

SECTION 4. OPTION TO APPLY 2021 ADJUSTED HOUSING LIMITATIONS TO 2020 TAXABLE YEAR

For some locations, the limitation on housing expenses provided in Section 3 of this notice may be higher than the limitation on housing expenses provided in the “Table of Adjusted Limitations for 2020” in Notice 2020-13. A qualified individual incurring housing expenses in such a location during 2020 may apply the adjusted limitation on housing expenses provided in Section 3 of this notice for 2021 in lieu of the amounts provided in the “Table of Adjusted Limitations for 2020” in Notice 2020-13 (and as set forth in the Instructions to Form 2555, *Foreign Earned Income*, for 2020).

The Treasury Department and the IRS anticipate that future annual notices providing adjustments to housing expense limitations will make a similar option available to qualified individuals that incur housing expenses in the immediately preceding year. For example, when adjusted housing expense limitations for 2022 are issued, it is expected that taxpayers will be permitted to apply those adjusted limitations to the 2021 taxable year.

SECTION 5. EFFECT ON OTHER DOCUMENTS

This notice supersedes Notice 2020-13, 2020-11 I.R.B. 502.

SECTION 6. EFFECTIVE DATE

This notice is effective for taxable years beginning on or after January 1, 2021. However, as provided in Section 4, taxpayers may apply the 2021 adjusted housing limitations contained in Section 3 of this notice to their taxable year beginning in 2020.

SECTION 7. DRAFTING INFORMATION

The principal author of this notice is Kate Y. Hwa of the Office of Associate Chief Counsel (International). For further information regarding this notice, contact Kate Y. Hwa at (202) 317-5001 (not a toll-free number).

2021 Calendar Year Resident Population Figures

Notice 2021-19

This notice advises State and local housing credit agencies that allocate low-income housing tax credits under § 42 of the Internal Revenue Code, and States and other issuers of tax-exempt private activity bonds under § 141, of the population figures to use in calculating: (1) the 2021 calendar year population-based component of the State housing credit ceiling (Credit Ceiling) under § 42(h)(3)(C)(ii); (2) the 2021 calendar year volume cap (Volume Cap) under § 146; and (3) the 2021 volume limit (Volume Limit) under § 142(k)(5).

Generally, the population-based component of both the Credit Ceiling and the Volume Cap are determined under § 146(j), which requires determining the population figures for any calendar year on the basis of the most recent census estimate of the resident population of a State (or issuing authority) released by the U.S. Census Bureau before the beginning of the calendar year. Similarly, § 142(k)(5) bases the Volume Limit on the State population.

Sections 42(h)(3)(H) and 146(d)(2) require adjusting for inflation the population-based component of the Credit Ceiling and the Volume Cap. The Credit Ceiling adjustment for the 2021 calendar year is in Rev. Proc. 2020-45, 2020-46 I.R.B. 1016. Section 3.10 of Rev. Proc. 2020-45 provides that, for calendar year 2021, the amount for calculating the Credit Ceiling under § 42(h)(3)(C)(ii) is the greater of \$2.8125 multiplied by the State population, or \$3,245,625. Further, section 3.21 of Rev. Proc. 2020-45 provides that the amount for calculating the Volume Cap under § 146(d)(1) for calendar year 2021 is the greater of \$110 multiplied by the State population, or \$324,995,000.

For the 50 states, and the District of Columbia, the population figures for calculating the Credit Ceiling, the Volume Cap, and the Volume Limit for the 2021 calendar year are the resident population estimates released electronically by the U.S. Census Bureau on December 22, 2020, and described in Press Release CB20-TPS.104. For Puerto Rico the population figure for the 2021 calendar year is the resident population estimate released electronically by the U.S. Census Bureau on December 30, 2019 and described in Press Release CB19-198. For American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands, the population figures for the 2021 calendar year are the 2020 midyear population figures in the U.S. Census Bureau’s International Data Base (IDB). The last announced update of the IDB by the U.S. Census Bureau in 2020 was electronically announced on December 15, 2020, in Press Release CB20-TPS.96.

For convenience, these figures are reprinted below.

Resident Population Figures

Alabama	4,921,532
Alaska	731,158
American Samoa	47,392
Arizona	7,421,401
Arkansas	3,030,522
California	39,368,078
Colorado	5,807,719
Connecticut	3,557,006

Delaware	986,809
District of Columbia	712,816
Florida	21,733,312
Georgia	10,710,017
Guam	168,489
Hawaii	1,407,006
Idaho	1,826,913
Illinois	12,587,530
Indiana	6,754,953
Iowa	3,163,561
Kansas	2,913,805
Kentucky	4,477,251
Louisiana	4,645,318
Maine	1,350,141
Maryland	6,055,802
Massachusetts	6,893,574
Michigan	9,966,555
Minnesota	5,657,342
Mississippi	2,966,786
Missouri	6,151,548
Montana	1,080,577
Nebraska	1,937,552
Nevada	3,138,259
New Hampshire	1,366,275
New Jersey	8,882,371
New Mexico	2,106,319
New York	19,336,776
North Carolina	10,600,823
North Dakota	765,309
Northern Mariana Islands	51,851
Ohio	11,693,217
Oklahoma	3,980,783
Oregon	4,241,507
Pennsylvania	12,783,254
Puerto Rico	3,193,694
Rhode Island	1,057,125
South Carolina	5,218,040
South Dakota	892,717
Tennessee	6,886,834
Texas	29,360,759
Utah	3,249,879
Vermont	623,347
Virginia	8,590,563
Virgin Islands, U.S.	106,290
Washington	7,693,612
West Virginia	1,784,787
Wisconsin	5,832,655
Wyoming	582,328

The principal authors of this notice are Michael J. Torruella Costa, Office of the Associate Chief Counsel (Passthroughs and Special Industries), and Lewis Bell,

Office of the Associate Chief Counsel (Financial Institutions and Products). For further information regarding this notice,

please contact Mr. Torruella Costa at (202) 317-4137 (not a toll-free number).