

December 29, 2020

Department of the Treasury
Internal Revenue Service
1111 Constitution Avenue NW
Washington, DC 20224

Re: IRS Notice of Proposed Rule Making:
Section 42 Low Income Housing Credit Average Income Test Regulations
Reg-119890-18

CohnReznick is a national audit, tax, and business advisory firm founded in 1919. Our firm has been involved in the Low-Income Housing Credit program since its inception in 1986. Our clients include affordable housing owners, investors, syndicators, property managers, lenders and housing authorities. We are committed to the success of the program that has provided housing for millions of lower income individuals and families.

We strongly support the income averaging flexibility, which has been widely used to make more types of affordable housing developments possible since enactment in 2018. However, we are concerned that the proposed regulations will severely limit utilization of the income averaging flexibility, and we believe mitigation remedies are needed to ensure that income averaging remains a viable option.

We support the assertions and recommendations provided by the Affordable Housing Tax Credit Coalition in their comment letter, which is attached as a supporting document.

Cohn Reznick appreciates the opportunity to comment on the proposed regulation. The income averaging flexibility has successfully made affordable housing available to more people that are in critical need, and we hope it continues to do so in the future.

If you have any questions regarding these comments, please contact Beth Mullen at beth.mullen@cohnreznick.com or (916)930-5750.

Sincerely,



Beth Mullen, CPA
Partner
Affordable Housing Industry Practice Leader