

THE HFA INSTITUTE 2021



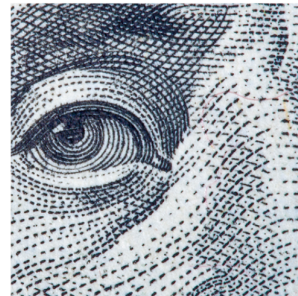
**MRBs and
Other Federal
Homeownership
Programs**
FEBRUARY 1 – 3



Housing Credit
FEBRUARY 3 – 5



**Section 8 and
Other Federally
Assisted
Multifamily
Housing**
FEBRUARY 8 – 10



**HOME and
Housing Trust
Fund**
FEBRUARY 10 – 12



National Council of
State Housing Agencies

Proposed Rule

10/30/2020

Happy Halloween



68816

Federal Register / Vol. 85, No. 211 / Friday, October 30, 2020 / Proposed Rules

an original of their comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street NE, Washington, DC 20426.

45. All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

VII. Document Availability

46. In addition to publishing the full text of this document in the **Federal Register**, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the internet through the Commission's Home Page (<http://www.ferc.gov>) and in the Commission's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street NE, Room 2A, Washington DC 20426.

47. From the Commission's Home Page on the internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

48. User assistance is available for eLibrary and the Commission's website during normal business hours from the Commission's Online Support at 202-502-6652 (toll free at 1-866-208-3676) or email at ferconlinesupport@ferc.gov, or the Public Reference Room at (202) 502-8371. TTY (202) 502-8659. Email the Public Reference Room at public.reference@ferc.gov.

By direction of the Commission.
Issued: October 15, 2020.

Kimberly D. Bose,
Secretary.

[FR Doc. 2020-23297 Filed 10-29-20; 8:45 am]

BILLING CODE 4717-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-119890-18]

RIN 1545-B092

Section 42, Low-Income Housing Credit Average Income Test Regulations

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations setting forth guidance on the average income test under section 42(g)(1)(C) of the Internal Revenue Code (Code) for purposes of the low-income housing credit. These proposed regulations affect owners of low-income housing projects, tenants in those projects, and State or local housing credit agencies that administer the low-income housing credit.

DATES: Written (including electronic) comments must be received by December 29, 2020.

ADDRESSES: Commenters are strongly encouraged to submit public comments electronically. Submit electronic submissions via the Federal eRulemaking Portal at www.regulations.gov (indicate IRS and REG-104591-18) by following the online instructions for submitting comments. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The IRS expects to have limited personnel available to process public comments that are submitted on paper through the mail. Until further notice, any comments submitted on paper will be considered to the extent practicable. The Department of the Treasury (Treasury Department) and the IRS will publish for public availability any comment submitted electronically, and to the extent practicable on paper, to its public docket.

FOR FURTHER INFORMATION CONTACT: Concerning these proposed regulations, Dillon Taylor or Michael J. Torruella Costa at (202) 317-4137; concerning submissions of comments, Regina L. Johnson at (202) 317-6901 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

This document contains proposed amendments to the Income Tax Regulations (26 CFR part 1) under section 42 of the Code.

The Tax Reform Act of 1986, Public Law 99-514, 100 Stat. 2085 (1986 Act) created the low-income housing credit under section 42 of the Code. Section 42(a) provides that the amount of the low-income housing credit for any taxable year in the credit period is an amount equal to the applicable percentage of the qualified basis of each qualified low-income building.

Section 42(c)(1)(A) provides that the qualified basis of any qualified low-income building for any taxable year is an amount equal to (i) the applicable fraction (determined as of the close of

the taxable year) of (ii) the eligible basis of the building (determined under section 42(d)). Sections 42(c) and 42(d) define applicable fraction and eligible basis. Section 42(d)(1) and (2) define the eligible basis of a new building or an existing building, respectively.

Section 42(c)(2) defines a qualified low-income building as any building which is part of a qualified low-income housing project at all times during the compliance period (that is, the period of 15 taxable years beginning with the first taxable year of the credit period) and to which the amendments made by section 201(a) of the 1986 Act apply (generally property placed in service after December 31, 1986, in taxable years ending after that date). To qualify as a low-income housing project, one of the section 42(g) minimum set-aside tests, as elected by the taxpayer, must be satisfied.

Prior to the enactment of the Consolidated Appropriations Act of 2018, Public Law 115-141, 132 Stat. 348 (2018 Act), section 42(g) set forth two minimum set-aside tests that a taxpayer may elect with respect to a low-income housing project, known as the 20-50 test and the 40-60 test. Under the 20-50 test, at least 20 percent of the residential units in the project must be both rent-restricted and occupied by tenants whose gross income is 50 percent or less of the area median gross income (AMGI). Section 42(g)(1)(A). Under the 40-60 test, at least 40 percent of the residential units in the project must be both rent-restricted and occupied by tenants whose gross income is 60 percent or less of AMGI. Section 42(g)(1)(B).

Section 103(a) of Division T of the 2018 Act added section 42(g)(1)(C) to the Code to provide a third minimum set-aside test that a taxpayer may elect with respect to a low-income housing project: The average income test. Section 42(g)(1)(C)(i) provides that, a project meets the minimum requirements of the average income test if 40 percent or more (25 percent or more in the case of a project described in section 142(d)(6)) of the residential units in the project are both rent-restricted and occupied by tenants whose income does not exceed the imputed income limitation designated by the taxpayer with respect to the respective unit. Section 42(g)(1)(C)(ii)(I) and (II) provides that the taxpayer must designate the imputed income limitation for each unit and the designated imputed income limitation of any unit must be 20, 30, 40, 50, 60, 70, or 80 percent of AMGI. Section 42(g)(1)(C)(ii)(II) provides that the average of the imputed income

Docket (IRS-2020-0038) / Document

PR PROPOSED RULE

Low-Income Housing Credit Average Income Test Regulations

Posted by the **Internal Revenue Service** on Oct 29, 2020

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Document ID
IRS-2020-0038-0001

Comments Received
81
[More Details](#)

Document Details

Comment Due Date

Dec 29, 2020

Federal Register Number

2020-20221

Content

Action

Notice of proposed rulemaking.

Summary

This document contains proposed regulations setting forth guidance on the average income test under section 42(g)(1)(C) of the Internal Revenue Code (Code) for purposes of the low-income housing credit. These proposed regulations affect owners of low-income housing projects, tenants in those projects, and State or local housing credit agencies that administer the low-income housing credit.

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Docket (IRS-2020-0038) / Document

PR PROPOSED RULE

Low-Income Housing Credit Average Income Test Regulations

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- Posted**
- Today (1)
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 - Last 15 Days (1)
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 - Last 90 Days (79)
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COMMENTS

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PUBLIC SUBMISSION
Section 42, Low-Income Housing Credit Average Income Test Regulations (REG-119890-18)
 Agency Internal Revenue Service | Posted Dec 17, 2020 | ID IRS-2020-0038-0021

PUBLIC SUBMISSION
Section 42, Low-Income Housing Credit Average Income Test Regulations (REG-119890-18)
 Agency Internal Revenue Service | Posted Dec 17, 2020 | ID IRS-2020-0038-0017

Proposed Rule

1. AUR



Proposed Rule

1. AUR



Proposed Rule

1. AUR



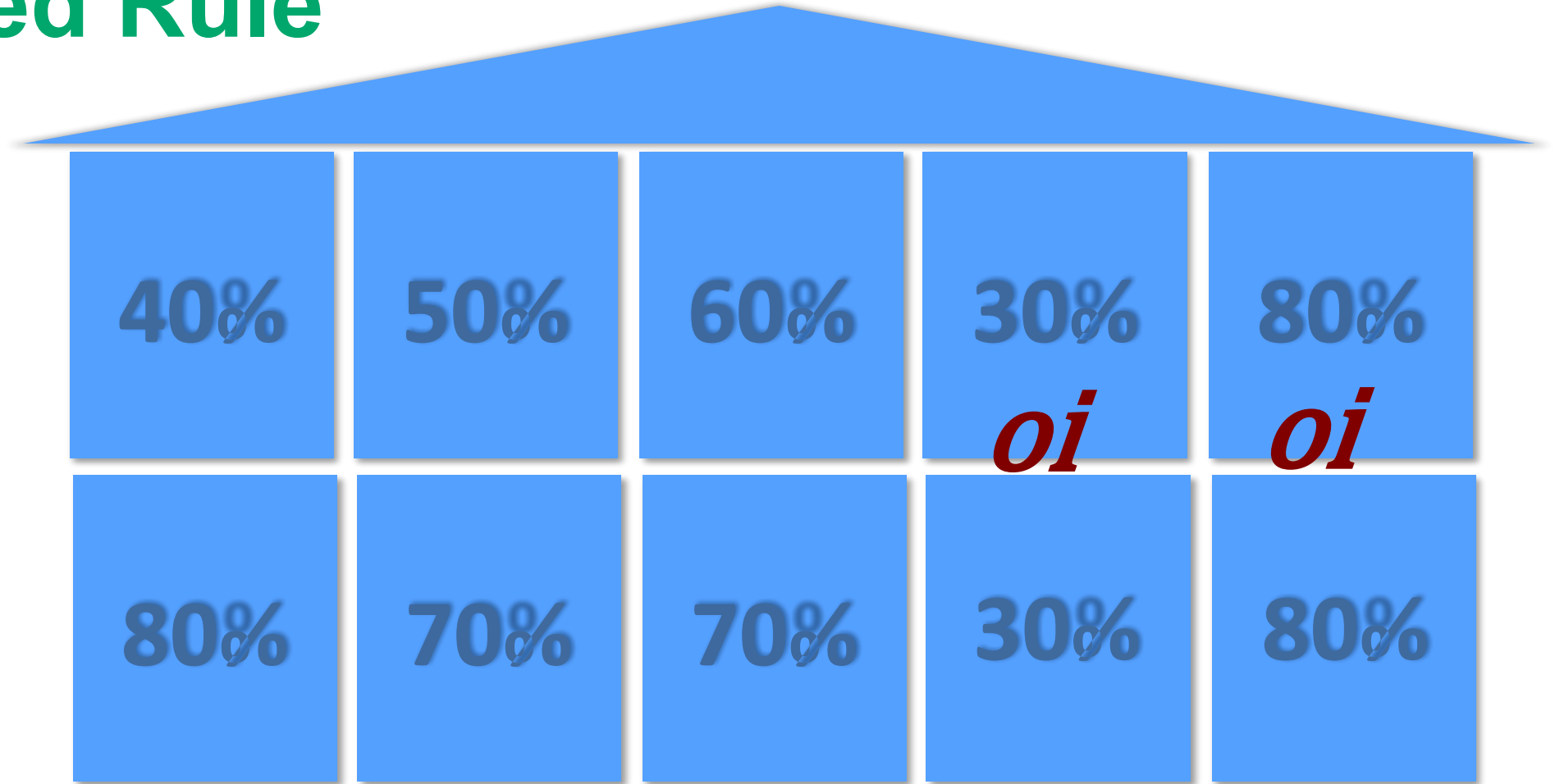
Proposed Rule

1. AUR



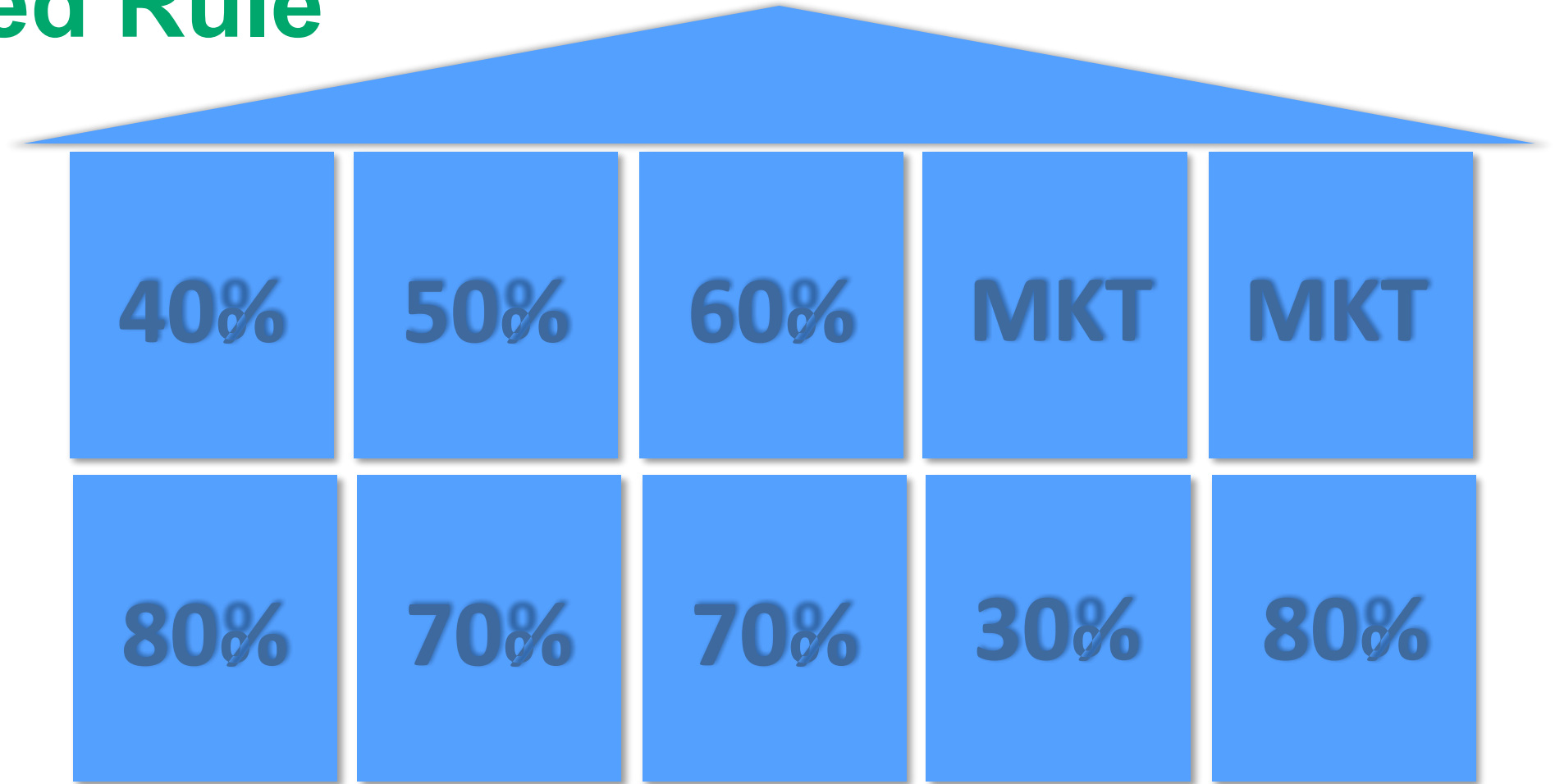
Proposed Rule

1. AUR



Proposed Rule

1. AUR

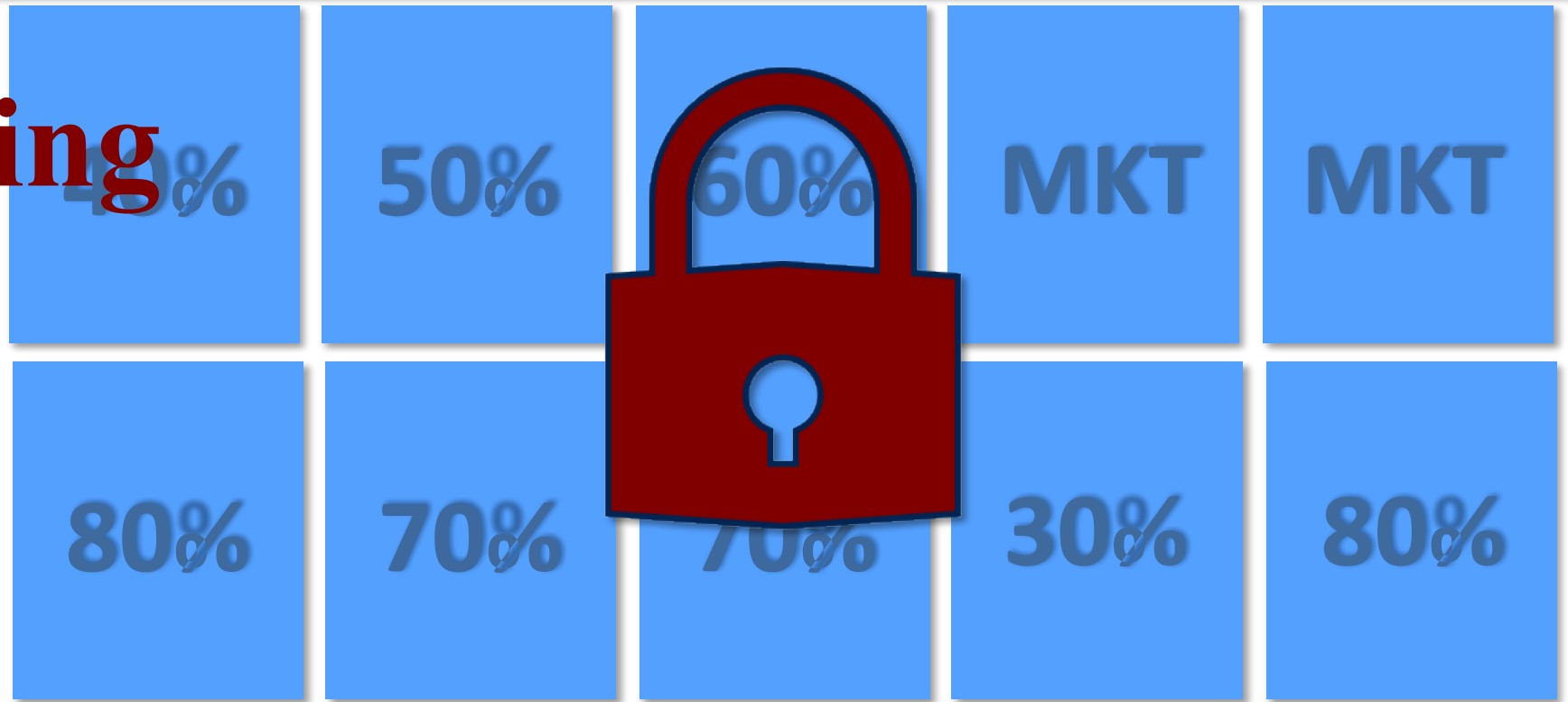


Proposed Rule

2. Fixed designations

- By UNIT

No floating



Proposed Rule

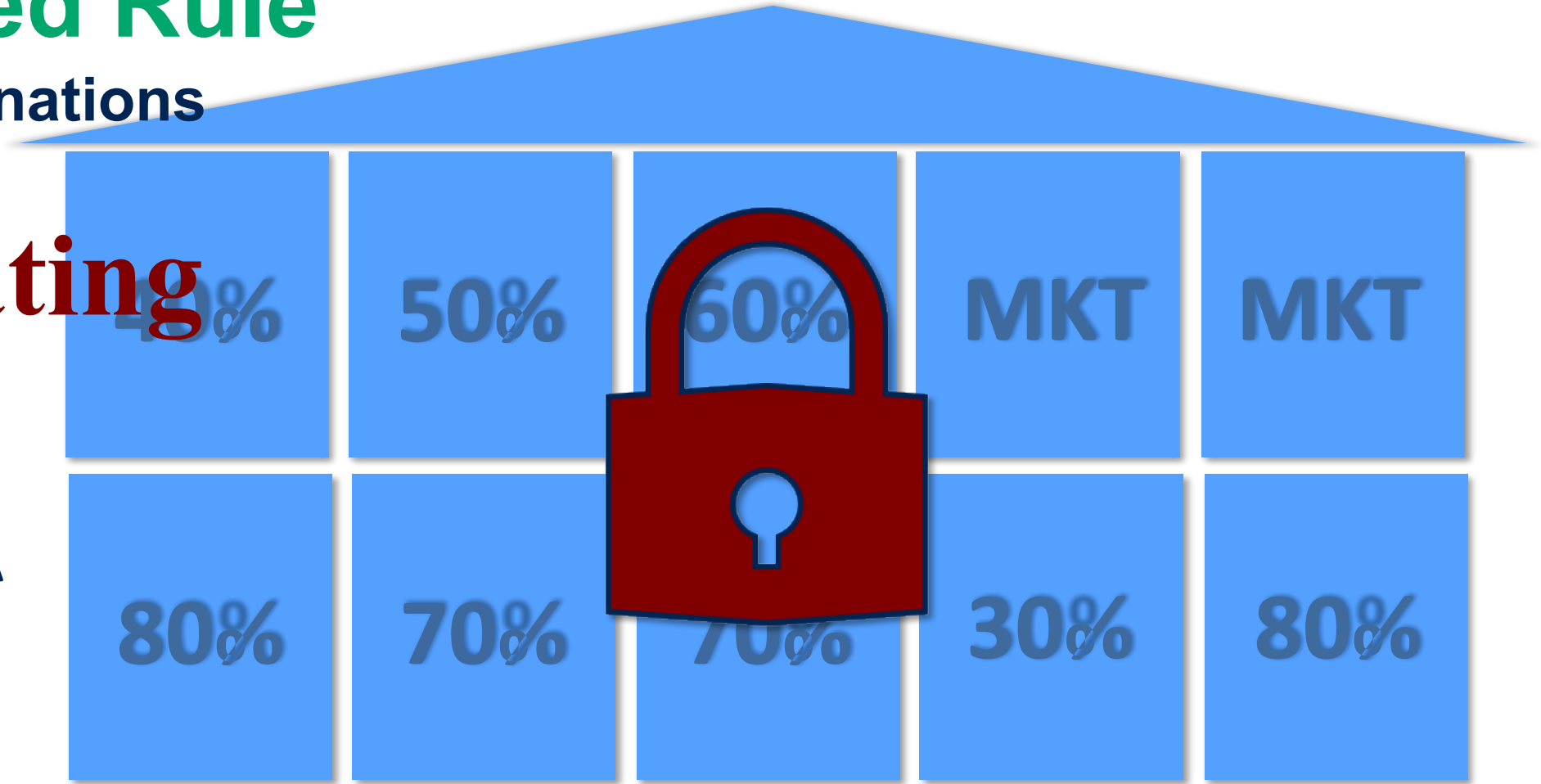
2. Fixed designations

- By UNIT

No floating

Except

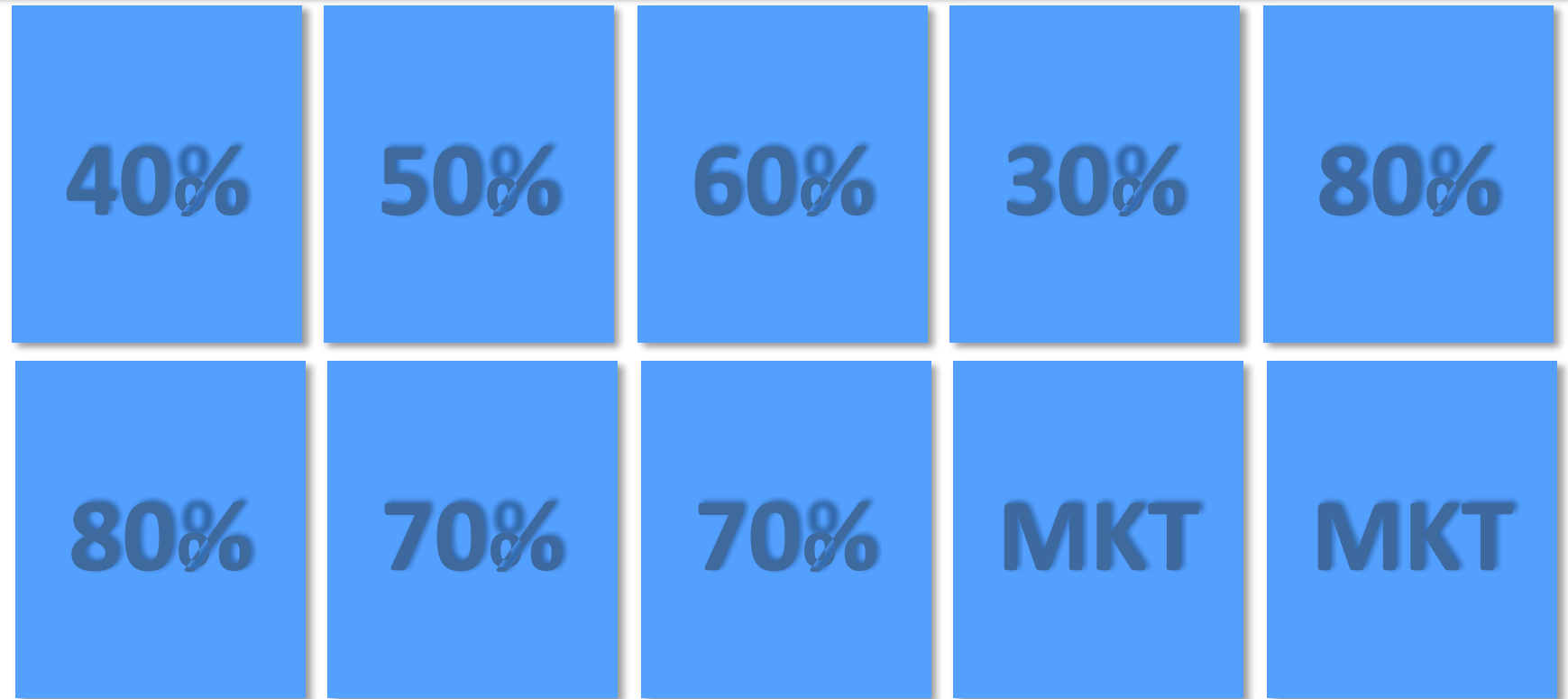
- AUR
- Fixing MSA



Proposed Rule

3. How AIT works

60.00 %



Proposed Rule

3. How AIT works

60.00 %



Proposed Rule

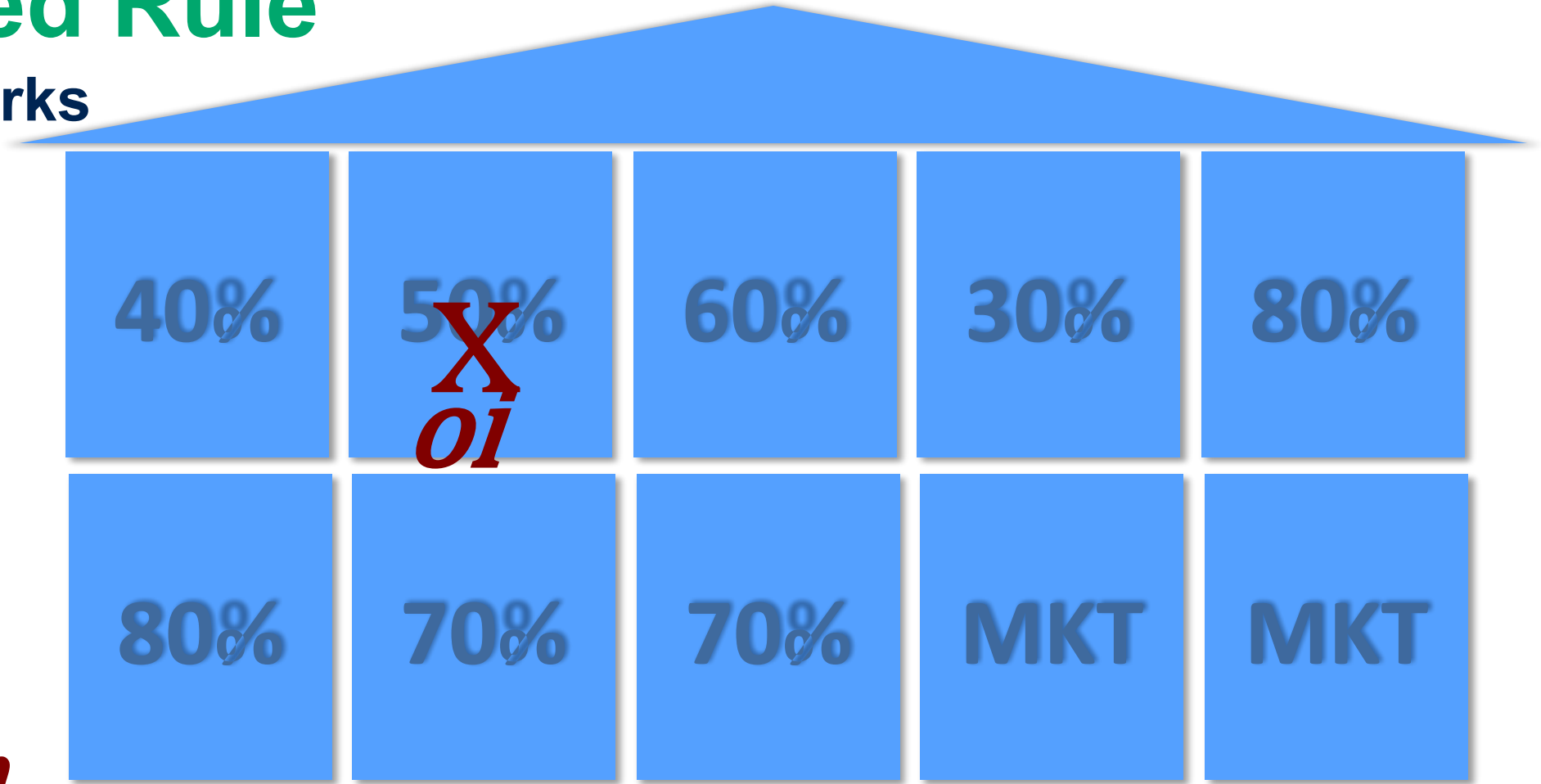
3. How AIT works

~~60.00 %~~

61.43 %

MSA

Violation



Proposed Rule

4. How to fix?

60.00 %



Proposed Rule

4. How to fix?

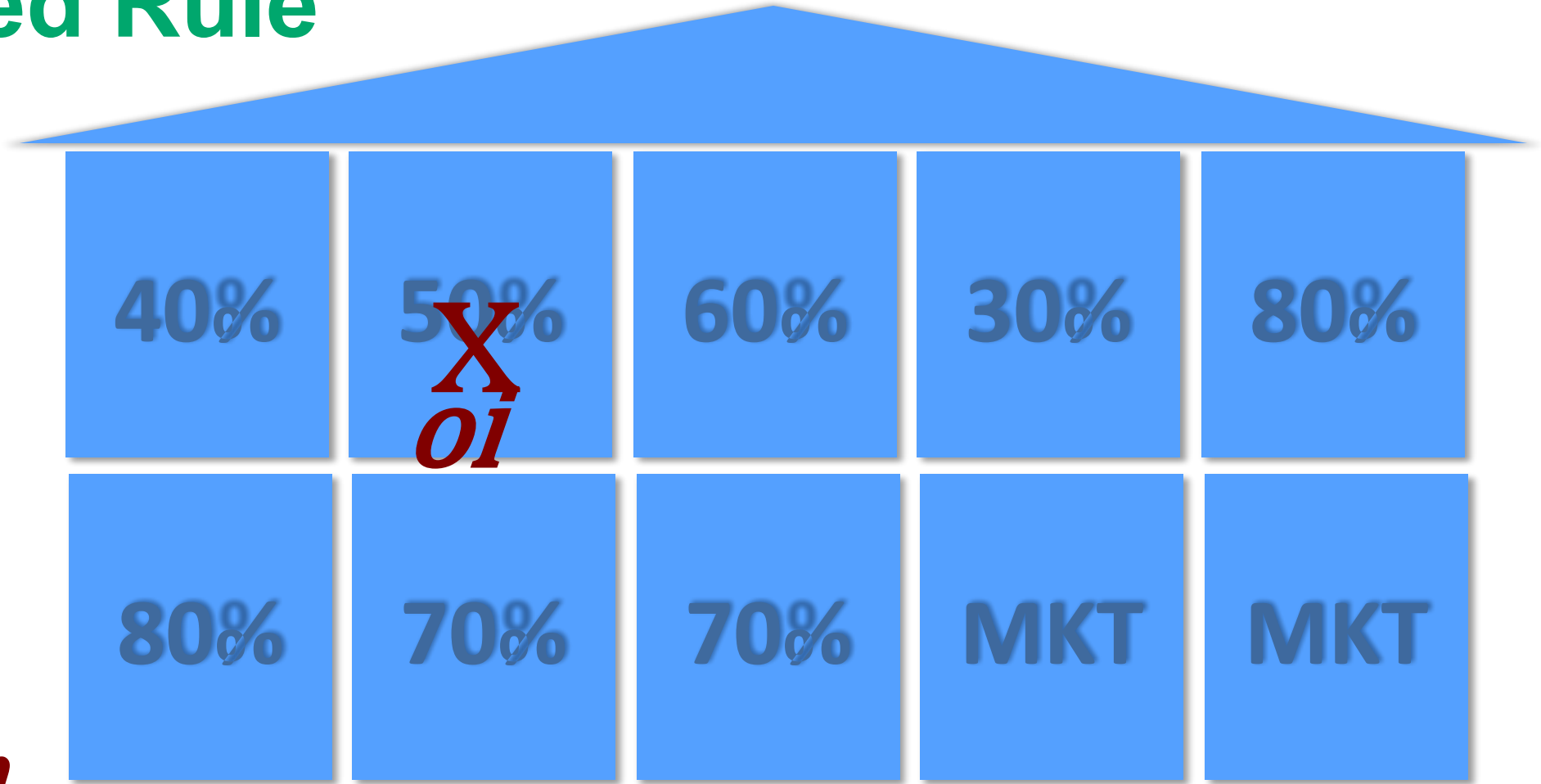
OR

~~60.00 %~~

61.43 %

MSA

Violation



Proposed Rule

4. How to fix?

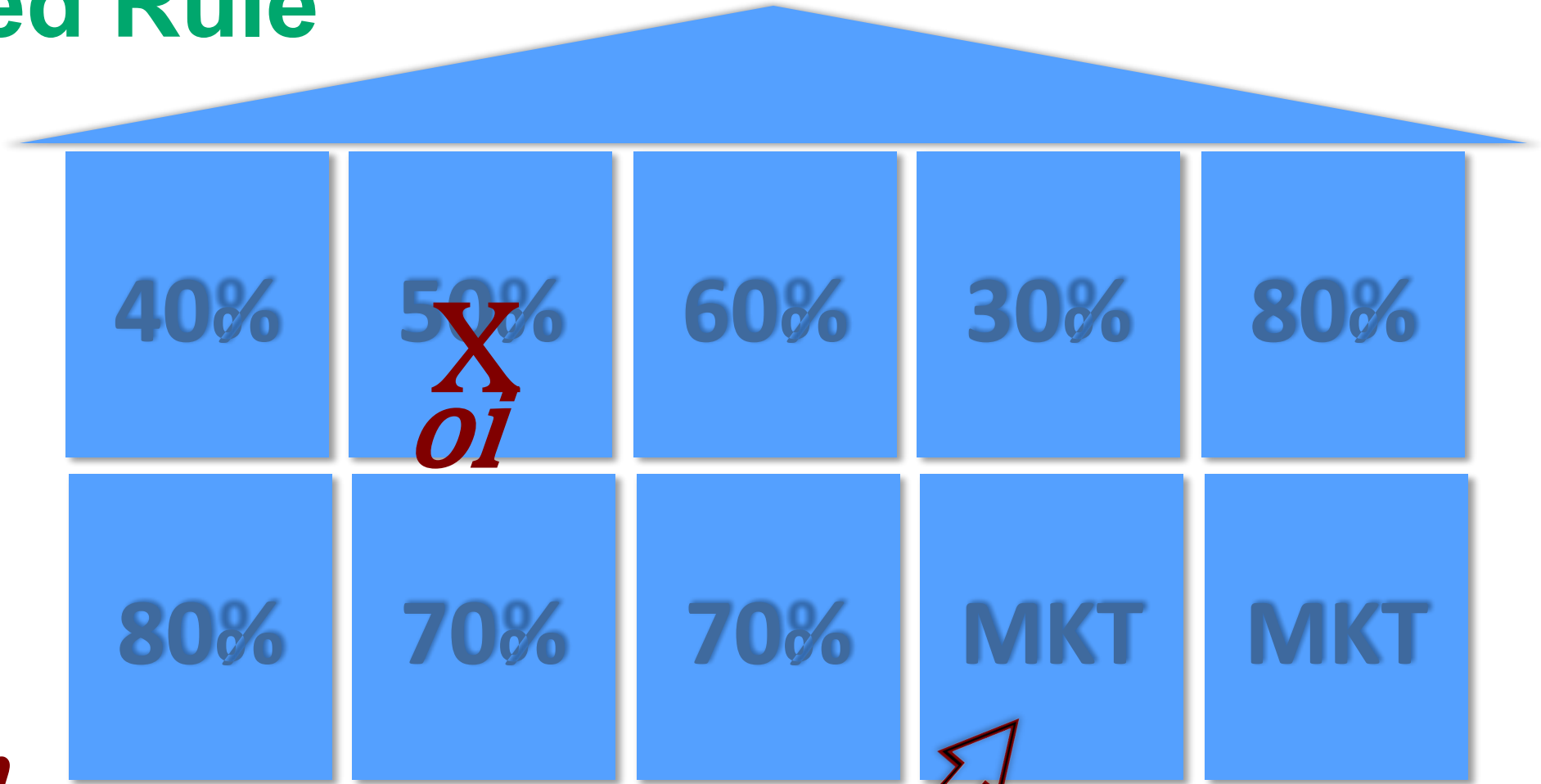
OR

~~60.00 %~~

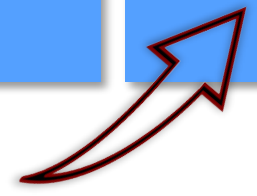
61.43 %

MSA

Violation



Vacant? or Can it be re-designated?



Proposed Rule

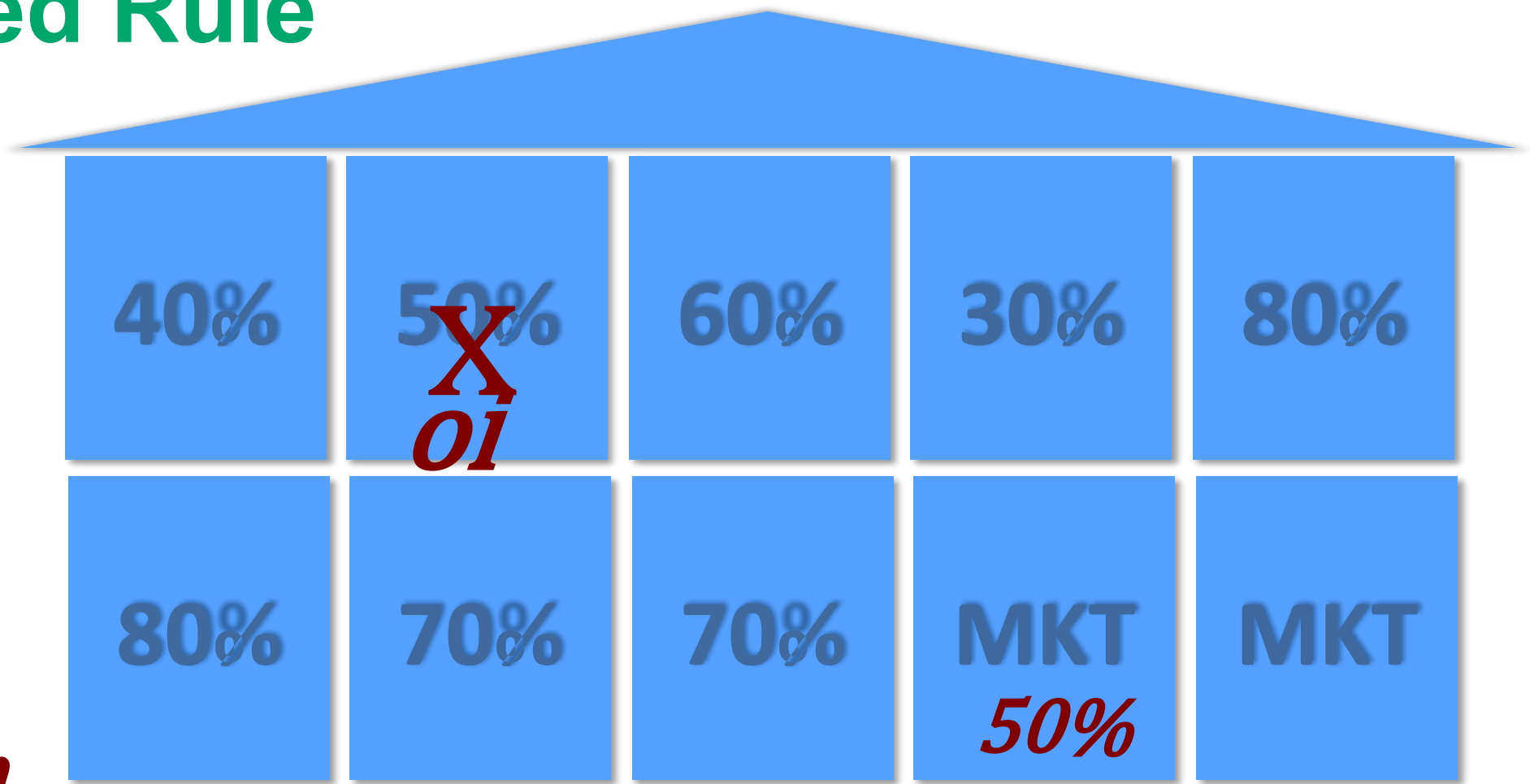
4. How to fix?

~~60.00 %~~

61.43 %

MSA

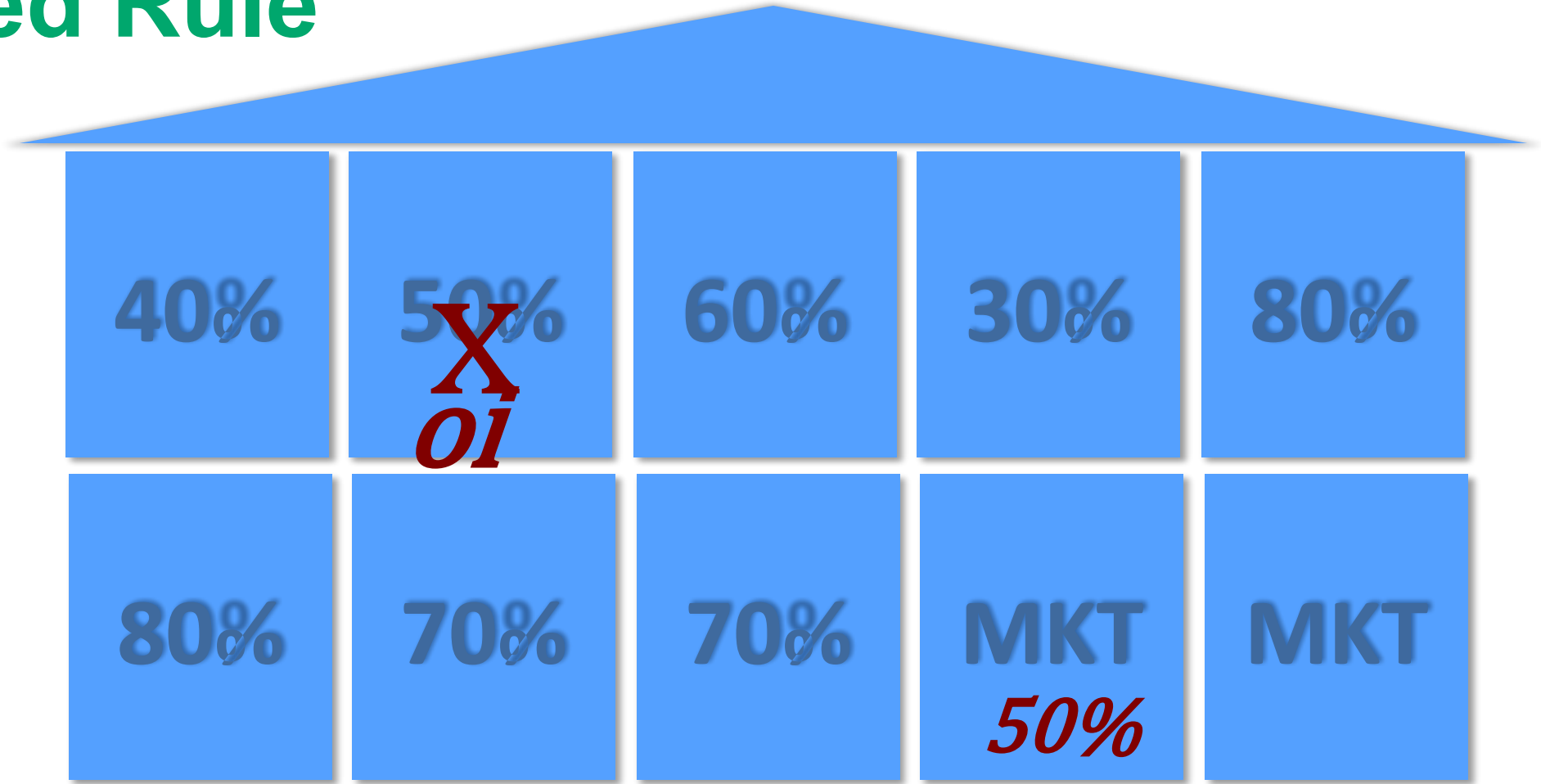
Violation



Proposed Rule

4. How to fix?

60.00 %



Proposed Rule

- 4. How to fix?
 - How long?

60 days





Survey Says...



✓ **Which most concerning...**