two units are below market as determined annually by HUD.

***Can landlords qualify for this credit if they rent to a tenant with a voucher?***

YES. Landlords who accept tenant-based subsidies like Section 8, MRVP and VASH may qualify.

***Can landlords qualify for this credit if they rent a unit to a family member?***

NO. Landlords cannot qualify for this credit for units rented to an immediate family member or a dependent.

***What if I have no taxable state income this year, but would otherwise qualify for the credit?***

The credit can be carried over for up to three years.

For additional information or answers to other questions, please contact the Office of Housing Stability at 617.635.4200 or [housingstability@boston.gov](mailto:housingstability@boston.gov).