

**Public Comment Related to Section 42, Low-Income Housing Credit Average Income Test Regulations (REG-119890-18)**

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PLEASE CREATE A FAIR FORMULA UNDER SECTION 42 OF THE IRS CODE-LIHTC- FOR LOW INCOME SENIORS BASED ON THEIR FINANCIAL REALITY AND NOT THE REALITY OF THE COMMUNITY THEY LIVE IN

- SECTION 42 of the IRS code –Low Income Housing Tax Credit program based on the Area Median Income is unfair to seniors and puts them at risk of joining the growing numbers of the homeless.
- The AMI formula may have worked at one time but the last few years it has resulted in disproportionate and discriminatory rental increases for low-income seniors. Why?
- Low-income seniors are in a non-income producing group.
- The AMI formula is based on the Area Median Income. So income/wage increases and are a contributing factor to driving up the AMI – LIHTC rental rates.
- Take one quick example from one state:
  - In 2016 the hourly minimum wage in Arizona was \$8.05
  - At the beginning of 2020 the hourly minimum wage was \$12.00.
  - Over that period of time there was a total monthly gross increase of \$684.67 for those working full time
  - For seniors on Social Security take that same beginning gross monthly income :
    - 2016 \$1395.00
    - 2020 \$1490.60
  - Over that same period of time a total monthly gross increase of \$95.60 for seniors.
  - SS increase in benefits for 2021 went up 1%

Please seriously consider a review of this SECTION 42 –LIHTC tax code as currently written and add a section with a fair formula based on the financial reality of low-income seniors so they are protected and not have to live in fear of becoming homeless.

Our finances are circling the drain even as we strive to cut expenses in food, transportation, medical care and the list goes on.. Each rental increases moves us one step closer to becoming homeless.

Please seriously review the current formula and create a formula specifically for low income seniors who rely solely on their SS income benefits.

Ann Shirley