

Low-Income Housing Tax Credit Allocation and Certification



OFFICIAL USE ONLY Vendor ID#0002

Important: Print in CAPITAL letters using black ink.

This Section to be completed by DHCD

Part IA. Credit

1. Building Address

Three horizontal lines for address input

2a. Building Owner Name

b. Building Owner Address

Three horizontal lines for owner name and address input

3. Building Owner TIN

One horizontal line for TIN input

4. Federal Building Identification Number

DC- followed by a horizontal line for identification number input

5. Maximum Allowable DC LIHTC Amount\*

One horizontal line for amount input

6. Date of Allocation

One horizontal line for date input

7. Date Building Placed in Service

One horizontal line for date input

8. Fill in  if election to begin credit period the first year after the building is placed in service was made on Federal Form 8609, Line 10a.

Signature of Authorized DHCD Official

Date

\*The amount for each year of the 10-year credit period

Part IB. Owner Certification

Ownership Entity

Under penalties of perjury, I declare that: (1) the above building continues to qualify as a part of a qualified low-income housing development and meets the requirements of Internal Revenue Code Section 42(g) and DC Code §47-4801 and (2) the qualified basis of the building (check one) \_\_\_ has \_\_\_ has not decreased for this tax year. I have examined this form, and to the best of my knowledge and belief, it is true, correct and complete.

Signature

Taxpayer ID Number

Date

Name (please type or print)

## DISTRICT OF COLUMBIA LOW-INCOME HOUSING TAX CREDIT

The federal Low-Income Housing Tax Credit (LIHTC) was established by the Tax Reform Act of 1986 and is a dollar-for-dollar tax credit for federal taxpayers who invest in the construction and rehabilitation of housing for low and moderate-income individuals and families in the United States.

Pursuant to the District of Columbia Low-Income Housing Tax Credit Clarification Amendment Act of 2020, (D.C. Law 23-149, § 7201), the District of Columbia has also acted to establish a low-income housing tax credit for qualified projects located in the District of Columbia. Effective October 1, 2020, a “qualified project” means a rental housing development in the District that receives an allocation of federal low-income housing tax credits under IRC §42(h)(1) or IRC §42(h)(4) after October 1, 2021, and receives an executed extended low-income housing commitment pursuant to IRC §42(h)(6)(B) from the District of Columbia Department of Housing and Community Development (DHCD) dated on or after October 1, 2021.

The District of Columbia low-income housing tax credit (DC LIHTC) can be taken against income tax, franchise tax, and insurance premium tax. The credit can be claimed equally for 10 years and subtracted from the amount of District tax otherwise due for each taxable period. The credit cannot be taken against any tax that is dedicated in whole or in part to the Healthy DC and Health Care Expansion Fund established by DC Code §31-3514.02.

The credit is not refundable, but any amount of the credit that exceeds the tax due for a taxable year can be carried forward to any of the 10 remaining subsequent taxable years. The owner of a qualified project eligible for the District low-income housing tax credit must submit a copy of the eligibility statement issued by the Department of Housing and Community Development with respect to the qualified project at the time of filing the project owner's DC tax return. If the eligibility statement is not attached, no credit will be allowed with respect to such qualified project for that year until the copy is provided to the Office of Tax and Revenue.

All or any portion of District low-income tax credits may be transferred, sold, assigned, or allocated to parties who are eligible pursuant to Chapter 48 of Title 47 of the District of Columbia Official Code. There is no limit on the total number of allocations of all or part of the total credit authorized.

Collectively, all transfers, sales, assignments, and allocations are subject to the maximum credit allowable to a particular qualified project. A tax credit earned or purchased by, or transferred or assigned to, a partnership, limited liability company, S corporation, or other pass-through entity may be allocated to the partners, members, or shareholders in accordance with the provisions of any agreement among the partners, members, or shareholders and without regard to the ownership interest of the partners, members, or shareholders in the qualified project. A partner, member, or shareholder to whom a tax credit is allocated may further allocate all or part of the allocated credit or may transfer, sell, or assign the allocated credit. Collectively all transfers, sales, assignments, and allocations are subject to the maximum credit allowable to a particular qualified project.

An owner, transferee, purchaser, assignee, or taxpayer to whom a credit is allocated desiring to make a transfer, sale assignment or allocation must submit to the CFO and the Commissioner of the Department of Insurance, Securities, and Banking (Commissioner) a statement that describes the amount of District low-income housing tax credit for which such transfer, sale, assignment, or allocation of District credit is eligible. The owner, transferor, seller, assignor, or taxpayer must provide to the CFO and the Commissioner appropriate information so that the low-income housing tax credit can be properly allocated.

The District low-income housing tax credit can be recaptured if the owner fails to submit a copy of the eligibility statement issued by the Department with respect to the qualified project at the time of filing the return, or, if under IRC §42, a portion of any federal low-income tax credits taken on a low-income qualified project is required to be recaptured. If a recapture is required, any statement submitted to the CFO as required by DC Code §47-4806(b) must include the proportion of the credit required to be captured, the identity of each transferee subject to recapture, and the amount of credit previously transferred, sold, assigned, or allocated to such transferee, purchaser, assignee, or taxpayer to whom a credit is allocated.

Except for unused credits carried forward and for credits claimed under regulations promulgated by the Department consistent with the special rule set forth in IRC §42, a qualified District of Columbia project is not eligible for any District tax credits for more than 11 taxable years.

### Sign-Up for MyTax.DC.gov

[MyTax.DC.gov](https://mytax.dc.gov) is the web portal where you can view your available DC LIHTC amount and report credit transfers, sales, assignments and allocations to other credit recipients. All credit owners, transferors and recipients must complete a one-time registration to sign up for an online account. Credit transferors must report any credit transfers, sales, assignments and allocations on their MyTax.DC account before the credit recipients can view their portion of available DC LIHTC credit. For further information on how to view your DC LIHTC information and report transactions, please see Instructions for DC Low-Income Housing Tax Credit Allocation and Certification.

### Claiming the Credit

The DC Low-Income Housing Tax Credit can only be claimed for buildings allocated a credit after October 1, 2021. A District tax return must be filed with the credit amount on the appropriate line of the return or schedule to receive the credit. It is important that you log onto your MyTax.DC account and verify your available DC LIHTC credit before filing a District tax return claiming the credit. The lines to claim this credit are:

D-40 Schedule U Line 5  
D-41 Line 16  
D-20 Schedule UB Line 8  
D-30 Schedule UB Line 19

This is a non-refundable credit. The total amount of the credit being claimed should not exceed the amount of tax due.