

.01 Prevailing Wage Requirement

(1)Section 45(b)(7)(A) provides that a taxpayer must ensure that any laborers and mechanics employed by the taxpayer, or any contractor or subcontractor, are paid wages at rates not less than the prevailing wage rates for construction, alteration, or repair of a similar character in the locality in which such facility is located as most recently determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, which is commonly known as the Davis-Bacon Act. Is guidance necessary to clarify how the Davis-Bacon prevailing wage requirements apply for purposes of § 45(b)(7)(A)?

Proposed Response- Guidance and clarification should be considered for the Prevailing wage requirement for Multifamily Buildings. Making a distinction between multifamily buildings of 4 stories and NOT requiring Prevailing Wages in accordance with subchapter IV of chapter 31 of title 40 (Davis-Bacon Act) would strike a good balance for builders to remain cost competitive and provide a compelling incentive for market rate projects to be built above Code and provide further financial incentive for LMI project developers to remain cost competitive.