

2022

Government of the
District of Columbia,
Office of the Chief
Financial Officer, Office
of Tax and Revenue



Instructions for Low-Income Housing Tax Credit Allocation and Certification

Table of Contents

General Instructions	3
District of Columbia Low-Income Housing Tax Credit	4
Transfers, Sales, Assignments and Allocations of Credit	4
Claiming the Credit	5
MyTax.DC.gov Walkthrough.....	6
How To View Your DC LIHTC Information	6
How To Enter Transfers, Sales, Assignments and Allocations	7

General Instructions

- Beginning TY2022, all credit holders of the District of Columbia Low-Income Housing Tax Credit (DC LIHTC) may access the credit availability and schedule by signing into DC web portal, MyTax.DC.gov.
- All parties including building owners, credit transferors and credit recipients (transferees) MUST be registered with the Office of Tax and Revenue (DC OTR). The Combined Registration Application for District of Columbia Business Taxes/Fees/Assessments (FR-500) is available online at <https://mytax.dc.gov/> and go to "Register a New Business - Form FR-500", or click [here](#) to view the tutorial.
- Once the business registration process is completed, all parties MUST sign up to obtain a username through MyTax.DC.gov. This is a one-time registration. To sign up for an account, visit <https://mytax.dc.gov/> and go to "Sign-up for MyTax.DC.gov", or click [here](#) to view the tutorial.
- The building owners of a qualified project must complete Form D-8609, District of Columbia Low-Income Housing Tax Credit Allocation and Certification, and have it signed by an authorized official from the District of Columbia Department of Housing and Community Development (DHCD). A copy of the executed D-8609 should be provided to all credit recipients in the event that any portion of credit is transferred, sold, assigned, or allocated. A blank D-8609 can be found at the end of this booklet or in the District of Columbia Individual and Business Income tax booklets.
- In this booklet, you will find step-by-step instructions on how to view your available DC LIHTC and to report transfers/sales/assignments and allocations of credits to other parties. The steps described in this booklet must be taken before any transferee will be able to view the credit schedule and claim the DC LIHTC on a District tax return.
- If you need assistance, please contact the Office of Tax and Revenue's e-Services Call Center at (202) 759-1946 between the hours of 8:15 a.m. and 5:30 p.m., Monday through Friday or send an email to e-services.otr@dc.gov. If you are logged in to your account, you have an option under "More..." to send a web message to e-Services. **Please select a message type dedicated to DC LIHTC to facilitate the message to be routed to appropriate DC personnel.**

Key website resources:

DC Official Code

www.lexisnexis.com/hottopics/dccode/

DC Regulations

www.dcregs.dc.gov/

DC LIHTC Program Information

<https://dhcd.dc.gov/page/low-income-housing-tax-credit-lihtc-program>

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 DC LIHTC must obtain an eligibility statement issued by DHCD with respect to the qualified project, and submit an executed Form D-8609, District of Columbia Low-Income Housing Tax Credit Allocation and Certification.

For more information about the DC LIHTC approval process and qualified projects, contact DHCD at (202) 442-7200 or visit <https://dhcd.dc.gov/>.

Transfers, Sales, Assignments and Allocations of Credit

All or any portion of DC LIHTC 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 project.

A tax credit earned or purchased by, 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 credit is allocated may further allocate all or part of 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 to another transferee, purchaser, assignee or taxpayer, must submit appropriate information to the Office of Tax and Revenue (OTR) and report the amount of DC LIHTC transferred, sold, assigned, or allocated, and the recipient of the credit. Please follow the steps described in this booklet via DC web portal MyTax.DC.gov. No credit shall be claimed on a District tax return for that year until the appropriate information is submitted to OTR.

Copies of the executed D-8609 for the qualified project should be provided to all credit recipients.

See OTR Notice 2022-10 for further details.

Claiming the Credit

The credit holders will be able to view the available credit amount on their MyTax.DC.gov account. It is important that you log onto your MyTax.DC.gov account and verify your available DC LIHTC credit amount before filing a District tax return claiming the credit. Claiming the credit over the available amount shown on the account may result in denial of credit for the year.

A District tax return must be filed with the credit amount on the appropriate line of the return to receive the credit. The lines to claim this credit are:

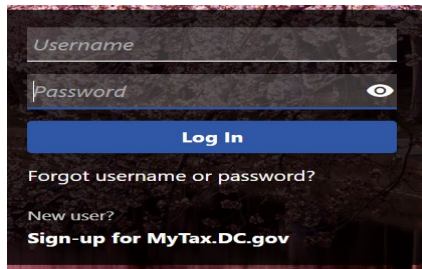
- D-40 Schedule U Line 5
- D-41 Line 16
- D-20 Schedule UB Line 8
- D-30 Schedule UB Line 19

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

MyTax.DC.gov Walkthrough

How To View Your DC LIHTC Information

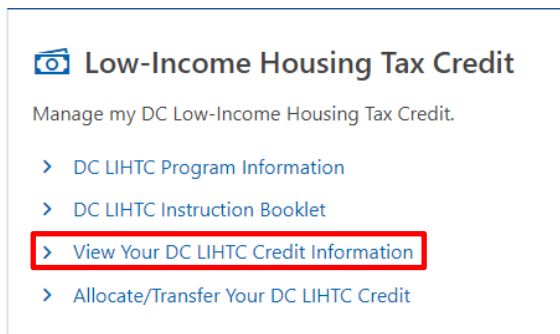
1. Go to <https://mytax.dc.gov/> and log on using your Username and Password.



2. Click on "More"...



3. Scroll down to "Low-Income Housing Tax Credit". The first two options are for informational purposes. "DC LIHTC Program Information" will take you to the general program information page on the DHCD website. Select "View Your DC LIHTC Credit Information" to view your available DC LIHTC amount.



4. "DC LIHTC Credit Information" is organized by Building ID Number (BIN) of the qualified project. The entire amount of DC LIHTC is split over the period of 10-year (or 120-months). You can view the schedule of your 10-year DC LIHTC availability. If there is no DC LIHTC available to you, you will not see any schedule as shown below.

Each line on the schedule represents the available credit and activities, if any, for a particular tax year. The date under the "Begin Date" normally represents the beginning date of the tax year. The Begin Date for the first year may be shown as the date of allocation.

As you file your District tax return claiming DC LIHTC, you will see the used amount under the "Claimed" column after the return was processed at DC OTR. When you transfer or allocate all or portion of your approved credit to another taxpayer, you will see the transferred amount under the "Allocated/Transferred" column. The amount under the "Available" column is the maximum amount of DC LIHTC you may claim on your tax return for that particular tax year.

The example shown below is the DC LIHTC schedule for the qualified program with BIN DC-123. The available amount on the first line is what's available to claim on your TY2022 return. The second line may not be used until TY2023. After the filing of TY2022, if there is any leftover credit

from TY2022 in the available column, we will deduct first from what's left from TY2022 for the following tax year's claim.

DC LIHTC Credit Information

Building Owners: If you are a building owner with an executed Form D-8609 and believe the information on this page is incorrect, please contact OTR.

Credit Transferors: If you are a credit transferor and you believe the information on this page is incorrect, please confirm that you have correctly completed all transfers through your MyTax.DC.gov account. (Please note that the credit transferee must be registered with OTR in order for the transfer to be completed. If credit transferee is not registered with OTR, your request for a transfer will not be completed.)

Credit Transferees: If you are a credit transferee and you believe that your credits are missing or are incorrect, please contact the person or entity that transferred the credit to you to confirm that they have completed the transfer through MyTax.DC.gov as described above before contacting OTR.

You can reach OTR Customer Service by sending a web message from your MyTax.DC.gov profile or contacting the e-Services call center at (202) 759-1946.

BIN	Begin Date	End Date	Approved	Claimed	Allocated/Transferred	Available
DC-123						
	01-Dec-2022	31-Dec-2033	\$8,493.17	\$0.00	\$0.00	\$8,493.17
	01-Jan-2023	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22
	01-Jan-2024	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22
	01-Jan-2025	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22
	01-Jan-2026	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22
	01-Jan-2027	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22
	01-Jan-2028	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22
	01-Jan-2029	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22
	01-Jan-2030	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22
	01-Jan-2031	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22
	01-Jan-2032	31-Dec-2033	\$91,507.05	\$0.00	\$0.00	\$91,507.05
			\$1,000,002.20	\$0.00	\$0.00	\$1,000,002.20

- If you believe your information on this page is incorrect, it is important that you contact your credit transferor first before contacting customer service. The credit transferors are responsible for reporting the information of allocation/transfer to you on their MyTax.DC.gov account. If you are the building owner of a qualified project and you have any questions, please contact our customer service call center. Please see "General Instructions" on page 3 of this booklet on how to contact us.

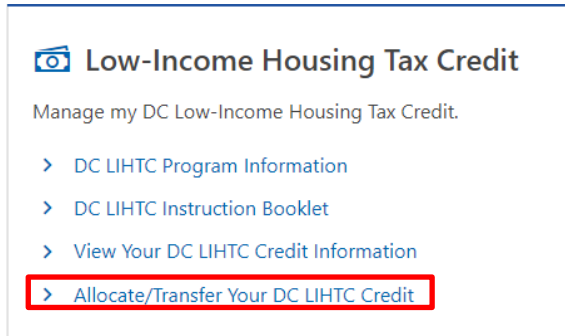
How To Enter Transfers, Sales, Assignments and Allocations

- All credit transferors must enter transfers, sales, assignments, and allocations of credit to other taxpayers on their MyTax.DC.gov account before the credit recipients (transferees) can see their portion of credit on their MyTax.DC.gov account. Go to <https://mytax.dc.gov/> and log on using your Username and Password.

2. Click on More...

Action Center Settings **More...**

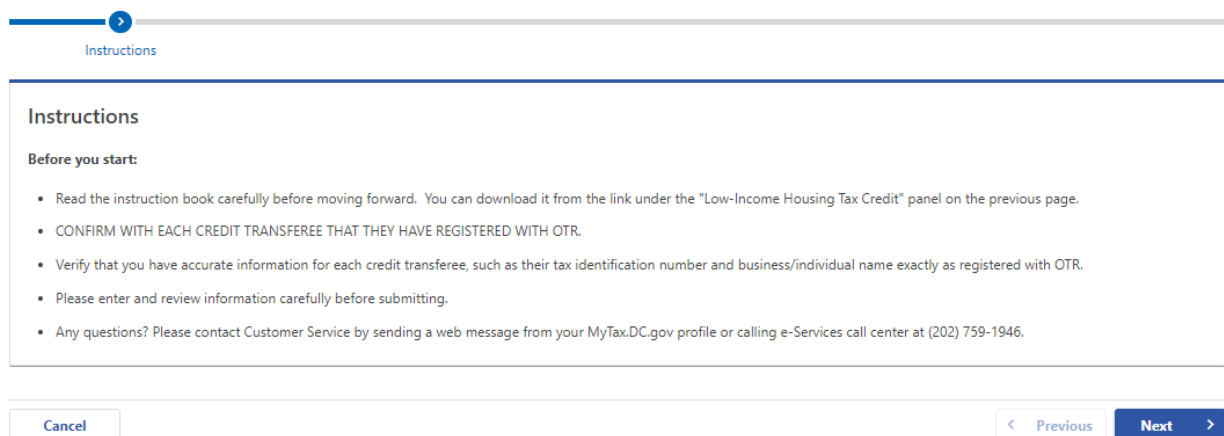
3. Scroll down to the “Low-Income Housing Tax Credit” panel and select “Allocate/Transfer Your DC LIHTC Credit”.



4. Instructions:

Read the brief instructions on the page and click on “Next”.

[DC Low-Income Housing Tax Credit Transfer](#)



Instructions

Before you start:

- Read the instruction book carefully before moving forward. You can download it from the link under the "Low-Income Housing Tax Credit" panel on the previous page.
- CONFIRM WITH EACH CREDIT TRANSFEREE THAT THEY HAVE REGISTERED WITH OTR.
- Verify that you have accurate information for each credit transferee, such as their tax identification number and business/individual name exactly as registered with OTR.
- Please enter and review information carefully before submitting.
- Any questions? Please contact Customer Service by sending a web message from your MyTax.DC.gov profile or calling e-Services call center at (202) 759-1946.

Cancel < Previous **Next** >

5. Enter credit recipient (transferee) identity information:

Asterisks (*) indicate that these fields are mandatory.

Read descriptions of allocation and transfer and select a type. Enter identity of transferee (credit recipient) **exactly as registered with DC OTR**.

NOTE: if the transferee’s ID type is an SSN, select “Individual” as the transferee entity type and enter the first and last name of the transferee. Selecting “Business” and entering the business trade name will result in an error.

If you keep receiving an error, confirm with the transferee to verify the ID and Business/Individual name you entered is correct, as registered with DC OTR, or have the transferee contact the e-Services call center to verify their ID and name are registered in our system correctly. More than three errors will result in you getting locked out. You will have to wait for 60 minutes to be unlocked.

Once all required fields are entered, click on Next.

DC Low-Income Housing Tax Credit Transfer

Instructions

Transferee Information

Transferee Information

An **allocation** is an allotment of the credit to any person or entity (of whatever type) that has an ownership interest, either direct or indirect in the qualified DC project.

A **transfer** is a sale or assignment of the credit to a person or entity without an ownership interest in the DC qualified project, and without transferring any ownership interest in the qualified project.

Select the request type: *

Allocation	Transfer
------------	----------

Select the transferee entity type: *

Business	Individual
----------	------------

Business Name *

Required

ID Type * ID *

FEIN	ITIN	PEIN	SSN
------	------	------	-----

Required

Cancel

< Previous

Next >

6. Enter the amount of credit being transferred:

There are four ways to enter the transferred amount. Choose the option that's most convenient for you to record "Amount to Transfer".

Review carefully before clicking on “Next”.

Instructions

Transferee Information

Certificates

Certificates

In order to continue, enter at least one value in the **Amount to Allocate** column.

☒ Allocate a custom amount
 ☐ Allocate a percentage of the approved amount
 ☐ Allocate a percentage of the available amount
 ☐ Allocate all available amount

Show Errors

BIN	Begin Date	End Date	Approved	Claimed	Allocated/Transferred	Available	Amount to Allocate
DC-123							
	01-Dec-2022	31-Dec-2033	\$8,493.17	\$0.00	\$0.00	\$8,493.17 *	\$0.00
	01-Jan-2023	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22 *	\$0.00
	01-Jan-2024	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22 *	\$0.00
	01-Jan-2025	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22 *	\$0.00
	01-Jan-2026	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22 *	\$0.00
	01-Jan-2027	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22 *	\$0.00
	01-Jan-2028	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22 *	\$0.00
	01-Jan-2029	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22 *	\$0.00
	01-Jan-2030	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22 *	\$0.00
	01-Jan-2031	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22 *	\$0.00
	01-Jan-2032	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22 *	\$0.00
	01-Jan-2033	31-Dec-2033	\$100,000.22	\$0.00	\$0.00	\$100,000.22 *	\$0.00

7. Add Attachment

Click on “Add Attachment” to upload any appropriate information such as executed D-8609. If the type is an allocation, certain information is requested as an attachment as shown in the screen below. Click on “Next”.

On the next summary page, you will have a chance to review the transaction you just entered before the final submission.

Instructions
Transferee Information
Certificates
Attachments

For this allocation, attach a statement reporting the following information regarding the partners or members of the ownership entity:

1. Name of the Entity
2. Taxpayer Identification Number of the Entity
3. Taxpayer's Address
4. State whether the partner type is a general partner, limited partner, or limited liability company member
5. State whether the partner type is an individual, corporation, or partnership
6. State the taxpayer's percentage of Federal Low-Income Housing Credit (if known)
7. State the taxpayer's percentage of DC Low-Income Housing Tax Credit (if known)

Attachments
Add Attachment

Type	Name	Description	Size
There are no attachments.			

Cancel
Previous
Next

8. Summary

Review and verify the identity of the transferee and the total amount of transferred credit. Click on "Submit" and enter your password on the pop-up screen confirming your submission.

It is extremely important to verify that all information is correct. Once submitted, you will not be able to modify the transaction. You must contact DC OTR if any modification is necessary. Refer to the "General Instructions" section on how to contact us.

Low Income Housing Tax Credit Transfer



Summary

ID Type	ID
FEIN	**_***8888
Business Name	
ZZZ BUS	
Amount to Transfer	
\$220,000.00	

Click 'Submit' below to complete the request. After completing the request the credit will be available to claim on returns or transfer to additional taxpayers by the transferee.

9. Confirmation

You will receive the confirmation of reporting a transfer. You can also view your completed allocation/transfer transactions under "Submissions".

The transferees will be able to view their available credit information immediately on their

Confirmation

Your request has been successfully submitted. Please print a copy of this page for your records.

Your request confirmation number is **0-000-015-547**. Please retain your confirmation number for future reference.

Request Type: Low Income Housing Tax Credit Transfer

Submitted Date: 20-Oct-2022 3:51:31 PM

Contact Us:

(202) 759-1946

e-services.otr@dc.gov

[Printable View](#)

[OK](#)