

Notice 92-43, 1992-2 CB 373--IRC Sec(s).42

Part III -- Administrative, Procedural and Miscellaneous

Notice 92-43

The Internal Revenue Service is granting relief as described in this notice to taxpayers in the Florida counties of Dade, Broward, and Monroe, and the Louisiana parish of Terre Bonne, who, as a result of the devastation caused by Hurricane Andrew, are unable to comply with certain requirements of the low-income housing credit under section 42 of the Internal Revenue Code. This relief is being granted pursuant to the Service's authority under section 42(n).

RELIEF FOR CARRYOVER ALLOCATIONS

Taxpayers who received a 1992 allocation of credit under section 42(h)(1)(E) of the Code before Hurricane Andrew struck and who, as a result of the disaster, cannot satisfy the requirement that more than 10 percent of the reasonably expected basis in the project be incurred by December 31, 1992, will be deemed to have satisfied this requirement if more than 10 percent of the reasonably expected basis in the project is incurred by June 30, 1993. In addition, taxpayers who received a 1990 allocation of credit under section 42(h)(1)(E) and who, as a result of the disaster, cannot satisfy the requirement that the project be placed in service by December 31, 1992, will not lose the allocation otherwise allowable if the project is placed in service by December 31, 1993.

RELIEF FROM RECAPTURE

Pursuant to section 42(j)(4)(E) of the Code, taxpayers owning buildings that are beyond the first year of the credit period and that, by reason of the disaster, would otherwise suffer recapture or loss of credit due to a reduction in qualified basis are not subject to recapture and loss of credit to the extent that the casualty losses are restored by reconstruction or replacement within a reasonable period.

Credits claimed during the reconstruction or replacement period are based on the building's qualified basis at the close of the tax year that preceded the disaster.

RELIEF FROM COMPLIANCE MONITORING

If requirements for certifications, supporting documents, or other information under section 42(m)(1)(B)(iii) of the Code cannot be timely satisfied as a result of the disaster, an extension is granted through June 30, 1993, to satisfy these requirements.

OTHER RELIEF

The Service will consider granting Hurricane Andrew relief to other situations not covered by this notice that are brought to its attention.

DRAFTING INFORMATION

The principal author of this notice is Paul F. Handleman of the Office of Assistant Chief Counsel (Passthroughs and Special Industries). For further information regarding this notice contact Mr. Handleman on (202) 622-3040 (not a toll-free call).