

# 45-Day Rule

- Rev. Rul. 94-57 provides that taxpayers may rely on the income limits published by HUD until 45 days after HUD releases a new list of income limits, or until HUD's effective date for the new list, whichever is later.

# 45-Day Rule

- On December 1, 2011, HUD released the FY2012 MTSP income limits, which were effective the same day.

# 45-Day Rule

- This year, since the income limits were released and effective on the same day, taxpayers may rely on the 2011 income limits until January 14th, 2012.
- LIHC Newsletter #47 and #48.

# Hold Harmless

- 2008 HERA - LIHTC and Tax-Exempt Bond Projects are held harmless from decreases in AMGI.
- Hold Harmless is applied on a project basis, and the project must be in service in the prior year in order to be held harmless at that prior year level.

# Hold Harmless

**You can only climb  
UP the income  
ladder,**

**You cannot climb  
down....**

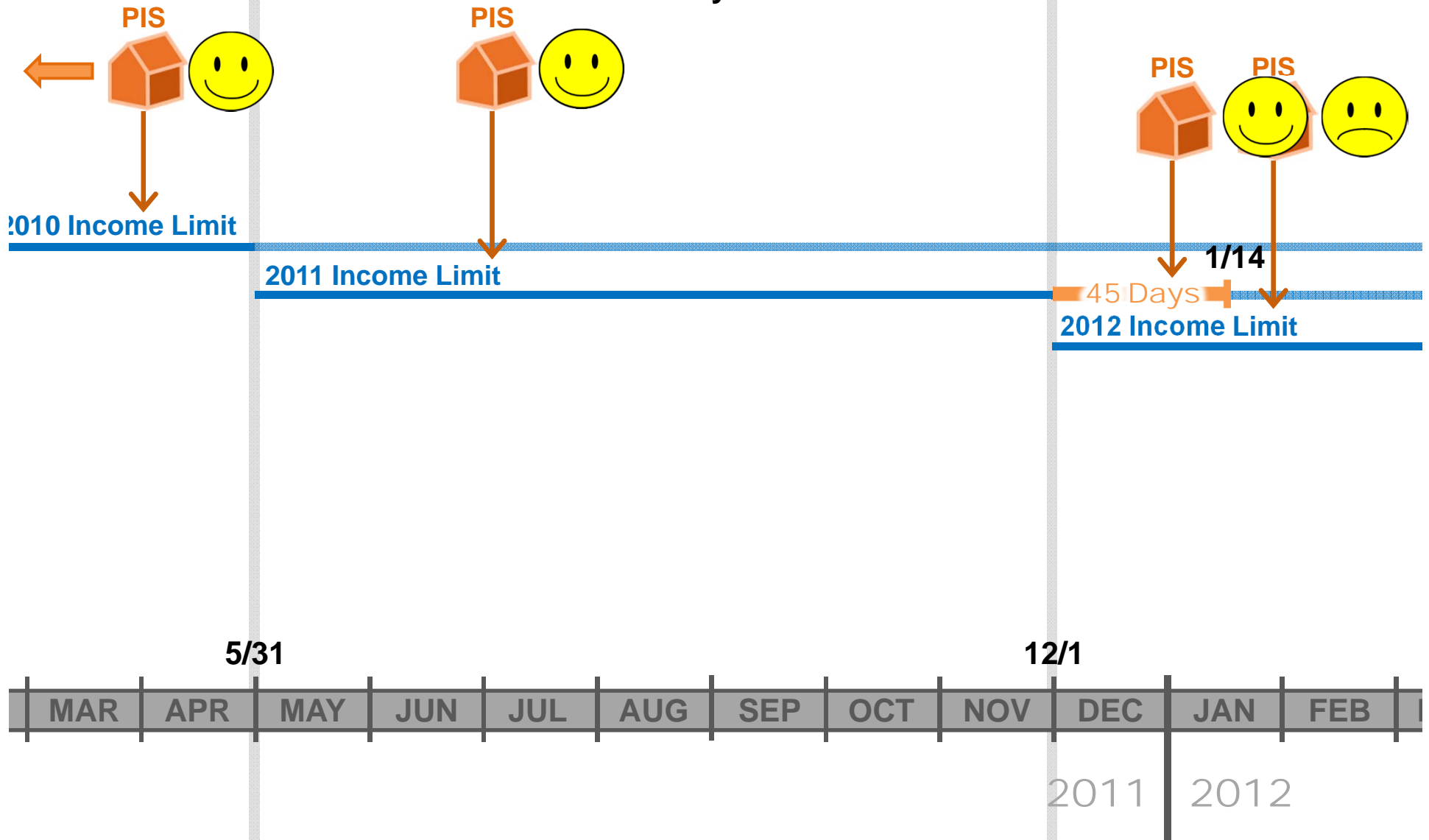


# Gross Rent Floor Election

- Revenue Procedure 94-57
- Establishes Gross Rent Floor at Initial Allocation (Carryover). For Bonds, Determination Letter
- OR....at the Election of the Taxpayer, at Placed-in-Service

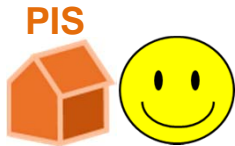
# THE ANNUAL SUMMIT OF HOUSING CREDIT INDUSTRY LEADERS

## 45-Day Rule



# THE ANNUAL SUMMIT OF HOUSING CREDIT INDUSTRY LEADERS

45-Day Rule



2011 Income Limit



2012 Income Limit

2010 Income Limit

45 Days

1/14

Unnecessary

5/31

12/1

MAR

APR

MAY

JUN

JUL

AUG

SEP

OCT

NOV

DEC

JAN

FEB

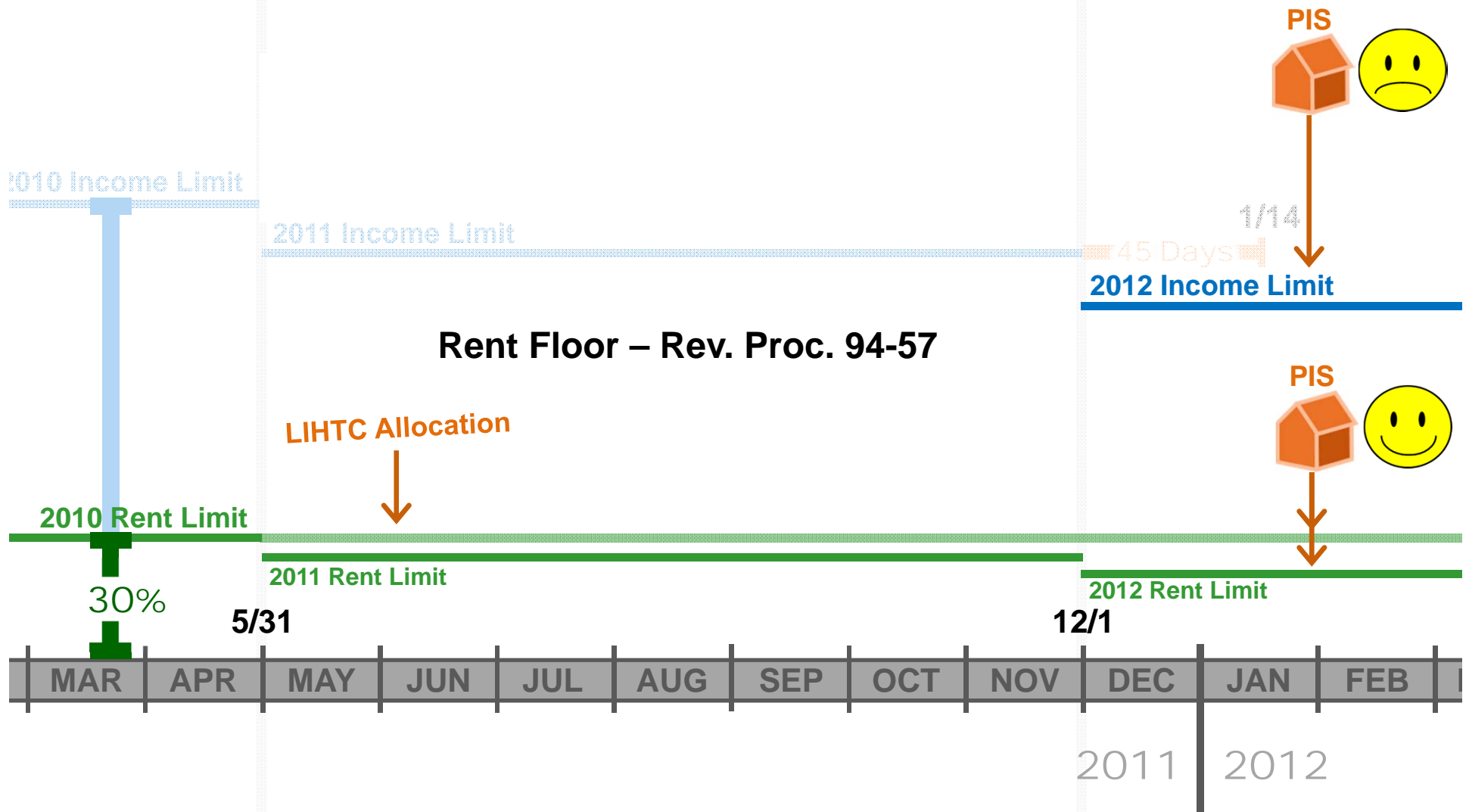
2011

2012



# THE ANNUAL SUMMIT OF HOUSING CREDIT INDUSTRY LEADERS

45-Day Rule



## Revenue Procedure 94-57

"Except for a **low-income building** described in section 42(h)(4)(B) (a bond-financed building), the Internal Revenue Service will treat the **gross rent floor** in section 42(g)(2)(A) as taking effect on **the date an Agency initially allocates a housing credit dollar amount to the building** under section 42(h)(1). However, the Service will treat the gross rent floor as taking effect on **a building's placed in service date if the building owner designates that date** as the date on which the gross rent floor will take effect for the building. An owner must make this designation to use the placed in service date and inform the Agency that made the allocation to the building no later than the date on which the building is placed in service.

"For a **bond-financed building**, the Service will treat the **gross rent floor** in section 42(g)(2)(A) as taking effect on **the date an Agency initially issues a determination letter to the building**. However, the Service will treat the gross rent floor as taking effect on **a building's placed in service date if the building owner designates that date** as the date on which the gross rent floor will take effect for the building. An owner must make this designation to use the placed in service date and inform the Agency that issued the determination letter to the building no later than the date on which the building is placed in service."