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From:

Sent: Tuesday, August 25, 2009 12:18

To:

Cc:

Subject: RE: Façade Easement Brief June 2009

Here is the statement in the training slides that we prepared on façade easements:

If, during the 5 preceding years, a rehabilitation credit under section 47 was claimed for the building, the amount of the charitable contribution deduction must be reduced by the ratio of the sum of the credits over the fair market value of the building on the date of contribution.

Or, using your language in your email, I would just revise it as follows:

Under section 170(f)(14), the amount of the charitable contribution deduction is reduced by an amount which bears the same ratio as the rehabilitation tax credits allowed for the 5 preceding tax years over the fair market value of the building on the date of the contribution.

One additional reminder: As you know, we are finalizing new regulations under section 1.170A-13. When these regulations become final, we will need to revise the Façade Easement Brief 2009 to reflect those regulations.