By: Elias Tsapelas

On last week’s Politically Speaking podcast, State Treasurer Scott Fitzpatrick indicated the governor would stick to his pledge of not reviving the state’s low-income housing tax credit (LIHTC) program until it is reformed. This is welcome news, but now lawmakers need to decide what constitutes adequate reform.

As I’ve discussed before, there are many problems with Missouri’s LIHTC program. The LIHTC program doesn’t actually increase the amount of available affordable housing across the state, making it a bad investment for Missouri taxpayers. Last month, Fitzpatrick concurred and stated, “The long-term benefit of making some meaningful change to the program outweighs the short-term cost of there being a backlog of people wanting housing.”

During this past legislative session, both chambers separately passed measures intended to improve the program, though neither became law. Ideas for reform included allowing transferability of credits, improving the program’s transparency, and providing a cap on credits the state could authorize yearly. While each change would be an improvement, none of them address the program’s core issues.

Reviving a low-income housing program in which barely forty cents of each dollar actually goes toward building new housing for low-income individuals is simply not a good use of taxpayer dollars. Any effort to provide “meaningful change” to the program must address this glaring
concern. For ideas on substantive reform, why don't lawmakers begin by examining how other states have been able to do more for less?

Minor tweaks won't make the LIHTC a good investment for Missouri. It is time for a major overhaul.

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