

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224
OFFICE OF CHIEF COUNSEL

April 2, 2002
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CONNEX-114156-02
CC:PSI:5

Dear :

I am writing in response to your letter dated March 4, 2002, concerning your constituent, who wants to know whether she is eligible to remain as a tenant in a section 42 qualified low-income building while a student. Specifically, she asks if she, as the recipient of assistance provided by the (), meets the exception for certain students provided under section 42(i)(3)(D)(i)(II) of the Internal Revenue Code (the Code).

"Low-income unit" means, in general, any unit in a building if the unit is rent-restricted (as defined in section 42(g)(2)), and the individuals occupying the unit meet the income limitation applicable under section 42(g)(1) to the project of which the building is a part (section 42(i)(3)(A) of the Code). A unit will not fail to be treated as a low-income unit merely because it is occupied by an individual who is enrolled in a job training program receiving assistance under the Job Training Partnership Act or other similar Federal, State, or local laws (section 42(i)(3)(D)(i)(II) of the Code).

In case, the following facts must be present for this exception to apply:

- (1) The offers a job training program(s)
- (2) is enrolled as a participant in the program
- (3) The receives assistance under the Job Training Partnership Act (repealed in 1998, and replaced by the Workforce Investment Act) or other similar Federal, State, or local laws.

We cannot tell from letter whether she is enrolled in a job training program with and whether she receives assistance under the Job Training Partnership Act or other similar Federal, State, or local laws. Therefore, we cannot say whether this exception applies to .

We would be happy to speak with to gather additional information and explore what steps, if any, she may take to address this issue.

I hope this information is helpful. If we can be of further assistance to you or , please contact me or Greg Doran, Attorney-Advisor (CC:PSI:5), at .

Sincerely,

Paul Kugler
Paul Kugler

Associate Chief Counsel
(Passthroughs and Special Industries)