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Report from  
CONGRESSMAN NICK RAHALL

For use: week of March 23

One Minute Program

Subject: TAX FREE HOUSING ACCOUNTS

TAPE FOR MARCH 24

THIS IS CONGRESSMAN NICK RAHALL.

HOME OWNERSHIP IS PART OF THE AMERICAN DREAM, BUT FOR MANY PEOPLE TODAY, IT REMAINS ONLY A DREAM BECAUSE THE INITIAL COST IS SO HIGH. THERE ARE TWO MAIN HURDLES FOR THE FIRST TIME HOMEBUYER--HIGH INTEREST RATES, AND GETTING TOGETHER THE DOWN PAYMENT.

IN ORDER TO HELP WITH THE SECOND PROBLEM, AND PERHAPS HAVE AN IMPACT ON THE FIRST, I HAVE CO-SPONSORED, ~~HR 1122~~, A BILL TO ESTABLISH INDIVIDUAL HOUSING ACCOUNTS.

FIRST TIME HOMEBUYERS WOULD BE ALLOWED TO PUT ASIDE UP TO \$2,500 PER YEAR IN A TAX FREE DOWN PAYMENT SAVING~~S~~ ACCOUNT. THAT AMOUNT COULD THEN BE DEDUCTED ON THEIR INCOME TAXES, AND THE MAXIMUM LIFETIME DEDUCTION WOULD BE \$10,000.

IF THE SAVINGS WERE WITHDRAWN AT A LATER~~R~~ DATE AND NOT USED FOR PURCHASING A HOME, THE DEDUCTIONS~~S~~ WOULD BE REVOKED AND ANY REGULAR TAXES WOULD HAVE TO BE PAID.

THIS MEASURE IS AIMED AT REJUVANATING THE NATION'S ECONOMY, AND ~~YOU~~ PROVIDE MANY AMERICANS THE OPPORTUNITY TO INVEST IN THEIR OWN HOME. IT IS MY HOPE THAT HOME OWNERSHIP CAN BECOME A REALITY, NOT JUST A DREAM.

THIS IS CONGRESSMAN NICK RAHALL.