



Political Courage: LIHTC Program Cut to Zero by MHDC

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The details are still trickling out, but news is now breaking that the Missouri Housing Development Commission (MHDC) voted 6-2 today to reduce state tax credit spending on the Low Income Housing Tax Credit (LIHTC) to \$0 for the coming year. The MHDC is [made up of a variety of elected officials and appointees](#), among them the governor, but to my understanding, Missouri governors have not typically participated in MHDC deliberations. Today, however, Governor Eric Greitens called into the meeting and cast what turned out to be the deciding 6th vote—curbing a tax credit program that regularly costs the state about \$150 million annually. Another vote will take place in about a month to reaffirm this decision, but the result is expected to be the same.

It is difficult to describe how important, and courageous, the MHDC's decision is. Those who profit from tax credits make up a powerful and well-organized lobby that has been successful in protecting its interests in the past, even when the evidence against a given corporate handout is overwhelming. That most members of the MHDC stood firm in protecting the interests of taxpayers is a leap forward for the tax credit reform movement—and a credit to those who took a hard vote on behalf of the public interest. Tax money saved from a program like the LIHTC can be used to better fund existing state services and to cut taxes more generally, but so long as a program like the LIHTC was taking tax dollars and depositing them back with special interests, advancement on those two fronts was always going to be more difficult. Instead, the

MHDC's decision primes the pump for wider and substantive tax reforms in 2018, should the Legislature choose to capitalize on the opportunity.

We'll talk more about this, and at greater depth, later. In the meantime, congratulations to the committee members, and congratulations to taxpayers. Today is a very good day for policy reform.

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[2] <http://www.mhdc.com/about/commission/commissioners.htm>

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