

REG-128274-03



REGULATORY & HOUSING POLICY AREA

LEGAL PROCESSING DIVISION
PUBLICATION & REGULATIONS
BRANCH

SEP 18 2007

DAVID A. CROWE
Senior Staff Vice President

September 17, 2007

CC:PA:LPD:PR (REG-128274-03)
Room 5203
Internal Revenue Service
PO Box 7604
Ben Franklin Station
Washington, DC 20244

Subject: Section 42 Utility Allowance Regulations Update:
Outline of Topics to be Discussed at the Public Hearing

Dear Sir or Madam:

This is to notify you that the National Association of Home Builders (NAHB) intends to testify at the public hearing scheduled for October 9, 2007 on the proposed rulemaking for updating §1.42-10 of the Income Tax Regulations (26 CFR Part 1) governing utility allowances for the low-income housing credit under Section 42 of the Internal Revenue Code.

At the hearing, NAHB intends to cover the following topics:

- I. General endorsement of the proposed modifications to section to §1.42-10(b)(4)(ii) of the regulations that would expand the options available for computing utility allowances.
- II. Recommendation that the Internal Revenue Service further modify §1.42-10(b)(4)(ii) to permit a Section 42 building owner or developer to obtain utility allowances by hiring a State-certified engineer to run a computer software model.

If you have questions concerning NAHB's plans to testify at the hearing, please contact either Paul Emrath, NAHB's Assistant Staff Vice President of Housing Policy Research, at 202-266-8449 (pemrath@nahb.com); or Carmel McGuire, NAHB's Director of Affordable Housing at 202-266-8207 (cmcguire@nahb.com).

Respectfully,

A handwritten signature in black ink, appearing to read "David A. Crowe", written in a cursive style.

David A. Crowe
Senior Staff Vice President
Regulatory and Housing Policy