

*****The deadline to submit applications for the 2012 9% tax credit round is 12 noon, Tuesday, May 1st, 2012. A minimum of \$10 million in annual credits shall be made available to the round.*****

Any current Tax Credit owners planning to submit applications for the 2012 9% tax credit round are advised to contact their Compliance Analyst to verify there are no uncorrected noncompliance issues with current properties. Please view our [Compliance Analyst list](#) for contact information.

Applicants looking to provide documentation for the Successful Development Experience points for the 2012 9% tax credit funding round should visit the [UNIAP Page](#)

The Federal Low Income Housing Tax Credit Program enjoys the reputation of being the most successful federal housing program in history. The credit, a dollar for dollar reduction in federal tax liability, acts as a catalyst to attract private investment into the historically underserved affordable housing market. The additional capital mitigates the debt burden incurred in the construction and rehabilitation development process. Consequently, less rental income is necessary for operations.

Each state is currently vested with \$2.15 worth of credits per capita, giving New Jersey approximately 18 million credits to allocate annually. As a 10-year credit, the gross annual present value is over \$160 million. Additional tax credits can be generated in conjunction with qualified tax-exempt bond financing under 26 U.S.C. §142.

Affordability is defined as either 50% or 60% of county median income adjusted for family size. Oversight of the program is handled by each state under the auspices of the Internal Revenue Service. Consequently, compliance with the program is strictly enforced.

The HMFA conducts annual file and physical inspections of 20% of the units for 1/3 of its portfolio. Infractions are reported to the Internal Revenue Service, which, in its discretion, may conduct tax audits. Such audits may result in tax credit recapture and imposition of tax penalties.

Given the successful history of the Low Income Housing Tax Credit Program, demand exceeds supply by close to three-to-one. This has led to a fairly complex competition, with applications typically due in April or May. HMFA provides extensive application and compliance trainings to assist the development community.

HMFA currently monitors over 500 tax credit developments that contain more than 27,000 units and assists with the rehabilitation or construction of approximately 20 projects annually. NJHMFA is committed to the success of this program in order to increase the hopes and prosperity of the citizens that it serves.

Following are direct links to the [adopted Qualified Allocation Plan](#). (351k pdf) The [instruction page](#) for the 2012 application is currently available.

Feel free to contact the Division of Tax Credit Services at (609) 278-7629 should you have any questions.