Landlord Tax Credit (HD.2639 & SD.723)
An Act relative to landlord tenant tax credits

This legislation would give a $1,500 tax credit to small residential property owners who maintain their rents below the market rate.

The legislation supports small property owners with tax incentives which will benefit their residents by helping to curb rising rents. Rents in the Boston area are the third most expensive in the United States, compared to every other large metropolitan, behind only San Francisco and New York. Over half of renters in the Boston area are rent burdened, paying more than 30% of their income towards rent.

This bill would establish a new personal income tax credit for landlords who own two- to four-residential unit buildings and who offer unsubsidized, below market rents. The credit amount would be $1,500 for each qualified rental unit, for up to six units.

To qualify as a unit, the rent must not be greater than the “high HOME rent limit” as defined by U.S. Department of Housing and Urban Development. For example, in 2018, the “High HOME rent limit” for a 2-bedroom unit in the Boston area was $1,344/month. To compare, the median rent for a 1-bedroom apartment in Boston was $2,340/month.

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