

WHEREAS, over three-quarters of the benefit for the mortgage interest deduction goes to households with income in the top fifth of all taxpayers; and

WHEREAS, only slightly more than half of homeowners who pay interest on their mortgages benefit from the mortgage interest deduction; and

WHEREAS, by converting the mortgage interest tax deduction to a 15% non-refundable credit and lowering the cap of eligible mortgage value from \$1 million to \$500,000, the number of taxpayers with mortgages who get a tax break would increase by 16 million, 99% of whom have incomes under \$100,000 a year; and

WHEREAS, these modest modifications would reduce the cost of the mortgage interest tax expenditure, thereby freeing up an estimated \$197 billion in federal resources over 10 years for housing assistance to low income households; and

NOW, THEREFORE, BE IT RESOLVED That we, the Mayor and members of the Chicago City Council assembled this Fifteenth day of April, endorses the United for Homes Campaign, and supports expanding mortgage interest tax benefits to more middle class and lower income homeowners by modifying the mortgage interest deduction by converting the tax deduction to a tax credit and by reducing the maximum size of a mortgage for which interest can be deducted.

William D. Bums Alderman, 4th Ward City of Chicago

Date Source: HUD's Comprehensive Housing Affordability Strategy (CHAS) data for 2007-2011. Available online from HUD at <<http://www.huduser.org/portal/datasets/cp.html>>.