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**FOR IMMEDIATE RELEASE**

**LIHTC WORKING GROUP RESPONDS TO HUD'S EFFORTS TO COLLECT  
TENANT INFORMATION**

**Seeks Clarity and Suggests Ways to Alleviate State Agencies', Owners' Burdens**

**San Francisco** — In a letter to the U.S. Department of Housing and Urban Development's (HUD's) Reports Management Officer Leroy McKinney Jr., the LIHTC Working Group has submitted its comments regarding HUD's Low-Income Housing Tax Credit (LIHTC) Tenant Database information collection.

In its letter, the LIHTC Working Group (Working Group) asks HUD to consider several changes as the department fine-tunes its collection responsibilities. "Our suggestions are meant to improve the utility and clarity of the information that will be collected and to minimize the burden on state agencies, owners and managers," said Jim Kroger, a partner in Novogradac & Company LLP's San Francisco office.

HUD, under the requirements of the Housing and Economic Recovery Act of 2008 (HERA), has been charged with gathering information from each state agency that administers low-income housing tax credits. That information concerns the race, ethnicity, family composition, age, income, use of rental assistance under Section 8 or other similar assistance, disability status and monthly rental payments of households residing in each property receiving credits.

HUD has indicated it will require data collection to include all LIHTC units during the properties' entire extended-use period. The Working Group recommends that the requirement be changed to the 15-year compliance period only; states' extended-use periods can vary from 30 to 99 years. The 15-year compliance period is required for all states under Internal Revenue Code (IRC) Section 42, and Treasury Regulations require no compliance reporting after the 15-year period.

"Requiring a state to provide the Internal Revenue Service with data throughout the entire extended use period, which is often about 55 years, would be a severe burden for state agencies, owner and managers," said Kroger.

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The Working Group also commented on HUD's estimate of the time burden that the proposed collection of information would have on state agencies. HUD estimated that agencies would need 14 hours to gather the required information, but the Working Group, after discussions with some state agencies, found that the amount of time could escalate to as much as several hundred hours for some state agencies and in the case of owners and managers it could represent thousands of hours.

"California has about 3,000 properties that were funded with low-income tax credits. These properties are spread out geographically throughout California and many don't have electronic reporting capability to report to the state agency. HUD should consider the challenges state agencies might have in ramping up reporting capabilities to accommodate the new HUD reporting requirements," said Michael Novogradac, managing partner in the firm's San Francisco office.

Other Working Group recommendations include enhancing the quality, utility and clarity of the information that is collected on social security numbers; race, ethnicity, and disability data; and a data collection cut-off date. It also seeks to minimize the burden of information collection, recommending that data be collected on households in the aggregate rather than on individuals, and asks that the data collection form include household size along with the effective date of the reported annual income so that a more accurate picture of income is provided.

For more details and a copy of the letter, please go to [www.taxcredithousing.com](http://www.taxcredithousing.com) and click on Resources – LIHTC Working Group – Comment Letters.

### **The LIHTC Working Group**

Novogradac & Company LLP established the LIHTC Working Group to provide a platform for low-income housing tax credit industry participants to work together to resolve technical and administrative LIHTC program issues that are experienced by the members of the group. Members of the group participate on a conference call each month and participate in discussions and provide input regarding pending action items as agreed to by the members of the group. Comments and suggestions are agreed to and submitted in writing directly to the IRS and/or various state agencies. For more information on the LIHTC Working Group please go to [www.LIHTCWorkingGroup.com](http://www.LIHTCWorkingGroup.com).

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