So You Want to Be a LIHTC Developer: The Critical Placed-In-Service Application

One of the crucial steps to an affordable housing property receiving low-income housing tax credits (LIHTCs) is the placed-in-service application the developer files with the housing credit agency. That application sets up the property to receive its Internal Revenue Service (IRS) Forms 8609, which allocate the tax credits on a per-building basis. In this Tax Credit Tuesday podcast, Michael Novogradac, CPA, and Novogradac partner Tabitha Jones, CPA, talk about the placed-in-service application. They begin by discussing what is in the application and variations from state to state. After that, they address common mistakes made in placed-in-service applications, the differences between such applications for 4% LIHTC and 9% LIHTC transactions and the role of final cost certifications in the application.

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Transcript

Introduction

[00:00:10] Michael J. Novogradac, CPA: Hello, I'm Michael Novogradac, and this is Tax Credit Tuesday. This is the June 27th, 2023, podcast.

Stakeholders in low-income housing tax credit-financed properties are very aware of the large number of both statutory and regulatory requirements to build, lease and operate affordable rental housing. While all are important, some foundational steps lead up to the point when you secure your tax credits from the credit allocation agency. The first step for properties seeking 9% low-income housing tax credits, of course, is the tax credit application with the credit allocating agency. Those who successfully win the competition for the allocated tax credits will likely enter into a carry-over allocation agreement that will allow them two additional years to place the property in service while agencies have a variety of additional interim requirements.

After construction of the property is complete, a final cost certification is required. The final cost certification is generally a part of the placed-in-service application. Filing the placed-in-service application with the credit agency is a critical step that must be taken for a property to receive its Forms 8609. The Forms 8609 of course, are the forms that allocate you the tax credits on a per-building basis and represent the final step in the award of low-income housing tax credits. These steps are slightly different for properties financed by tax-exempt private activity bonds and 4% low-income housing tax credits.

Most notably, for 4% tax credit transactions, you generally apply for private-activity bond funding before or simultaneously with your initial tax credit application. Each of these steps is critically important to securing low-income housing tax credits, but today we're going to focus on what you might think of as the final step, and we're going to talk about the placed-in-service application.

This episode is part of our ongoing series, "So You Want to be a LIHTC Developer," where we discuss various aspects of building and operating housing, tax credit-financed rental housing. Now, the placed-in-service application is different than the initial credit application for tax credits and it does vary from allocating agency to allocating agencies.

Now, it's important to remember this because assuming the rules for one agency are the same as the requirements for another can lead to mistakes, sometimes disastrous ones. My guest today is Tabitha Jones, a partner of mine who works out of Novogradac's metro Atlanta office. Tabitha works with a variety of tax incentives, but is particularly focused on affordable rental housing. Her clients include affordable housing developers, equity fund sponsors, public housing authorities and a broad range of
stakeholders in affordable housing. You may remember her from an earlier appearance last May when she was a guest and helped explain the differences between 9% and 4% low-income housing tax credit developments.

Now in today's podcast, Tabitha and I will discuss what's generally included in a placed-in-service application. Tabitha will also explain how different agencies have different requirements. We'll also examine some specific differences in placed-in-service applications for properties financed by 9% tax credits and those financed by tax-exempt bonds and 4% credits. Tabitha will also share some areas that can trip up developers and she'll discuss final cost certifications, which are a key part of the placed-in-service application, and of course, she'll also share how Novogradac can help you with your placed-in-service application.

Now, the placed-in-service application is an important step and often final step in securing low income housing tax credits, so it is very important to get it right. We've got a lot to discuss today, so if you're ready, let's get started.

Tabitha, welcome back to Tax Credit Tuesday.

[00:04:09] Tabitha Jones, CPA: Thank you, Mike. It's good to be back.

Contents, Importance of Placed-in-Service Application

[00:04:13] Michael J. Novogradac, CPA: So, I explained in my intro the critical role of the placed-in-service application in securing low-income housing tax credits. And I use the term securing because along the way you're applying for, you have reservations, you have carrier of allocation, but the final step in securing is getting those Forms 8609. If you could please share with our listeners what's generally included in that placed-in-service application and why it's important to initially submit a complete package.

[00:04:43] Tabitha Jones, CPA: Sure. I'd be happy to. First off, I want to say it is similar to an initial application, in the fact that you have project information included in the final application as well as the initial application. The placed-in-service application focuses more on actual, instead of your projections that you have, whether your pre-construction projections, when I say project information that's included in both, you're going to have your location of your project, your project description, whether it's new construction versus rehab, unit building and building breakdowns, your tenant demographics, your development team information, your sources and uses data, utility allowance data and operating revenues and expenses data, that's all going to be included in both.

But again, the difference in the placed-in-service package versus the initial package is going to be that your placed-in-service packages or placed-in-service applications. Sorry, I'm going to interchange those because I've been doing this for 20 years. I'm going to interchange the language. So, placed-in-service package, placed-in-service application, same thing.
But the difference, like I said, is going to be that your final application, your placed-in-service application is going to include those final results after construction is complete. So, some general examples of what's included, other than the project information in a final application, it's going to be your final cost certification. As you mentioned, every project that's securing tax credits is going to have a final cost certification. If you, if it's a project that's financed with private-activity bonds, it's going to have a 50% test as well that is related to the source or the uses of those bonds. So that's going to go along with the final cost certification for a bond deal. Some states require a building-by-building form. Most states that I deal with have a building-by-building form. Some of them only include it if you have, it's not 100% LIHTC low-income housing tax credits. So that's a difference that I've seen there is some include it and some don't, but it really depends on the makeup of your project.

In that, when I say the building-by-building forms, that's going to include your eligible basis, your qualified basis, square-footage-per-building units, placed-in-service dates and tax credit amounts by building. So, it's going to list all your buildings that you have and all of that information listed out by each building. There may be a section for significant changes that have occurred since the initial application. That's relatively a big deal. If you have changed things in your project from initial application to that final application, the state agencies want to know that. They want to know what is different. And they want to know. And I would say they even want to know that before final application. So, if you've, say, changed something significantly, please reach out to your state agencies to give them a heads up and kind of walk them through what happened there so they can be aware of it.

Various owner certifications. Each state is a little bit different. They might want various owner certifications on different areas. They might want developer certifications, things of that nature. So definitely be aware of what types of certifications are required.

Your final application is also going to include final agreements such as your developer agreement, your operating agreements, your debt agreements and your LURA. The developer agreement and the operating agreements and the debt agreements probably were not ready with initial application. When you submit an initial application, you kind of put a placeholder in there for a limited partner. And it might be a related entity to the owner, or things of that nature. But by the time you've submitted your final application, you should have secured your limited partner by then or your investor. So, that's going to be included as well.

Documents supporting data in the placed-in-service application. So, including, let's say, utility allowance schedules, there's going to be schedules in there that are asking for that. So you're going to need to provide support for that, either from the public housing authority or whatever source you're using that utility allowance schedule from certificate of occupancies are going to be included as well. Closing or property settlement statements, those are going to be included. Employer identification letter from the IRS for the ownership entity and appraisals. And that's not an all-inclusive list, that's just, that's just a, a good starting point.
[00:09:33] **Michael J. Novogradac, CPA:** We wet the whistle of the listeners. Do you want to add anything more to it?

[00:09:38] **Tabitha Jones, CPA:** That does get, yeah, that’s it. That gives you a good summary of what you’re going to be dealing with. There’s a lot of documentation that goes into a final application.

[00:09:49] **Michael J. Novogradac, CPA:** So, I explained in the intro, and you hinted at it in your answer to that first question, that placed-in-service applications vary from agency to agency. And I always say credit allocating agency, they’re generally, they’re state allocating agencies, but they could be possessions of the United States. A city, in two areas. So, credit agencies, state housing agency, state credit agencies all use interchangeably here. Along with placed-in-service application, placed-in-service package.

[00:10:22] **Tabitha Jones, CPA:** Final application.

### Variations in Placed-in-Service Applications

[00:10:24] **Michael J. Novogradac, CPA:** Yeah. Yes, yes, yes. So much of any area of expertise is knowing what the words mean and what the shorthand verbiage is. And so that’s one benefit of listening to the podcast. And getting back to the question, if you could share some examples of requirements for placed-in-service applications that do vary among the different agencies.

[00:10:49] **Tabitha Jones, CPA:** Yeah. So, like I said, the building-by-building forms, those can vary from state agencies. The actual forms themselves will vary from the different agencies. The information that’s required is going to vary. I’ve not seen one application look even similar to another state’s application. So, everything there’s not really a set federal requirement for what goes into a final application. So, states come up with their own requirements and while they’re similar in nature, they’re definitely different when it comes to the different forms. So yeah, there’s a lot of differences.

Something that I would say definitely you want to be aware of is deadlines. The deadlines are different for each state and missing a deadline may result in negative consequences, for not only a current application, but future applications. For example, I know in California there’s a negative point scoring category for a 9% application not filed by the deadline so, definitely be aware of the deadlines. As I mentioned earlier, there’s various certifications that are required that varies from state to state. What the state requires, fees that are to be submitted with the applications that varies from state to state. The final cost certification sources and uses guidelines, that varies from state to state, so calculations, when I say calculations, I mean the fee allowances, like with your contractor, you have contractor limits, your overhead, your profit, your builder overhead profit, and general requirements. Those vary from state to state. Developer fee limits, those vary from state to state and what’s allowed. You need to make sure and how they’re calculated, that can vary from state to state. So that’s definitely something to be aware of. And then, what soft costs are included or what are includable in eligible basis, for your final cost
certification. Some states will publish that information as part of their qualified allocation plans or their QAPs and some states have a separate guideline booklet that they use, so just make sure, whatever state you're working in, you're going and you're getting the appropriate information for that state. Some states have a more sense of the variances between amounts reflected in the initial application compared to the placed-in-service application so definitely, be aware and know.

As a rule of thumb, for me, when I'm working on a final cost certification for a client, I pull up the initial application and I try to see, I compare it to the final application to make sure, if there's anything, kind of an outlier, I see where it should be, what line item it should go on, and things of that nature. So, submission requirements for each state are varied, For example, Tennessee has their own, they call it the Thomas online program, THOMAS. It actually, you upload the information to that, you enter it into their program, and everything goes into that site. Georgia, you complete everything with their given Excel documents and they even have folders that they want you to put the different information into. And then that is all submitted to a central email location. So, just knowing how to submit it and where it needs to be submitted. So that's definitely something that you need to be aware of when you're working in the various states.

[00:14:34] Michael J. Novogradac, CPA: So thank you for that. I did like your pointing out particularly the comparing the initial application to the final placed-in-service. That strikes me as definitely a recommended practice for our listeners, so you can identify where the differences are that might prompt questions to yourself to keep you from submitting something inaccurately. And also by comparing it to the initial, it might keep you from misreporting something or leaving something out that you say, "Oh, wait a second. The initial application at this in it, so we should be addressing that." So that's, some level, it's kind of like when you prepare a tax return, you want to compare it to the prior year. Financial statements, you want to compare it to the prior year. As part of the regular compliance practice, comparing it to the prior year and understanding the differences is a nice recommended practice to avoid errors and spur--

[00:15:30] Tabitha Jones, CPA: Definitely. And, and another tip I have too on that same topic, is if there are things that are presented differently or you've incurred different costs that may not have been on the initial application, be ready to explain those if you haven't already included that in your application. Because the state agency's going to question it most likely.

Common Mistakes

[00:15:50] Michael J. Novogradac, CPA: So, if I'm a developer listening to this podcast, I may be wondering what types of mistakes other developers make often so that I can avoid making them myself. I'm definitely a big person on trying to learn vicariously. So, from your experience, what are some common mistakes you see?
Tabitha Jones, CPA: Yeah, so I’m going to give my experience and also I reached out to my colleague, our colleague, Mark Shelburne in our public policy department. He has years of knowledge working with state agencies. He came from state agency and he reached out to several state agencies that we work with across the firm and they gave me some tips too. So I’m not going to say who's or who, but I’m going to include them all in here.

So, some examples that I see often are final cost certification issues or errors. The incorrect fees calculations that I spoke about earlier. Definitely making sure that you’re using the appropriate state guidelines for those calculations. Some states even have the calculations in a separate file for you to just plug in your numbers and you can calculate them based on what they, what their qualified allocation plan or however it's stipulated. So, definitely making sure that you're calculating those correctly.

Incorrect line-item values when changes have taken place since the initial application. So for example, the final cost certification shows exactly the same amounts for say, builders line items as was included in the original application. However, the property had change orders and those change orders obviously most likely affected those builders line-item additions so it wouldn't be accurate for those builders’ line items to be the same as what they were in the initial application. So just understanding the pre-construction values and the final values and making sure that those are being appropriately updated.

Costs placed on incorrect line items for uses. Again use that initial application, go along, you incur a lot of the same costs that you said you were going to incur in your projected uses. So make sure that you're comparing that and when you're preparing that final cost certification.

Placed-in-service dates provided on the building-by-building breakdown schedule do not match the supporting documentation. As I stated previously, the certificate of occupancy or certificate of substantial completion for a rehab project. Those have to be submitted with your final application. So inconsistencies between dates is definitely going to be a red flag to the state agency and there's going to be questions there.

Substantial changes to the project from the initial application to the final application, and not fully explaining those changes. As I stated before, best practice is to let the state agency know ahead of time when you're going to have substantial changes. But you will have to also explain that in your final application for those states that require it.

Inadequate documentation related to the closing of permanent loan sources. So making sure that you are including the documentation to accurately reflect your permanent loan sources.

And then, like I said, inconsistencies, incorrect or inconsistent information and included in the application. For example, the square-footage information or unit mix information included on say your building-by-building schedule doesn't match what was on your demographics for the property, it doesn't match there. Or it doesn't match what the state agency was, what they thought it was going to
be. So just making sure that you're looking into those, reviewing it and making sure that everything is being consistent and across all the information that's being delivered to the state agency or credit allocation agency, whatever you want to call it.

Name of partnership, project included in the final cost certification doesn't agree to the documents due to a name change from the initial application. That's a big one. I've seen several projects that change either the property name or they might even change the partnership name, the ownership actual partnership name. Those need to be documented well, and it needs to be the correct information presented either your final cost cert and your application.

And then another big one, your applications are not in balance for your sources and uses. So that's definitely, that's definitely a big no-no. You need to make sure that your sources and uses balance. So a tip I have on this one, always have someone review with a fresh set of eyes. You definitely want to make sure, whether it be someone within your organization or you reach out to say a CPA firm, to have them look over it for you. Definitely want to get someone to review it after it's all put together and before you submit.

[00:20:58] **Michael J. Novogradac, CPA:** Something tells me there's a CPA firm you have in mind.

[00:21:05] **Tabitha Jones, CPA:** Probably so. Probably so.

[00:21:07] **Michael J. Novogradac, CPA:** We'll save that for my last question. What CPA firm that might be? And I do think your point about all these mistakes and that earlier on you were mentioning how if you do make these mistakes, it ends up delaying the processing of the application and ultimately, that leads to delays in receiving 8609s and 8609s many times are a condition for one of your installments of capital contributions. Which then means you have more construction period interest expense until get that capital contribution coming in. And when interest rates are very low, that cost isn’t quite as significant as interest rates have been rising and with other issues that the banks have been facing with construction loan interest rates being higher, that can really become a more notable cost. As well as it could delay receipt of the developer fee. And developer fees oftentimes get paid very late in the development process. So you've worked a lot without getting a fee paid in cash. So, getting that fee paid in cash is very important for the broader operations of the developer. Anyway, lot lots of reasons to try to avoid these mistakes so that you can speed up the processing of the placed-in-service application.

[00:22:29] **Tabitha Jones, CPA:** Yes, definitely.

**Differences Between 9% and 4% LIHTC Placed-In-Service Packages**

[00:22:31] **Michael J. Novogradac, CPA:** So, the last time you were a guest, the episode did focus on similarities and differences between 9% tax credit properties and those financed by tax-exempt bonds
and 4% credits and I mentioned earlier there are a handful of differences in 9% and 4% placed-in-service packages. So maybe you could highlight for the listeners some of the key differences.

[00:22:55] **Tabitha Jones, CPA**: Yeah. Overall, the application is pretty similar. Low-income housing tax credit application includes, whether or not it’s a, like I said, it’s includes a demographics for that project. So it’s going to indicate in there whether it’s a private-activity bond deal or if it’s a 9% conventional kind of financing deal. So, the main differences that I wanted to highlight are, and this is not an all-inclusive list either, but the different deadlines.

When you’re submitting a bond application or a bond final application for tax credits, it, they have different deadlines than your normal or your 9% deals. They’re going to have different deadlines. So be conscious of those deadlines, and again, varies from state to state. There’s no general rule for when they’re going to be due. So, make sure that you know your state’s deadlines.

Another key area that I mentioned earlier was the 50% test. For a bond deal, you're going to have to submit that 50% test along with your final cost certification. So that’s not something that’s required for a 9% deal. So, you need to make sure that you're properly calculating that as well. There are federal guidelines on the 50% test and then, if your state has any other guidelines, but making sure that you’re following that 50% test guidelines for the calculations. And oftentimes for bond deals, the credits change after you’ve submitted, once you’ve done your final cost certification and you’ve calculated the credits, they have most likely changed from your initial 42M letter that you received. So, definitely, making note of that and making sure that you’re aware that the credits could increase or decrease based on where your project landed at the end of construction.

[00:24:50] **Michael J. Novogradac, CPA**: Thank you for that. And I would just note with respect to the 50% test and the final cost certification, that once you’ve placed the property in service, or even before you’ve placed the property in service, you should be working with your CPA to start getting them documents about the final costs so they can prepare the final cost, or audit at the final costs. And also, to the extent that the state has a document you need to submit to the state with respect to the 50% test that the CPA has the information they need to prepare that and not wait until you’re ready to submit the final cost certification or the placed-in-service package and reach out to the CPA for the final cost certification or the 50% test report or other certifications that might be needed from service providers. So do stay in contact with your public accounting firm and a law firm in case there’s some legal opinions such that might be required, and oftentimes that is the case for a variety of reasons. So it, it really is, don’t just wait and fill it all out at once. Think about filling out the final cost certification or the placed-in-service package well before it’s due.

[00:26:00] **Tabitha Jones, CPA**: Yeah. And the tip there I would have is make sure that you do that as well with your costs because you don’t want to be under on your costs and then not meet your, not have enough costs for your allocation that you were in the reservation letter. You don’t want to come in
under budget and then be scrambling at the last minute to try to figure out, is there a way to build something else? Is there some way to rectify that situation? But definitely, keep a close eye on your costs throughout the development.

[00:26:32] **Michael J. Novogradac, CPA:** And I think of it more as, there are always build-out costs. I mean, getting a certificate of occupancy doesn’t mean construction’s finished. I mean our permanent loan is in place doesn’t mean that you’re not still incurring costs or being capitalized and otherwise depreciable. So, when you’re thinking about your placed-in-service application and your final cost certification, you should be thinking about those additional costs that are going to be incurred that will be capitalized and whether or not you want to wait to submit the final cost, right?

Whether they want to submit the placed-in-service package or wait until those costs are incurred. There’s some pros and cons depending upon is it a 9% deal? Is it a bond deal? What are the other requirements that the state has in terms of the timing of the package? What’s the time of your capital contributions?

To what extent they going to be contingent on getting 8609s or even contingent on submitting the placed-in-service package. So, there’s a variety of factors to be weighing throughout all of this. Which is, once again, one of the reasons why it’s critical to be working with professionals on the legal and accounting side that are familiar with these various factors to help work with you to decide what’s best for a given transaction.

So, one item that we’ve been spending a little bit of time on is the final cost certification. We mentioned the final cost certification as part of the placed-in-service package. Maybe you could say a little bit more about what all is involved in the final cost certification, and I think it’s probably somewhat apparent why it’s important, but feel free to be redundant on why it’s important and the role that it plays in the placed-in-service application.

**Final Cost Certification**

[00:28:20] **Tabitha Jones, CPA:** Yeah, I mean, I’ve got over 20 years of experience with final cost certifications. I’ve been doing them since the start of my career. And I’ve worked with various state agencies. Like I said, a few of the ones I’ve worked with notably are Georgia, Florida, Tennessee, Pennsylvania. And the cost certification, it’s a little bit different, just like we said, amongst all the different states. And the importance of it is, that like we, like Mike noted earlier, or you noted earlier, is that you are securing your tax credits, this is what, this is the final step before securing that tax credit. So, making sure it’s properly presented, making sure that you have correct information is presented, that’s key to a successful securing that final tax credit amount. So, just a little bit about what’s needed for the final cost certification. And I’m not going to go into a lot of detail because Warren Sebra actually, there’s a podcast on November 22nd of last year on final cost certifications, so he detailed a lot when it comes to the final cost certification. So, I’m just going to touch on a few areas, but the total development
cost incurred for the project and like you said, do you want to submit it? You have enough costs to go ahead and submit, at a certain timeframe? Or do you want to wait it for those build out costs? If you're kind of on the, and keep in mind, state agencies may come back and disallow some of the costs. It may be something that is in those costs that they may kick those out. So, you always want to have a buffer. So, if that build-out costs are going to kind of give you that buffer that might be the determining factor for when you submit that cost certification and that placed-in-service application. What a CPA would need to provide you with a final cost certification would be the project agreements? I've talked about several times now, the agreements that go into play when you're working on an affordable housing project. So operating agreements, debt agreements, developer agreements, contract agreements, architect, any, any player that was involved with the development is going to need to be presented. I like to see, even a completed cost certification from the client. Maybe you have thought, put some thought into it and you've already completed that, just so that we can kind of work off that and make sure that we're all on the same page. But definitely, those are the biggest, areas that you're going to need to submit for that final cost certification to be prepared for you and included in that final application.

Michael J. Novogradac, CPA: And Tabitha, how much work can you do before the property is placed in service with respect to a final cost certification?

Tabitha Jones, CPA: We can go ahead and be sending those documents over. I mean, a lot of the agreements, we can go ahead and start reviewing those agreements and trying to see if there's anything that we can review them and provide comments and say, this might be an issue and you might be able to revise those agreements before the placed-in-service packages or placed-in-service application is actually submitted. Reviewing documents, submitting the draws each month. We can go ahead and start formulating and compiling that information so that the final cost certification, when the project's placed in service and all the development costs are final, it does not take as long to complete the final cost certification. So there's quite a bit of work that can go into it beforehand. But again, you can't do the final cost certification until the actual costs are incurred and everything's placed in service.

Michael J. Novogradac, CPA: Thank you for that, Tabitha. What I would actually also just note is that when I think about the final cost certification, I think of the importance of determining your eligible basis. If you're on a 9% allocation and you have cushion, then you're probably going to have plenty of eligible basis to support your 9% credits. And then I also think about the financial feasibility aspect of it, where you're looking at what your total costs, project costs are and the total project sources to demonstrate a need for the entire amount of the credit award. And as you noted, on a bond deal, oftentimes the credit amount will change, with rising inflation, all the rest, they tend to be over budget than under budget. But depending upon the transaction and size and contingency and such, they're not always over budget. And then that'll end up creating a little bit more dynamism to the financial feasibility calculation of the sources and uses. But before we wrap up, I did want you to share with listeners, I know they've been wondering which accounting firm you're going to be representing
you're going to be, and how that accounting firm can assist them in placed-in-service application. So here, give the big reveal.

[00:33:27] **Tabitha Jones, CPA:** Novogradac. You've got to call us. You've got to call us. If you've got a new deal that you're working out or you've got a deal that's almost to the end and you haven't secured your accounting firm or your CPA firm yet, give us a call. Let's walk you through it. Let's talk about it and see if there's something we can help you with. Obviously we prepare final cost certifications. We offer reviews of your applications. So, whatever you need, give us a call and let's talk about it and see if it's something that we can assist you with.

**Conclusion**

[00:33:57] **Michael J. Novogradac, CPA:** Great, thank you, for that. Thanks for your insight, Tabitha. I will include your contact information in today's show notes, so listeners can reach out to you with specific questions. And please do stick around for our Off-Mike section, where I get to ask you for some fun off-topic recommendations and words of wisdom.

And for our listeners, I'll start with a programming note. We will not have a podcast next week, as is the tradition. We'll skip having a podcast the week of July 4th. I hope that each of you enjoy the holiday with friends and family and have a refreshing break. The following week, July 11th, Tax Credit Tuesday will return with my colleagues John Sciarretti from our Dover, Ohio, office and Jason Watkins from our metro Atlanta office that is the office where Tabitha is in. So they share an office together. They'll join me. That's Jason and John. Tabitha won't be back, but you're welcome.

[00:34:53] **Tabitha Jones, CPA:** I can join. I can join.

[00:34:57] **Michael J. Novogradac, CPA:** So Jason Watkins and John Sciarretti will join me to discuss common compliance issues that arise for qualified opportunity zone businesses as well as qualified opportunity funds themselves. John and Jason work with a multitude of clients in these areas and they'll speak from experience and share some potential pitfalls so you can learn vicariously. They'll also discuss the recently introduced Small Business Jobs Act. The Small Business Jobs Act would create reporting standards for opportunity zones investments, and perhaps more significantly, expand the total number of opportunity zones by creating an additional category of eligible areas, namely rural opportunity zones. If you're involved as a quality opportunity fund, an opportunity zone business or anyone else in the opportunity zone space, you'll certainly want to tune in two weeks from now for that podcast. And as I like to say every week, if there's any questions you suggest we cover in that episode, please email me at CPAs@Novoco.com.
Off-Mike Section

Now, I’m pleased to reach our Off-Mike section, where I get to ask Tabitha for some fun off-topic recommendations and words of wisdom. So, Tabitha, you’ve been a CPA for many years now. You don’t have to say how many—

[00:36:09] **Tabitha Jones, CPA:** Not going to reveal that.

[00:36:09] **Michael J. Novogradac, CPA:** You did reveal that in 20 years you’ve been doing file cost certification, so that might give an order of magnitude. What do you know now that you wish you had known when you started your career as a CPA?

[00:36:24] **Tabitha Jones, CPA:** I struggled with this one because there’s a lot of things that I could have gone and could have said about this one. But the one thing that I think I remind myself, I should have reminded myself a long time ago was the hard work is worth it. The CPA exam is not easy. But the work, even after you get your CPA license, it’s not easy, but it’s so rewarding. I enjoy, accounting. I enjoy working with clients. I enjoy our niche, the affordable housing arena. It’s definitely suited me for, like I said, at least 20 years. So I, I enjoy all of that. So yeah, just remind yourself that it may be hard and the the future might not look as bright as you would want it to, but look toward the future because, I feel like, sometimes we get stuck in that right-now kind of mentality. And we lose sight of the future and that was one thing that got me through it all these years as my mentors telling me it might not be so great right now, but just remember in the future it will pay off. And I do agree, I do agree the hard work that put in and even the hard work that goes into it now is definitely worth it. So, I would say just, keep an open mind and, remember that the hard work is worth it.

[00:37:49] **Michael J. Novogradac, CPA:** Definitely there's lot to be said for, how valuable can something be if it comes super easy.

[00:37:55] **Tabitha Jones, CPA:** Yes, definitely. Definitely.

[00:37:59] **Michael J. Novogradac, CPA:** My other question, I just have two today: what’s one of your favorite or best productivity tips? That’s one of my common questions I love to ask because there’s no, I don’t say what’s the best, just one of the best.

[00:38:15] **Tabitha Jones, CPA:** I’m glad you didn’t say the best because, I don’t know that I could have narrowed it down, but I do have a couple. But, the one that I think has benefited me the most, in my production is, tackle your hardest task first thing in the morning. You know that's something that, I get to the end of the day, one day, and I look at my task list and I’m like, that does not look like something that is going to be an easy task. So, if it can wait until the morning, then following morning, tackle it then because your brain is, either you’ve had your coffee, I’m not a coffee drinker, but still your mind is clear. You’re ready to go. You get it out of the way early in the morning, and then hopefully the rest of your day goes smoothly. So definitely tackle it.
My other one that I was going to say are prioritize and organize, organization and prioritization are the key. I would not be where I am today if I didn't know how to prioritize and organize everything that is thrown at me in a day's worth of time. Maybe even just a morning on some days, but, you definitely have to know how to prioritize and if you are struggling with that, reach out for help from someone. If you're working with someone and you've given, you've got so many tasks that you need to complete, talking it through with someone might help, to be able to get through it. So, definitely tackle that hardest task first thing in the morning is my best one right now.

[00:39:50] **Michael J. Novogradac, CPA:** Tackle the hardest task first thing in the morning, and organization and prioritization. I love that. Very good.

Thank you, Tabitha. And to our listeners, I'm Mike Novogradac. Have a great 4th of July weekend and thanks for listening.
Additional Resources

Email

Tabitha Jones

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