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TAX POLICY

Summary of GAO Work Related to Expiring Tax Provisions

Statement for the Record of
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EXECUTIVE SUMMARY

This statement summarizes GAO's work on five of the 12 tax provisions which were extended by the Tax Extension Act of 1991.

Qualified Mortgage Revenue Bonds (QMB)--We believe that QMBs are an inefficient and costly way to provide assistance to first-time home buyers, serve mostly buyers who could afford homes anyway, and have done little to increase home affordability for low and moderate income people. Accordingly, we question whether bond issuance authority should be extended.

Targeted Jobs Tax Credit--About half of the employers we interviewed followed their normal hiring practices, but were able to take the tax credit when those hired happened to be in the targeted groups. Thus, the targeted jobs program goals were not achieved to their full extent. We also found no substantial differences in participants' earnings before and after a targeted job compared to others who were not in the program. If Congress extends this program, it may wish to consider improved targeting.

Low-income Housing Tax Credit--Building or rehabilitating housing in areas where adequate low-income housing exists is less efficient than providing for low-income housing through housing certificates or vouchers. Earlier actions have reduced but not eliminated the potential to build housing where it is not needed. If Congress extends the low-income housing tax credit, it may wish to restrict its use to areas where vacancy rates are low for suitable units renting at or below the area's fair market rents. Modifying the formula for allocating credits among the states also might be used to target states or localities that have the greatest low-income housing need.

Qualified Research Tax Credit--In 1989 Congress revised the base used in calculating the qualified research credit. This should generate a greater stimulus for research expenditures. Because the base is not subject to periodic reviews and many companies have had substantially different growth rates in their spending and sales over extended periods of time, the revised base may become deficient after a few years. Therefore, if the research tax credit is permanently extended, Congress may want to ensure that the credit continues to provide an attractive incentive to most taxpayers at an acceptable revenue cost by requiring that the base be reviewed periodically and adjusted as needed.

Employer-provided Educational Assistance--Sufficient information is not available to measure adequately whether the educational assistance provision effectively meets its objectives. If this provision is extended, Congress may wish to modify the reporting requirement and maintain it for a sufficient period to establish a basis for evaluation.

Mr. Chairman and Members of the Committee:

This statement summarizes GAO's work related to five of the 12 expiring tax provisions which were last extended by the Tax Extension Act of 1991:

-- the tax-exemption for qualified mortgage revenue bonds (p. 3),
-- the tax credit for targeted jobs (p. 9),
-- the tax credit for low-income rental housing (p. 11),
-- the tax credit for qualified research expenditures (p. 16), and
-- the exclusion for employer-provided educational assistance benefits (p. 20).

Of the 12 provisions, these five account for approximately 70 percent of the estimated forgone federal revenues in fiscal years 1992 through 1996.

Tax Expenditures in General

Each of the 12 expiring tax provisions is considered a tax expenditure, that is, a reduction in income tax liability resulting from a special tax provision. The U.S. income tax system has long been used as a device for achieving economic and social objectives and tax expenditures are a means of accomplishing these ends. However, because tax expenditures represent revenues that could have been collected under a broad-based income tax but were not, they are an implicit, not explicit part of the budgeting process. Therefore, tax expenditures usually do not receive the same level of routine examination as other uses of public funds. In addition, it is often difficult to precisely target tax expenditures to those entities or those activities that are meant to receive the benefits or to control the amount of federal revenues forgone through them.

The 12 expiring provisions have been repeatedly subject to temporary extensions, and some have even occasionally lapsed, with Congress then making their extensions retroactive. Although we know of no studies that document the effect of this continuing uncertain environment for the 12 provisions, we believe that such uncertainty is not conducive to efficiently achieving their purposes.

We consider a number of questions relevant to a review of tax expenditures:

- -- What is the purpose of the tax expenditure?
- -- Does the tax expenditure duplicate or overlap with another expenditure or subsidy program?
- -- Is a tax expenditure more appropriate than paying for a program through a direct expenditure or subsidy?

-- Do the benefits of the tax expenditure outweigh the costs in lost tax dollars?

-- How can the impact be measured to evaluate whether the expenditure is achieving its purpose?

-- Are the benefits of the tax expenditure sufficient to justify its use compared to other claims on resources?

-- Is a permanent extension supportable or would a temporary extension have advantages, especially in obtaining answers to some of the above questions?

The remainder of my statement has information relevant to five of the provisions. Because the information comes from GAO reviews that responded to the needs of various requesters at differing times, we can assist in answering some, but not all, of these questions.

Qualified Mortgage Bonds

Assistance for first-time home buyers is provided by below-market interest rate mortgage loans financed through tax-exempt qualified mortgage bonds (QMB) issued by state or local government housing finance agencies. QMBs generally are used to finance the purchase or qualifying rehabilitation or improvement of single family, owner-occupied homes.[1] Housing agencies

[1]A related form of assistance is the mortgage credit certificate (MCC), which allows first-time buyers to take a credit on their federal income tax for a portion of mortgage interest paid.

generally issue QMBs when they believe that they can offer buyers an interest rate on a fixed-rate loan that is about 1.5 to 2 percentage points below the market rate.

Recipients of QMB-financed loans must meet home purchase price, income, and other restrictions designed to prevent upper-income households from receiving these loans. Recapture provisions are designed to recover some or all of the QMB assistance if the owner's income increases beyond certain levels and the owner disposes of the assisted home.[2] Assisted owners pay the recapture amount as part of their federal income tax for the year in which the home is sold. Total assistance is limited in that QMBs are subject to the ceiling or cap on the volume of tax-exempt "private activity bonds" that each state can issue each year.

In our two reports on mortgage bonds issued in 1988,[3] we found that QMBs benefited mostly those who could afford homes without such assistance and had done little to increase home affordability for low and moderate income people. Because bond assistance relies on differences in the tax-exempt borrowing rate

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[2]Dispositions are generally sales, exchanges, or gifts. We refer to dispositions as "sales" throughout this statement.

[3]Home Ownership: Mortgage Bonds Are Costly and Provide Little Assistance to Those in Need (GAO/RCED-88-111, Mar. 28, 1988), and Home Ownership: Targeting Assistance to Buyers Through Qualified Mortgage Bonds (GAO/RCED-88-190BR, June 27, 1988).

and the conventional mortgage interest rate, the reduced mortgage rate only marginally increased affordability.[4]

Bond financing does not affect other more important factors that influence a buyer's ability to purchase a home, such as its price, household income, down payment, and loan origination standards. Based on a standard mortgage affordability test, about two-thirds of those in our sample of 178,000 buyers who received bond-assisted mortgage loans from January 1983 to June 1987 could probably have bought the same home at the same time with either a market-determined, fixed rate or adjustable-rate loan, if bond assistance had not been available.

Although the Tax Reform Act of 1986 tightened eligibility criteria, our analysis showed that about 80 percent of the buyers in the sample met the 1986 act's income and purchase price standards. We believe that buyers who could have bought the same home with a market rate loan did not need the assistance provided through bonds.

Assisted buyers possessed characteristics that are strongly associated with home ownership. Although assisted buyers were

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[4]Generally, QMBs are more attractive to first time home buyers when interest rates are high. However, households that take advantage of the bonds in periods of high interest rates generally can afford to buy when conventional rates fall. Therefore, the bonds may affect the timing of house purchases but not the overall level of home ownership in the long run.

slightly younger than all first-time buyers, the likelihood of becoming a home owner rises with age. This suggests that even the one-third of assisted buyers in our sample that probably would not have qualified for a market rate loan for the home they bought would likely become home owners in the future even if bond assistance were not available.

Home buyers in our review typically received a small benefit from the reduced interest rate on the mortgage they received. The median reduction in a buyer's borrowing costs was about $40 per month, after taxes. It is not likely that a benefit of this size will increase affordability except for the marginally unqualified buyer.

Our March 1988 report concluded that qualified mortgage bonds, aside from primarily helping buyers who do not need assistance, are costly and inefficient. We compared the benefits to home buyers with the cost to the federal government and found that the benefits ranged from 12 cents to 45 cents for every dollar of forgone tax revenue. We found that when mortgage funds were set aside for new housing projects, 10 to 40 percent of the present value of the benefit of the interest rate subsidy accrued to developers. Much of the remaining benefit accrued to bondholders and paid the administrative costs of running the program.

In summary, we believe that QMBs continue to be an inefficient and costly way to provide assistance to first-time home buyers, serve mostly buyers who could afford homes anyway, and have done little to increase home affordability for low and moderate income people. For these reasons, we question whether bond issuance authority should be extended.

If Congress does not extend issuance authority, the private activity bond volume cap should be reduced accordingly. If the cap is not reduced, the issuers could choose to increase their use of other types of private activity bonds and the revenue loss to the federal government would remain unchanged.

If, on the other hand, Congress chooses to extend the mortgage assistance provisions, it may wish to more narrowly target the assistance. For example, Congress could require that housing agencies initially limit assistance to buyers who could not otherwise obtain a market-rate loan without this assistance and prohibit housing agencies or participating lenders from setting aside blocks of mortgage funds for specified developers.

Additionally, if QMBs are extended the recapture provisions bear reconsideration. As discussed in our 1990 report on limiting mortgage assistance,[5] the recapture provisions help the federal

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[5]Home Ownership: Limiting Mortgage Assistance Provided to Owners With High-Income Growth (GAO/RCED-90-117, Sept. 26, 1990).

government recover some of the assistance where loan recipients' incomes increase beyond a certain level and the home is sold. However, these provisions do not treat all owners equitably because the recapture rate for some owners differed from the interest-rate reduction they received. Moreover, because the recapture amount is computed only after a home is sold, some owners will receive assistance even after their income has risen to such a level that they can make unassisted housing payments.

The recapture amount also is phased out after the fifth year of the loan. This results in owners with large increases in income and/or those who received assistance the longest having their recapture amounts reduced and eventually eliminated.

The Omnibus Budget Reconciliation Act of 1990 modified the recapture provisions but did not resolve these concerns. The act retained the basic recapture structure but (1) reduced the maximum recapture period from 10 to 9 years, (2) modified the rate at which recapture is phased out, and (3) made other adjustments.[6] Under these provisions, the recapture amount is the lesser of: (1) 50 percent of the gain realized on sale of the home, or (2) a percentage of the subsidy. The percentage recaptured varies, increasing from 20 percent for dispositions within the first year, to 100 percent in year five. Beginning in

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[6]The recapture provisions apply both to QMBs and mortgage credit certificates.

year six, the percentage is reduced to 80 percent, and from thereon continues to decrease to 20 percent in year nine, i.e. the final year of the recapture provision. The phaseout reduces and eliminates the recapture amount due even though the total benefit received by the owner increases each year.

We believe that the recapture mechanism continues to be a relatively ineffective way to identify and recapture benefits from those who do not need assistance, largely because the requirements are triggered solely by an owner's decision to move. If QMBs are not eliminated, Congress may want to change the recapture provisions by (1) tailoring the recapture amount more closely to the interest-rate reduction received and (2) eliminating the phaseout after the fifth year so that the owners who continue to benefit from the assistance have some or all of it recaptured. Another approach would be to terminate assistance when owners can afford unassisted housing payments, which would eliminate the need for recapture provisions. However, this could increase administrative complexity, which should be weighed against better achieving congressional goals for recapture.

Targeted Jobs Tax Credit

In 1977, Congress established the Targeted Jobs Tax Credit program to induce employers to favor certain disadvantaged individuals facing barriers to employment. Target individuals are either recipients of payments under means-tested transfer programs, economically disadvantaged, or disabled. Between 1980 and 1990, employers claimed an estimated $4.5 billion in tax credits under the program.

In a February 1991 report, we provided descriptive information on employers using the program and the individuals for whom the tax credits were claimed.[7] We also discussed (1) the extent to which employers made specific efforts to identify, hire, or retain eligible workers and (2) differences in participants' earnings before and after their involvement in the program.

The targeted jobs program is intended to increase employment opportunities for members of the targeted groups by providing a financial incentive to employers to recruit, hire, and retain target group members. However, the program does not require employers to make special efforts to recruit, hire and retain these individuals. We found that nearly half of the 60 employers we interviewed had made some special effort to meet these objectives. On the other hand, the other half followed their normal hiring practices, but were able to take the tax credit when those hired happened to be in the targeted groups.

[7]Targeted Jobs Tax Credit: Employer Actions to Recruit, Hire, and Retain Eligible Workers Vary (GAO/HRD-91-33, Feb. 20, 1991).

Concerning changes in participants' earnings before and after their work experiences, we determined that work experience did have a positive impact on participants' earnings. However, we did not find any substantial differences in earnings changes resulting from targeted jobs program employment when compared with the experience of other workers who were eligible for the targeted jobs program but did not participate.

Given that about half of the employers we interviewed had made no special effort to hire or retain members of the targeted groups, the Targeted Jobs Tax Credit program's goals were not achieved to their full extent. If Congress extends this program and wishes that a higher portion of employers using the targeted jobs tax credit take special actions to attract and retain employees from the target groups, it could impose new requirements on participating employers. For example, program requirements might involve employer outreach efforts to eligible populations, prescreening to determine eligibility prior to hiring decisions, or providing additional training or supervision to eligible workers to increase the likelihood of retention.

Low-Income Housing Tax Credit

The Tax Reform Act of 1986 authorized a low-income housing credit to provide incentives for private investment in low-income housing at a time when many prior tax benefits for real estate development were eliminated. The program, administered by the U.S. Treasury Department and state housing agencies, provides a 10-year tax credit to property owners for each unit set aside for at least 15 years for low-income use. December 1989 amendments added an extra 15-year "low-income-use period" to the original 15 year compliance period. Since the credit was established, it has emerged as the primary tax incentive for stimulating low-income housing production and rehabilitation.

As originally designed, the low-income tax credit could be combined with subsidies under the Department of Housing and Urban Development's (HUD) Moderate Rehabilitation Program. In 1989, we documented how developers combined these benefits to generate cash flows that greatly exceeded their property acquisition and rehabilitation costs.[8] Subsequently, the Congress passed Section 7108 of the Omnibus Budget Reconciliation Act of 1989, which extended the Tax Credit Program and prohibited using tax credits in combination with the Moderate Rehabilitation Program. The Omnibus Budget Reconciliation Act of 1990 provided an exception to this prohibition for funds distributed under the Stewart B. McKinney Homeless Assistance Act of 1988 and required that the Secretary of the Treasury and HUD's Inspector General jointly study the combined use of the low-income credit and the

[8]Project Developer Cash Flows Under HUD's Section 8 Moderate Rehabilitation Program (GAO/T-RCED-89-58, Aug. 2, 1989) and Improving the Efficiency of Federal Housing Subsidies (GAO/T-RCED-89-72, Sept. 29, 1989).

Section 8 Moderate Rehabilitation funds.[9] Study results are to be submitted to Congress no later than January 1, 1993.

Our work also indicated that the lack of a centralized review of the total amount of financial assistance awarded to individual projects enabled developers to realize cash proceeds far greater than the cost of acquiring and rehabilitating the projects.[10] HUD, state tax credit allocation agencies, and local governments all allocated assistance with little or no centralized oversight of the total financial assistance package provided to individual projects. The Omnibus Budget Reconciliation Act (OBRA) of 1989 addressed this problem by placing greater responsibility on state credit allocation agencies for administering tax credits. State allocation agencies were required to prepare allocation plans for selecting projects to receive tax credits and to identify and take into account the other financial assistance provided to projects when awarding tax credits. We do not know how well this increased state agency involvement is working.

In 1990, we also reported that building or rehabilitating housing through programs like the low-income housing credit is not efficient when adequate supplies of rental housing already exist.

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[9]OBRA 1990 also requires state allocation agencies to do more to monitor program compliance after low-income housing projects are built, which we had identified as a problem in our August 1990 report, Rental Housing: Observations on the Low-Income Housing Tax Credit Program (GAO/RCED-90-203, Aug. 14, 1990).

[10]Use of Housing Subsidies (GAO/T-RCED-90-34, Feb. 27, 1990).

Certificates and vouchers that subsidize the rent payments of low-income households in existing, privately-owned housing by paying a portion of the recipient's actual rents are more efficient when adequate supplies of rental housing are available. We found, for instance, that for the same amount of federal subsidy through housing certificates or vouchers rather than the tax credits, from 36 to 179 percent more housing units could have been made available to low-income tenants.

The OBRA 1989 provisions, in part, require state credit allocation agencies to develop allocation plans that consider housing needs. This provided a mechanism that may help to control inefficient use of tax credits in areas where adequate housing stock exists for low-income tenants. In addition, Public Law 101-235 made several revisions to HUD's Moderate Rehabilitation program, including requiring that in awarding Moderate Rehabilitation subsidies the amount of tax credits for the project should also be taken into account. Finally, HUD revised its program policies and guidelines to, among other things, target rental subsidies to geographic areas with high unit vacancies.

However, the potential still exists for low-income housing tax credits to be used to build or rehabilitate housing in areas that have adequate low-income housing stock and where a housing certificate or voucher program would more efficiently provide housing for low-income households. Accordingly, if Congress extends the low-income housing tax credit it may wish to consider restricting the use of tax credits generally to areas where vacancy rates are low for suitable units renting at or below the area's fair market rents.[11] A modification to the formula for allocating credits among the states might also be made to better assure that credits are targeted to states or localities that have the greatest need for new or rehabilitated low-income housing. However, if a revised formula based on relative need is desired, additional data on low-income housing needs would be needed. The Bureau of the Census could provide such data by expanding its bi-annual American Housing Survey.[12]

If the low-income housing tax credit is extended, certain other modifications may provide for a more effective program. First, the provision related to noncompliance--recapture of a portion of the awarded credit--may need to be strengthened to more effectively discourage events that would endanger or change the low-income status of the credit-assisted housing units. The financial impact of the statutory recapture provision is relatively small, amounting to no more than one-third of the

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[11]See Rental Housing: Inefficiencies From Combining Moderate Rehabilitation and Tax Credit Subsidies (GAO/RCED-90-168, June 19, 1990) for more on this topic.

[12]See Rental Housing: Observations on the Low-Income Housing Tax Credit Program (GAO/RCED-90-203, Aug. 14, 1990) for more information on possible revisions to the allocation of low-income tax credits among the states.

award, and it apparently does not apply to an owner's failure to comply with program provisions during the recently added requirement for an additional 15-year low-income-use period. Thus, the recapture provisions, which have not been modified since our work, may not effectively discourage non-compliance.

Second, a clearer statement of the primary focus of the program would facilitate creating a comprehensive, coordinated low-income housing strategy. The low-income housing tax credit seeks simultaneously to stimulate private investment, produce large numbers of assisted housing units, and reduce rents to reach the <u>lowest</u> income tenants. These are somewhat inconsistent objectives and it is doubtful that tax credits alone can accomplish all of them. For instance, producing large numbers of assisted units would require providing the least credit possible to each project that would still make them financially viable whereas reducing rents to a level that would be affordable for the lowest income population would require providing more credit to fewer units.

<u>Tax Credit for Qualified Research Expenditures</u>

In 1981, Congress created the research and experimentation tax credit to encourage more businesses to do research. It believed that an increase in research was necessary to enhance the overall competitive position of the U.S. economy. The credit currently reduces a taxpayer's tax liability by 20 percent of the amount of its additional research expenditures above a base amount. As with other business tax credits, the research credit is primarily used by large corporations. Between 1981 and 1985, corporations with assets of $250 million or more claimed about 80 percent of the credit, or $4.7 billion.

In a September 1989 report, we reviewed the structure, administration, and effectiveness of the research and experimentation tax credit.[13] We estimated that the credit stimulated between $1 billion and $2.5 billion of additional research spending between 1981 and 1985 at a cost of $7 billion in tax revenues. Thus, each dollar of taxes forgone stimulated between 15 and 36 cents of research spending. Although the amount of spending stimulated by the credit was well below the credit's revenue cost, total benefits could be much higher. If, as many presume, research activities are more beneficial to society than nonresearch activities, the credit could still be sound tax policy.

We found that the credit could provide more of an incentive if the moving-average base were replaced with a fixed base indexed to the growth in gross national product or another indexing

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[13]Tax Policy and Administration: The Research Tax Credit Has Stimulated Some Additional Research Spending (GAO/GGD-89-114, Sept. 5, 1989).

factor and if the base and index were periodically reviewed and adjusted as needed. The Omnibus Budget Reconciliation Act of 1989 changed the method of calculating the credit. As before, the credit applies only to the extent that the taxpayer's qualified research expenditures in the current year exceed a base amount. The base amount was changed to the product of the fixed-base percentage and the taxpayer's average annual gross receipts for the 4 years preceding the tax year for which the credit is being calculated. The act also prescribed methods for determining the fixed-base percentage for existing firms and start-up firms.

In addition, the 1989 Reconciliation Act changed the amount that a company can deduct from its income taxes for qualified research expenses. Originally, companies could both claim the research and experimentation tax credit and deduct the full amount of their research expenditures from their income taxes. The Technical and Miscellaneous Revenue Act of 1988 specified that no deduction was allowed for qualified research and experimentation expenses equal to 50 percent of the amount of credit claimed that year. The 1989 law specified that no deduction can be taken for qualified research expenses equal to 100 percent of the research and experimentation credit that is claimed.

Assuming companies' patterns of research spending are similar to those of the early 1980s, the "effective rate" of the current credit--the actual tax benefit that a company receives for spending an additional dollar on research--would be about 14 percent instead of below 4 percent as it was under the prior credit. Thus, the current credit should generate a greater incentive to stimulate research expenditures.

However, the 1989 act did not provide for periodic reviews of the base used in calculating the tax credit. Because many companies have maintained substantially different growth rates in their spending and sales over extended periods of time, there is a risk that the revised base of the credit also could become deficient after a few years. Therefore, if the research tax credit is permanently extended, Congress may want to ensure that the credit continues to provide an attractive incentive to most taxpayers at an acceptable revenue cost by requiring that the base be reviewed periodically and adjusted as needed.

In 1989, we also reported that (1) IRS had difficulty administering the credit and questioned the credit claimed by 79 percent of the corporations it audited; and (2) many revenue agents said that the definition of qualified research expenditures was unclear. In May 1989, Treasury issued proposed regulations to clarify the definition. We have not evaluated whether the revised definition has resolved difficulties in administering the credit.

Employer-Provided Educational Assistance

Section 127 of the Internal Revenue Code allows individuals to exclude from their gross income the value of educational assistance provided by an employer through an employee educational assistance program. The section was created to clarify eligibility for tax-free educational assistance, reduce complexity and inequity among taxpayers, and to provide less-educated individuals with opportunities for upward mobility.

In a June 1989 report, we (1) evaluated data that the Department of the Treasury used to assess the effect of section 127, and (2) assessed the availability and reliability of 11 data elements that could be used to evaluate section 127.[14]

In June 1988, Treasury concluded that section 127, which was due to expire on December 31, 1988, should not be extended because the target population was not receiving most of the educational assistance. We reported that the information on which Treasury relied, although the best available, was insufficient to support its conclusion. The information Treasury used came from surveys that were not specifically focused on gathering information to evaluate the success of section 127, had low response rates, or were not representative of the population being surveyed.

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[14]Tax Policy: Insufficient Information to Assess Effect of Tax Free Education Assistance (GAO/GGD-89-76, June 23, 1989).

We also said that (1) in 1984, Congress enacted a reporting requirement (section 6039D of the Internal Revenue Code) to provide a basis for assessing section 127, but the information required of employers was not sufficiently specific; and (2) information that would be useful in assessing whether section 127 is assisting the intended population--such as the average income of participants and the average benefit at each salary level--was not included in the section 127 reporting requirement and was unavailable.

When we issued our report, section 127 had expired. Subsequently Congress temporarily reinstated it. We suggested that Congress might want to revise the reporting requirement to obtain information that could be used to better assess section 127's effects. This could be done by requiring information on the salary level of the participants and the average benefit at each salary level. We further suggested that Congress could also specify that the data be reported for a sufficient length of time to measure adequately any effects.

Although section 127 was reinstated twice since 1989, Congress did not revise the employer reporting requirement. To our knowledge, sufficient information still is not available to measure adequately whether the provision effectively meets its objectives. Therefore, we suggest that if Congress decides to extend this provision again, the reporting requirement should be modified and maintained for a sufficient period to establish a reasonable basis for evaluating whether the assistance is reaching the targeted population.

GAO PRODUCTS AND CONTACTS RELATED TO EXPIRING PROVISIONS

Tax Exemption for Qualified Mortgage Revenue Bonds

Home Ownership: Mortgage Bonds Are Costly and Provide Little Assistance to Those in Need (GAO/RCED-88-111, Mar. 28, 1988)

Home Ownership: Targeting Assistance to Buyers Through Qualified Mortgage Bonds (GAO/RCED-88-190BR, June 27, 1988).

Home Ownership: Limiting Mortgage Assistance Provided to Owners With High-Income Growth (GAO/RCED-90-117, Sept. 26, 1990)

Contact: Dennis W. Fricke, Assistant Director; Resources, Community and Economic Development Division, (202) 566-1132

Targeted Jobs Tax Credit

Targeted Jobs Tax Credit: Employer Actions to Recruit, Hire, and Retain Eligible Workers Vary (GAO/HRD-91-33, Feb. 20, 1991)

Contact: Sigurd R. Nilsen, Assistant Director, Human Resources Division, (202) 523-8701

Low-income Housing Tax Credit

Tax Policy: Costs Associated With Low-Income Housing Tax Credit Partnerships (GAO/GGD-89-100FS, July 10, 1989)

Project Developer Cash Flows Under HUD's Section 8 Moderate Rehabilitation Program (GAO/T-RCED-89-58, Aug. 2, 1989)

Improving the Efficiency of Federal Housing Subsidies (GAO/T-RCED-89-72, Sept. 29, 1989)

Use of Housing Subsidies (GAO/T-RCED-90-34, Feb. 27, 1990)

Low-Income Housing Tax Credit Utilization and Syndication (GAO/T-RCED-90-73, Apr. 27, 1990)

Rental Housing: Inefficiencies From Combining Moderate Rehabilitation and Tax Credit Subsidies (GAO/RCED-90-168, June 19, 1990)

Rental Housing: Observations on the Low-Income Housing Tax Credit Program (GAO/RCED-90-203, Aug. 14, 1990)

Contact: Dennis W. Fricke, Assistant Director; Resources, Community and Economic Development Division, (202) 566-1132

Tax Credits for Qualified Research Expenditures

Tax Policy and Administration: The Research Tax Credit Has Stimulated Some Additional Research Spending (GAO/GGD-89-114, Sept. 5, 1989)

Contact: Thomas J. McCool, Assistant Director, General Government Division, (202) 272-7904

Exclusion for Employer-Provided Educational Assistance

Tax Policy: Insufficient Information to Assess Effect of Tax Free Education Assistance (GAO/GGD-89-76, June 23, 1989)

Contact: David J. Attianese, Assistant Director, General Government Division, (202) 272-7904