

Resolution No. 7

Date: September 19, 1987

City: Maui, Hawaii

NAHB Resolution

Title: Contributions in Aid of Construction
Original Sponsor: Taxation Subcommittee/Standing Committee on Federal
Governmental Affairs

WHEREAS, the current tax law treats as taxable income builder contributions to publicly regulated utility companies;

WHEREAS, the utilities have sought to recoup their tax cost from builders and home buyers;

WHEREAS, in state such as Delaware, Pennsylvania, Florida, Missouri and California this is resulting in as much as an 80 percent increase in utility capital costs passed on to builders and home buyers;

WHEREAS, the result of present law is to increase costs of new development and new housing, and to increase utility costs of consumers; and

WHEREAS, Representatives Matsui (D-Calif.) and Duncan (R-Tenn.) have introduced legislation to repeal this provision and restore prior law,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders support legislation that would restore the income tax exclusion for contributions in aid of construction to publicly regulated utility companies that was in effect prior to enactment of the Tax Reform Act of 1986.

Board of Directors Action:	Approved
Joint Executive/Resolutions Committee Action:	Recommends Approval
Resolutions Committee Action:	Recommends Approval
Standing Committee on Federal Government Affairs Action:	Recommends Approval
Taxation Subcommittee Action:	Recommends Approval