Update on IRA’s Energy Adders for Affordable Housing

Provisions in last summer’s Inflation Reduction Act (IRA) created “adders” to the renewable energy investment tax credit when solar power is installed on affordable housing properties. In this week’s Tax Credit Tuesday podcast, Michael Novogradac, CPA, and Novogradac partner Dirk Wallace, CPA, discuss the provisions—both for affordable housing and for other low-income communities. They take a brief detour to discuss the Internal Revenue Code Section 45L credit expansion that was part of the IRA, then talk about Internal Revenue Service guidance concerning the allocation plan for 1.8 gigawatts of solar power, including how many properties may receive allocation, the timeline for the applications and what developers should be doing now to get ready. They also discuss issues for investors and syndicators of low-income housing tax credits and forthcoming guidance, including how benefits to tenants will be measured.

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Transcript

Introduction

[00:00:10] Michael Novogradac, CPA: Hello, I'm Michael Novogradac, and this is Tax Credit Tuesday. This is the March 14th, 2023, podcast.

Today's podcast discusses an issue that should be on the radar of every developer, syndicated or investor in low-income housing tax credit financed properties. We're going to be talking about the so-called adders to the investment tax credit for solar panels installed at affordable rental housing properties. By that, I mean provisions in last summer's Inflation Reduction Act that could increase the 30% investment tax credit for installing solar on affordable housing property by as much as 40%.

That's right. A low-income housing tax credit property could get as much as a 70% tax credit for the cost of installing solar. The reason why we're having the podcast now is the Internal Revenue Service recently issued guidance on a key provision to get those extra percentage points. In today's podcast, we'll discuss what we know now and maybe just as important, but we don’t know now and we'll discuss when we think we might know the answers to some of the other question.

Now there are three major provisions that can increase the 30% investment tax credit. Now, let me first remind listeners though, that in general, to be eligible for this 30% investment tax credit, you must adhere to certain labor requirements that include paying prevailing wages, and you must follow certain apprenticeship program requirements.

If you do not meet these two requirements, prevailing wage and apprenticeship, then the credit isn’t 30%, it’s 6%. Now, I did say in general you had to meet these requirements because the labor and apprenticeship rules are waived for solar installations under 1 megawatt, and most solar installations that at low-income housing tax credit properties are below 1 megawatt.

So this does mean that most affordable housing properties will be eligible for the base credit of 30% without regard to the labor and apprenticeship requirements. Now, as I noted, beyond the 30% base credit, there are three major boosts to get an even higher percentage. The first is a 10% increase for domestic content, and by domestic content, I mean content sourced in the U.S. versus from overseas.

The second is a 10% increase for being located in what is called an energy community. Now, while we can make some estimates, I don't like to say guesses, as to what the requirements will be for those definitions, the IRS has not yet issued guidance on them, so those potential adders to the 30% credit are still a bit up in the air until such guidance comes out.

Now the third area, which is the area we're going to focus on today, because the IRS has issued guidance, they issued the guidance in February, is the adder that's commonly referred to as the
environmental justice bonus. The environmental justice bonus includes a 10% and a 20% adder under the low-income communities bonus credit program. Now, this 10% or 20% adder, the cumulative amounts are subject to a cap of 1.8 gigawatts. Now, if there’s a cap, of 1.8 gigawatts, that then means that property owners need to compete in order to receive an award. Now, it’s important to note that eligible properties include more than just low-income housing tax credit financed properties and many of our clients who are developing properties outside of low-income housing tax credit financing will be applying as well.

So that means that LIHTC developers and others will be competing for this bonus with all different types of properties, and we’ll discuss more on that later. That’s one of the purposes of today’s podcast.

Now, the guidance released by the IRS last month specifies how much capacity will be allocated to affordable housing, as well as broad plans for the application process.

To get a bit more specific, there are four types of installations that will be eligible to compete for the 1.8 gigawatts of solar capacity. And before the guidance came out, we didn’t know how much would go to affordable housing versus the other categories. I will also note that the IRS in their guidance did also promise forthcoming guidance, within the notice, which is further evidence that there’s a lot more details to come before the application process can open up. That said, the information was enough to allow developers, owners, syndicators and investors to begin considering how they will approach the competitive part of the process, and that’s what we’re going to talk about today. There’s a gating question for developers, should I or should I not keep the optionality of applying for these credits in my capital stack?

My guest today is Dirk Wallace. Dirk’s a partner in Novogradac’s Dover, Ohio office. Dirk’s been a frequent guest on Tax Credit Tuesday and does lead our Low-Income Housing Tax Credit Working Group. He works in many other community development tax incentive areas as well, and is a frequent speaker at our conferences. Dirk works extensively with all sides in low-income housing tax credit property transactions and has been paying very close attention to the guidance that we’ve received.

Now in today’s podcast, Dirk, and I’ll discuss the key points of the guidance, including how much capacity will be awarded to affordable housing properties. We’ll discuss how many developments we expect to receive the bonus credits, as well as potential timeline for applying for the bonus. We’ll also look at what developers, syndicators and investors should be doing now to get ready for those applications and how Novogradac can help. Importantly, Dirk and I will also talk about what we don’t know yet and what additional guidance we’re waiting on and when we might receive it. As you can tell, there’s a lot to talk about. So if you’re ready, let’s get started.

Dirk, welcome back to Tax Credit Tuesday.

[00:06:15] Dirk Wallace, CPA: It’s great to be back, Mike.
Michael Novogradac, CPA: It's always good to have you. You're a very popular guest.

Dirk Wallace, CPA: Great to hear.

Section 45L Credit

Michael Novogradac, CPA: Now before we get to the guidance on the solar credit, the bonus, there is another energy efficiency incentive that was extended for 10 years by the Inflation Reduction Act last year, and that of course is the Section 45L Energy Efficient Home Credit. Please share with our listeners how that provision was changed by the Inflation Reduction Act, as well as what the significance of the 10-year extension is.

Dirk Wallace, CPA: Well, it's interesting you said it's been extended for 10 years because everybody's saying it's this new credit out here. It's this, it's this new thing and I'm like, no, 45L's been around for a long time. It's just maybe not been as useful as it is now that the Inflation Reduction Act gave us these changes, which are great. So to kind of get into those changes, I guess prior to the Inflation Reduction Act, the 45L credit, it was maybe extended for a year, most of the time it was retroactively extended. So when you're working on a property that takes two years to build, or, two or three years to build, planning for something that doesn't exist or you're hoping on it being retroactively extended just wasn't feasible. And it's not really how the industry works and forecast these transactions.

You know when looking at the Inflation Reduction Act, what it did is it first looked at the energy standards and it said, OK, we're using energy standards from 2006. Maybe those need to be updated a little bit. So the new energy standards are now Energy Star, which I think most people are familiar with, or the Department of Energy Zero Energy Ready Home Standards, which are, as it sounds, more strict than just Energy Star standards. So if you are qualifying for Energy Star, your credit could be up to $500, I'm sorry, could be $500 per unit, if you don't use prevailing wage. Or if you use prevailing wage, it can be up to $2,500 per unit. And that's a significant change. It used to be $2,000 per unit again, $500 is lower, but the $2,500 I think, would help some investors or some developers out that have to use prevailing wage. Now if you go the Zero Energy Ready Home route, the credit doubles so you can get $1,000 if you don't use prevailing wage or $5,000 if prevailing wage applies to your project.

Now, talking to a lot of developers, we're in this rising interest rate environment. Looking at the types of financing that they're going to receive, a lot of developers are using HUD financing and if you're using say, a 221D4 loan, well that requires prevailing wage. So you may be sitting there saying, I could qualify for a $2,500 credit per unit or a $5,000 credit per unit without really knowing I qualify for it. There's not an application process, that's what we call an as-of-right credit. And more importantly, when looking at state standards and in states that are working energy efficiency under their QAP, their qualified allocation plan, a lot of times we see at least Energy Star being incorporated into qualified allocation plan. So we have developers again that maybe have not heard of 45L they may be leaving...
some money, some credits and equity on the table by not knowing that you can qualify for a significant amount of credit per unit.

Michael Novogradac, CPA: So thank you for that, Dirk. That’s not going to make, it’s not going to make or break a development from the beginning, but definitely can close some financing gaps as you pointed out, with rising costs and the rest, every little bit helps. I will include a link to a podcast we had last year with our fellow partner, Brent Parker, that was specifically on 45L. But I did want, since we’re talking about energy efficiency and the rest, I thought it was important to mention that before we get into the details of this podcast. So let’s start our deep dive into the guidance the IRS issued in February. Once again, this is the guidance on how taxpayers can apply for an extra 10% or 20% in solar credits for LIHTC or any other qualifying properties.

I guess I should be a little bit more accurate: increase their credit percentage by 10% or 20% of the cost of the qualifying property. You don’t get, theoretically 10% more, the 30% should be 6%. But anyways, I go off on a tangent. So, Dirk, please explain how the IRS is planning to allocate the 1.8 gigawatt cap among the various qualifying applicants or properties.

Allocation Plan for 1.8-Gigawatt Cap

Dirk Wallace, CPA: Sure. Well, as you mentioned, it's a 1.8-gigawatt cap. So when looking at the guidance or actually taking a step back and looking at the Inflation Reduction Act, it was somewhat vague in saying, there’s this 10% bonus for low-income communities. There’s this 20% bonus for affordable housing and low-income economic benefit projects and all of that's going to be subject to this 1.8 gigawatt cap. And that was the first question, how is this going to be allocated? So I like to look at it and say, OK, the first thing they did is they took the 1.8 gigawatts and they split it in half and they said 900 megawatts went to the 10% bonus and 900 megawatts went to the 20% bonus.

And then you look at those individual bonuses and within the 10% bonus, there were two categories, category one and category two. So in category one it was a 10% bonus and that 10% bonus was allocated 700 megawatts. And that was for installations that were located in low-income communities. And in the remaining 200 megawatts was for installations located on Indian land. So you had 700 plus 200 equals the 900 megawatts, and that’s for categories one and two.

You now look at categories three and four and the similar methodology was done for categories three and four. They took the 900 megawatts divided into two categories, 700 megawatts and 200 megawatts. Now the 200 megawatts is category three, and that goes to affordable housing programs such as the LIHTC, Section 8 properties, these federal covered housing programs would fall under category three and then the 700 megawatts were for installations in qualified low-income economic benefit projects. So these are installations that benefit low income communities and you add that all up and you get the 1.8 gigawatts.
Now, if one category is not used, there are reallocation provisions where can be reallocated to the other categories. It doesn't say. If you could take, say, a category that has a 10% bonus and reallocated to a 20% bonus, it doesn't really talk about that. It just says unused allocation will be reallocated at some point.

Michael Novogradac, CPA: So the four categories that you mentioned could you maybe just for the benefit of our listeners, just list the four categories again?

Dirk Wallace, CPA: Sure. Absolutely. So category one would be installations in a low-income community. Category two is installations on Indian land, category three are installations on low-income residential building projects and category four are qualified low-income economic building benefit projects.

Michael Novogradac, CPA: So thank you for that. One of the reasons why I asked you to do that is the listeners now can hear you list those four categories and think to themselves, wait a second, my property falls into more than one category. A clear example would be a low-income housing tax credit property in Indian land. So what'll happen in those circumstances where a particular proposed development would qualify for more than one category?

Dirk Wallace, CPA: Sure, and the guidance actually does address this, which I think is great. So, kind of going back to the categories, first thing you would look at where your project is located, and if it's on Indian land, that falls in category two, so that's the 10% bonus. But because it's a low-income housing tax credit property, it would fall into category three as well. Now, the guidance does say if you are in categories one or two, and you also qualify for in three and four, then you have to apply in either category three or in category four. You can't apply for both. You can't pick and choose. So if you qualify as a three or four, a category three or four, you would have to apply in one of those categories. Now I do pick up something new, I feel like every time I read this, it's on my daily reading list. So I'm always going back and revisiting the guidance here. Now it, it does not comment on if you qualify in both three and four, if you can I guess, stay in category three or stay in category four. It doesn't automatically put you in one of those categories, so you can, you can pretty much apply for whichever category you want, if you qualify for three and four, meaning as long as you stay in three and four.

Michael Novogradac, CPA: And you would think most if you're one or two, that's 10%, three and four is 20%. So most would want to be in the one or 20% instead of 10% anyway, I guess unless you thought the competition was going to be so great that you thought there'd be greater assurances. And right now that's going to be hard to assess. But, more on that in a bit.

So Dirk, before we get into some of the specifics about the timeline, I'm sure some listeners are interested in assessing how competitive they think the application process will be. And one way that I think of to assess the level of competition is to try to estimate, well, how many developments I think will
get an award? I would like new market tax credits, roughly half the applicants receive an award, so that's a way of assessing the degree of competitiveness. Obviously, we don't know how many applications there'll be, but you mentioned that there was 200 megawatts allotted to the category that low-income housing tax credit properties would be competing in. So how many different developments would you estimate or get an award? And I won't ask you for a point estimate, anything is acceptable.

**Number of Properties Expected to Win Allocation**

[00:17:01] **Dirk Wallace, CPA:** Sure. As soon as this guidance came out, I started talking to developers, especially that have put solar installations on their LIHTC properties and just to get a sense of how big an installation is, how much roof space do you have, a lot of that goes into how much of that 200 megawatts you would use? And the feedback I've been getting is the average size is around 100 to 200 kilowatts. Now for the non-energy experts on here, like myself, you have 1,000 kilowatts in a megawatt and then a thousand megawatts in a gigawatt, so if you're looking at a 100- to 200-kilowatt installation, that 200-megawatt capacity could roughly be allocated to 1,000 to 2,000 low-income housing tax credit projects, which, I think is pretty significant for the 200 megawatts. And when I started looking at categories three and four and said, OK, well category four's got 700 megawatts, that’s got to be where I want to apply, right? While talking to solar developers who say, well, if we do a standalone installation, it's not going to be 100 kilowatts. It might be a megawatt, 2 megawatts, maybe 5 megawatts. So that's 700 megawatts may only finance 700 installations where the 200 megawatts could finance or, or could be allocated to a 1,000 or 2,000 residential projects.

**Expected Timeline for Applications**

[00:18:37] **Michael Novogradac, CPA:** Great. That is super helpful. Thanks for that context. Now let's talk about the timeline. Now, you noted the guidance calls for applications to begin in the third quarter of 2023. Now, I don't think it's just me, but that seems pretty late in the year to begin applying. Developers have their developments, they're applying for their tax credits. There's a variety of other development factors going in. And if you don't even begin, you don't even apply until the third quarter of 2023, you won't know presumably until later in the year. So what are you sharing with developers in terms of how to weave this application cycle into their development pro formas?

[00:19:31] **Dirk Wallace, CPA:** Yeah, and that's a big concern. We are helping developers and syndicators underwrite properties that won't be placed in service for two years, two or three years, so, obviously time is of the essence. You have this third quarter period, which, July 1 would be great if they start the application window, Sept. 30, not so great. And it could be anywhere in between there, given the third-quarter timeline. We do know it's going to be a 60-day window, a 60-day application window, so kind of worst-case scenario, Sept. 30 it opens, 60 days puts you at Nov. 29, there's a lot of holidays toward year end. So I think that's where the concern comes that. Wow, we may not know until 2024 whether or not we received this allocation. And then the question also is how long after the application window closes are they actually going to announce the awards? So, is it going to be a lottery system that...
was mentioned possibly in the guidance? Is there going to actually be a scoring system? A lot of this we
don't know and I think that’s what concerns a lot of developers the most is not only timing, but how's the
application process even going to be administered and how's the awards going to be allocated?

**Getting Ready to Apply**

[00:20:49] **Michael Novogradac, CPA:** Got it. So, if I'm a developer listening to the podcast, I'm
thinking to myself, "OK, thanks Dirk, you give me general guidance, but I can't yet apply for these
additional credits. What should I be doing now to prepare to apply? Or is there something that maybe
would cause me to think I shouldn't bother preparing to apply?"

[00:21:12] **Dirk Wallace, CPA:** I think step one is know how big of an installation you're going to
have. Talk to your engineers, your architects, get everything in order to, whenever you do apply, do you
need 100 kilowatts? Do you need 200 kilowatts? Because once you put that application in, you can't go
back and ask for more. And we assume there's going to be a lot of competition. So I know a lot of
developers and syndicators are underwriting it at the base 30%. And then starting to look at, OK, should
we maybe tweak some adjuster language in our partnership agreements in anticipation of getting that
20% adder to the solar credit?

[00:21:55] **Michael Novogradac, CPA:** So thanks for sharing that. It's probably worth noting at this
point just to remind listeners that for LIHTC developments, in addition to being eligible for the 30% on
the cost of solar and this potential 20% boost, to the extent you have a 9% transaction with excess basis,
the costs are also eligible for the 9% low-income housing tax credit. And if you're in a 30% boost area,
it'll even be eligible for the 30% boost. And if you're doing a tax-exempt bond finance transaction, you'll
be eligible for the 4% credit potentially up to a 5.2% credit because of 30%. And there could be some
adjustment to that credit a little bit because of some of the financing rules that relate to solar and
private activity bonds. But that's a whole other podcast too. But I just wanted to note, when you're
underwriting the inclusion of solar in a LIHTC development, there is this additive nature, which is
really driving many developers to be considering solar, where they've thought about it in the past, but
haven't seriously considered it, and now they're giving it very serious consideration.

[00:23:08] **Dirk Wallace, CPA:** Yeah. And, one thing I forgot to mention with the 45L and with the
solar credit, as you alluded to, there's no longer that eligible basis reduction. Before, you reduced
eligible basis by the amount of the credit for 45L and then 50% of the credit for solar, the Inflation
Reduction Act removed those reductions in basis.

**Issues for Syndicators, Investors**

[00:23:33] **Michael Novogradac, CPA:** So, thank you for that. So, developers and property owners,
are, as I noted, because of the benefit of potentially including additional LIHTC credits, but, at a
minimum even if it's just additional solar credits, they're using these tax credits to try to help close
financing gaps, which means they plan to raise additional equity from syndicators and investors for
these solar credits. So if you could share with our listeners what types of issues or concerns syndicators and investors may have if they're committing to invest additional equity for these adder credits, I suspect there's not that many issues with the 30%, because that is pretty straightforward in terms of the eligibility, but the 20%, particularly if they're talking to investors or syndicators now, they won't know if they're going to receive an award of this 20%.

Dirk Wallace, CPA: Yeah. There's a few things to look at it from when we look at it from a syndicator investor point of view. The first one I think we maybe touched on a little with the adjuster language. Some adjusters are capped in certain funds, making sure that there's room to pay for the additional credits and get that equity into the projects. Also, if you are an investor that maybe has only invested in low-income housing tax credits in the past, you've never invested in solar credits. You might now start seeing a lot more of these renewable energy credits. Make sure that, as a company, you have the approvals and the authorization to make the investment. Maybe it was just a small percentage and you didn't really worry about it before, but these are larger percentages now and more meaningful credit. Make sure that all of the approvals are in place so you can act quickly on a property that comes across your desk for an investment. You don't want to be the last one to act, to get all these approvals, because you may actually lose, the opportunity to submit an LOI or to invest in that if you don't have the proper approvals in place going into the transaction.

Measuring Benefit to Tenants

Michael Novogradac, CPA: I'd also just remind developers that the investment credit is claimed when the property's placed in service, as opposed to with low-income housing tax credits is actually leasing up the property and the like, and you'll get a partial year in the first year and all the rest. Here you'll get 100% in the year you place the property in service. So from a yield perspective, it's certainly beneficial to be front-loading those incentives. So I did want to ask you a question that isn't covered in the guidance. You're like, great Mike, it's not covered. You're going to ask me about it. Not to say that some of the other questions weren't hinting at questions that weren't answered in the guidance, but the legislation says that these additional credits, the 20% or 10% bonus, need to provide a financial benefit to the tenants of the formal housing properties. So what are some of your thoughts as to how that additional, that measuring and that financial benefit, will be calculated or determined?

Dirk Wallace, CPA: There's been a lot of comment letters that have been submitted on what developers would like to see, or what could benefit the tenants. As we talked about, this is additional equity could additional services be offered to the tenants? So maybe some social services, some things that wouldn't be, that the developers wouldn't be able to do had they not had this additional equity in place? Obviously, the lower utilities is a big thing. I think the assumption is solar is cheaper than not using renewable energy, so lower cost of utilities to the tenants we would be one financial benefit that could be there as well.
But yeah, I think overall this is one piece that developers are really looking for because it is a requirement to provide this financial benefit. And, as you mentioned, the term forthcoming guidance was put in this section as well as five or six other time throughout the guidance.

**When Will ‘Forthcoming’ Guidance Come?**

[00:27:47] **Michael Novogradac, CPA:** Great. Thank you for that. Now we've said forthcoming guidance a lot of times and we know there's forthcoming guidance on the 20% adder. There's also forthcoming guidance on domestic content as well as on energy communities. So the $64,000 question, when do you think we might get that forthcoming guidance?

[00:28:08] **Dirk Wallace, CPA:** So with the domestic content, for that, it's harder to speculate for me because I'm not a manufacturing expert. So I don't know. I do hear that steel maybe moves throughout maybe a few different countries or maybe starts overseas and comes to the U.S. and there's a lot that goes into that manufacturing process. And I think that's what a lot of people are waiting to find out what is domestic content, based on words manufactured or it is at the end manufacturing. As far as energy communities, there is somewhat of a map that's out there. It's not very specific as far as individual census tracks. You can get a general idea of brownfield sites and other certain qualifications where you can maybe start to make some assumptions based on the guidance that is there. But yeah, it would be really great if there was some type of map where you could just type in your address and say, yes, I qualify, or no, I don't.

[00:29:08] **Michael Novogradac, CPA:** Yeah. Those will certainly come at some point. So before we wrap up, what else should our listeners know that we haven't talked about during the course of the podcast with respect to this issue? Because there are so many issues you could be telling listeners, that you would think they should know.

[00:29:27] **Dirk Wallace, CPA:** Well, like with any application process, details are going to be important. So when the application comes out, obviously we've been in the details, we've been reading the guidance, we've been submitting comment letters. We can provide a lot of value when that application does come out to put you in a position to best get an allocation. So I would say, as soon as we have guidance, further guidance and that application process is started, please do reach out. We'd be happy to help and find out what category your property might fit into and then apply from.

[00:30:05] **Michael Novogradac, CPA:** Great. Thank you for that. Something tells me when the guidance does come out about applying, there might be another podcast in our combined futures. As well, I could see us having a webinar on the application process because obviously we help lots of clients with the applications for private activity bonds and for credit of the bonds, the 9% credits, with the CDFI Fund including new market tax credit applications and all the rest. So we at Novogradac have lots of experience working with clients who apply, helping clients apply for various tax incentives. So this is definitely in our wheelhouse. So to our listeners, I will provide Dirk's email address in today's show.
notes. And Dirk, please stay around, stick around for our Off-Mike section, where I get to ask you some off-topic questions that our listeners are sure will find your answers useful and engaging and entertaining, if not useful. Exactly.

And also to our listeners, be sure to tune in to next week’s podcast. My guest is going to be my partner, Warren Sebra, and he’s going to discuss the historic tax credit and how it can quite effectively be used in combination with other tax credits, such and the other tax credits that you often see the historic tax credit combined with is the low-income housing tax credit, the new markets tax credit, renewable energy tax credits and the opportunity zones incentive. My partner Warren is going to discuss the benefits to developers from pairing these types of tax incentives and how layering these incentives together improves the capital stack, which can allow developers of historic properties to actually raise the total amount of equity they need to finance their development. As such, if you’re a developer and investor and historic tax credit for properties, you’ll certainly want to be tuning in.

Off-Mike Section

So now we’ve reached our Off-Mike section, where I ask our guests some off-topic questions to get their words of advice and words of wisdom. So Dirk, we’re in the midst of busy season and thank you again for taking time out of busy season for joining me on the podcast and we have lots of interns who are starting their career in accounting. What advice would you give to someone starting their career in accounting?

[00:32:27] Dirk Wallace, CPA: Well, the first piece of advice is if you’re not working at Novogradac, apply. Reach out to one of our recruiters. But normally I tell people starting out, you’ve graduated or you’re about to graduate, the CPA is very important in our industry. Just keep at it while you’re in the studying kind of routine. And just try to knock out that CPA as soon as possible. It’s very, very useful not only in public accounting, but outside of public accounting. Know people see CPA and they want see that certification, so I always tell people, keep studying.

[00:33:07] Michael Novogradac, CPA: That’s great advice and I don’t know if you had the experience, but when I took the CPA exam while I was working at a, now a Big Four or a former large accounting firm, I guess it was, I can’t remember how many were there at the time. I guess it was, might have still been the Big Eight. But it was amazing to me how quickly the test-taking skills were deteriorating, which on the one hand it’s sort of like, well, those skills are never very useful. On the other hand, if you’re, if they’re deteriorating, you want to take the test as soon as you can before they deteriorated too much. So that’s good advice. The other advice I always like to give to those new to the profession and really at any point in the profession is constantly expanding your horizon through outside reading and the rest. Because obviously the business is all about sort of what you know and you have to do a lot of ongoing up reading and the rest to stay current, which is obviously one of the joys of public accounting, is the fact that things are always changing. So we’re recording this during busy
season. I already thanked you for making time for us during busy season, but how do you maintain sort of a work-life balance during busy season?

[00:34:37] **Dirk Wallace, CPA:** Yeah. I, we usually set aside at least one day a week, typically on Saturday, where, we plan something. Either we're going out to dinner or just some type of activity. And kind of sticking to that unplugging, maybe not taking the phone with you just so something like that where you can. So Saturday at seven o'clock you might not be able to get ahold of me, but yeah, really just kind of making sure you set aside some time for yourself and to be with your family and a consistent time always works and that usually is on Saturday nights.

[00:35:18] **Michael Novogradac, CPA:** Good advice. Thank you again, Dirk. And to our listeners, I'm Mike Novogradac. Thanks for listening.
Additional Resources

Email
Dirk Wallace

Low-Income Housing Tax Credit Working Group
More information

Podcast
What the Inflation Reduction Act Means for Affordable Housing