



## **SAMPLE LETTER FOR REVERSING THE TAMS**

The Honorable Bill Thomas  
2208 Rayburn House Office Building  
Independence Ave. & S. Capitol St., S.W.  
Washington, D.C. 20515

February 8, 2001

Dear Representative Thomas:

The Internal Revenue Service (IRS) issued five Technical Advice Memorandums (TAMs) last October that have the potential to significantly harm low-income housing tax credit (LIHC) funded rental communities.

The so-called Halloween TAMs attempt to reduce the amount of credits available to LIHC projects and increase the need for additional subsidy dollars from local, state, and federal agencies. In part, this result is due to the unfortunate position that the IRS is taking, namely that impact fees and myriad other fees associated with preparing land for development are not eligible for tax credits.

Please help us reverse these problematic decisions in order to prevent serious damage to this successful affordable rental production program. To reverse the damage of this position, please push for a technical correction to Internal Revenue Code Section 42, which will clarify that the above mentioned costs are eligible for low-income housing tax credits.

The U.S. Census Bureau estimates that 8 million low-income families will be in need of quality affordable housing in the next decade. The LIHC program is an essential tool for bridging that gap. Your leadership in reversing this harmful position will ensure the continued development of quality affordable housing for the nation's most vulnerable—working low-income families.

Thank you for your support.

Very truly yours,  
Novogradac & Company LLP

by

Michael J. Novogradac