

Tax Credits for Developing/ Renting Housing for Domestic Violence Survivors



Executive Summary

Many domestic violence survivors leaving abusive situations have basic residential, health, social, and legal needs which can sometimes be accommodated by domestic violence programs; however, these programs cannot accommodate every service call. In some states, these programs receive a large portion of their funding from tax-deductible charitable donations and state and local fines/fees. [HB 425](#) would authorize tax credits for developing and/or renting housing for domestic violence survivors.

Federal, state and local tax revenue fund a range of public goods and services, including education, healthcare, and infrastructure. Policies that reduce the amount of taxes owed by a taxpayer (e.g., [tax credits](#)) are expected to decrease government revenue while incentivizing immediate private spending and investment in high-need projects, government programs, or philanthropic services (e.g., Low Income Housing Tax Credits).

Highlights

- Domestic violence affects all genders, races, sexual orientations, and socioeconomic statuses. **There is a strong link between domestic violence, poverty, and homelessness.**
- Of the 62,401 individuals seeking services from domestic violence programs, 18% sought residential support and 40% sought non-residential support; **42% of requests were unmet for all services.**
- The Low-Income Housing Tax Credit (LIHTC) provides a tax incentive to individuals or businesses to construct or rehabilitate affordable housing for low-income households, which could potentially assist domestic violence victims as well.

Limitations

- **Numbers of domestic violence cases are likely underreported**, for reasons including shame, embarrassment, and fear of retaliation.
- Tax credits would provide incentives to those who develop housing for domestic violence survivors. However, domestic violence survivors may not be able to afford to live in these developments without rental assistance.

Research Background

Domestic Violence

Domestic violence (including intimate partner violence and child abuse) is the intentional intimidation, assault including physical battery and sexual, threats, emotional abuse, and/or other abusive behavior used to elicit power and control enacted by one individual over another.^{1,2}

This science note was prepared by MOST Policy Initiative, Inc., a nonprofit organization aimed to improve the health, sustainability, and economic growth of Missouri communities by providing objective, non-partisan information to Missouri's decision-makers. For more information, contact Dr. Jill Barnas, Children, Families, and Seniors Policy Fellow – jill@mostpolicyinitiative.org This was prepared on 4/2021.

The severity of domestic violence and its rate of recurrence widely varies between victims.¹ A majority of domestic violence perpetrators have a history of various non-violent and violent criminal offenses.¹

Domestic violence affects all genders, races, sexual orientations, and socioeconomic statuses; although, there is a disproportionate prevalence of domestic violence amongst women and ethnic minorities.¹⁻³ Due to a variety of reasons which include feeling ashamed, embarrassed, and fear of retaliation, domestic violence cases are likely underreported; the numbers presented may not accurately reflect the true incidents of domestic violence. In 2019, the Missouri Coalition against Domestic and Sexual Violence (MCADSV) reported 36,304 (of 62,401) domestic violence survivors received residential and non-residential services.⁴ Of those receiving services, 71% were women and 20% were children.⁴ Approximately 55% of domestic violence survivors were between the ages of 25-45 years old; 81% of child domestic violence survivors were children younger than 13 years old.⁴ These demographics only represent the 58% of survivors who received services; demographics of those who did not receive services were not obtained.

The Importance of Safe and Secure Housing

Many survivors leaving abusive situations have many basic needs which can be accommodated by domestic violence programs; these are funded by federal (Victim of Crime Act grants; Services, Training, Officers and Prosecution grant; Violence Against Women Act grants) and state funds (State Services to Victims Fund) in addition to tax-deductible charitable donations and state/local fines/fees.⁵ Programs like these provide resources such as food, legal and financial assistance, and shelter; however, not all programs can accommodate these needs. In 2019, MCADSV reported that of the 62,401 individuals seeking services, 18% were residential, 40% were non-residential, and 42% were unmet for all services.⁴ In just one day in Missouri, there were 604 cases with unmet services, with 56% being unmet residential services.⁴

There is a strong link between domestic violence, poverty, and homelessness. Survey responses from domestic violence survivors indicate that, in many cases, their homelessness is directly related to domestic violence and this varies widely (22-57%) across individual studies.^{6,7} Domestic violence, as it is associated with homelessness, has increased 47% and within each Continuum of Care (CoCs)^a region throughout Missouri between 2014 and 2018; specifically, reports of domestic violence experiences and homelessness have increased by 193% in St. Louis City with over 5,600 unmet domestic violence service calls (both residential and non-residential).^{4,8}

In some instances, individuals may have to rely on the practical and financial support of an abusive partner and therefore, experience consequential hurdles (e.g., to avoid homelessness) that may prevent leaving an abusive partner and promulgate re-abuse.⁹ Perpetrators may sometimes exhibit a form of economic abuse and force individuals to quit their jobs as a way to further exert control.^{10,b} A significant number of those who experience domestic violence at home may also

^aContinuum of Care (COC): The Governor's Committee to End Homelessness implemented 8 CoCs across the state to have a developed strategy to prevent homelessness whenever possible; if it cannot be prevented, then the experience should be rare, brief, and non-recurring.

^bFor more information about domestic violence and employment, please refer to our published science note: [Unpaid Leave for Domestic and Sexual Violence Survivors](#)

experience domestic distractions at work or lose their jobs as a result of domestic violence and that varies widely (21-60%) across individual studies.¹¹⁻¹³ The impacts of losing employment are much greater for ethnic minorities and those who make lower wages.^{1,2}

Domestic Violence Housing Development Projects

Through a grant offered by the Office of Violence Against Women within the U.S. Department of Justice, the Kentucky Coalition Against Domestic Violence, in partnership with another non-profit organization, was able to use Low-Income Housing Tax Credits (LIHTC) to develop housing specific to survivors of domestic violence. While the housing developments were successfully constructed and able to assist 171 families, rental assistance was needed for all but one family. In order to assist with rent payments, the program instituted a housing voucher program in addition to two additional grants from the Continuum of Care Rapid Rehousing and Tenant-Based Rental Assistance programs.¹⁴

Low-Income Housing Tax Credits (LIHTC)

The Low-Income Housing Tax Credit (LIHTC) provides a tax incentive to construct or rehabilitate affordable housing for low-income households.¹⁵ The federal government issues tax credits to state governments/housing agencies which award the credits to private developers of affordable rental housing projects through a competitive process.¹⁶ Developers generally sell the credits to private investors to obtain funding.^{15,16} Once the housing project is complete, investors can claim the LIHTC over a 10-year period.^{15,16} This tax credit has not been available to Missourians in the last three years by decisions at the executive level of Missouri government, however, it was reinstated by the Missouri Housing Development Commission in late 2020.

Missouri Tax Credits for Domestic Violence Donations

The Missouri Department of Revenue currently advertises over fifty miscellaneous tax credits, many of which are individual income tax credits. One specific income tax credit (domestic violence shelter tax credit) can be claimed if an individual donates cash, stock, bonds, real property or other marketable securities to a domestic violence shelter.¹⁷ This tax credit operates very similar to other states such as Iowa, Colorado, and Virginia. To further incentivize the development of housing for domestic violence survivors in Missouri, [HB 425](#) would authorize tax credits for individuals or businesses that develop or rent housing for survivors of domestic violence. A taxpayer would be allowed to claim a tax credit in an amount equal to \$1000 if the taxpayer has converted abandoned property into an operational shelter for victims of domestic violence. Additionally, a taxpayer would be allowed to claim a tax credit in an amount equal to \$500 if the taxpayer has rented residential real estate to a survivor of domestic violence. Taxpayers would be able to claim the credit in the tax year for which the credit is sought.

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