



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 485
Sacramento, CA 95814
p (916) 654-6340
f (916) 654-6033
www.treasurer.ca.gov/ctcac

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EXECUTIVE DIRECTOR
JUDITH BLACKWELL

DATE: June 15, 2020

TO: Recipients of 2018 and 2019 9% Low-Income Housing Tax Credits

FROM: Judith Blackwell, Executive Director

RE: Placed in Service Deadline Extensions for COVID-19 Disaster Declaration

On March 22, 2020 the Federal Emergency Management Agency (FEMA) published a notice of Presidential declaration of a major disaster for the State of California resulting from the COVID-19 pandemic ([FEMA-4482-DR](#)). This designation allows the California Tax Credit Allocation Committee (TCAC) to extend the placed in service deadline required by Internal Revenue Code (IRC) § 42(h)(1)(E)(i), pursuant to Internal Revenue Service (IRS) and U.S. Treasury Notice [2014-49](#). The extension “must not extend beyond December 31 of the year following the end of the two-year period described in § 42(h)(1)(E)(i).”

Notice 2014-49 permits the following:

The Agency may approve the carryover allocation relief provided in sections 6.02 and 6.03 of this revenue procedure only for Projects whose Owners cannot reasonably satisfy the deadlines of § 42(h)(1)(E) because of a Major Disaster. Depending on the extent of the damage in a Major Disaster Area, an Agency may make this determination on an individual Project basis or determine that all Owners or a particular group of Owners in the Major Disaster Area warrant the relief provided in sections 6.02 and 6.03 of this revenue procedure.

As permitted by Notice 2014-49, due to the statewide disaster declaration of FEMA 4482-DR, TCAC is granting projects with 2018 and 2019 carryover allocations a six month extension of their respective placed in service deadlines. Projects with a 2018 carryover allocation have a placed in service deadline of June 30, 2021. Projects with a 2019 carryover allocation have a placed in service deadline of June 30, 2022. If able to complete sooner, it is not advisable to use the full extension. Placed in

PIS Deadline Extensions for COVID-19 Disaster Declaration

service extensions with corresponding delays in placed in service applications will also result in delayed Form 8609 issuance.

For projects that will receive a 2020 carryover allocation, TCAC is seeking guidance from the IRS and is not able to grant placed in service extensions at this time. FEMA 4482-DR was made on March 22, 2020 with an effective date of “January 20, 2020 and continuing.” As of January 20, 2020, no 2020 carryover allocations had been made. **TCAC has contacted the IRS for guidance regarding the applicability of FEMA 4482-DR to 2020 carryover allocations made after the disaster declaration date and will provide updated guidance when this information becomes available.**