

To: Real Estate Department Partners

Notice: **RED-13-01**

From: Real Estate Department- Compliance and Asset Management

Date: January 3, 2013

Re: **2013 Tax Credit Rent and Income Limits**

The 2013 Multifamily Tax Subsidy Income Limits for the Rental Housing Tax Credit Program were released by HUD on December 4, 2012 and then re-released with corrections on December 11, 2012. Per guidance issued in LIHC Newsletter #50, the IRS will continue to treat the limit effective date as December 4, 2012, stating that “based on the December 4th release date, owners must start using the revised 2013 limits for all purposes no later than 45 days after the December 4th release date, or January 18th, 2013.”

Background information

Income and rent limits are no longer based solely on the county in which a development is located. Instead, limits are project-specific based on the placed-in-service date. Remember that a “project” is defined by the election made by the owner on Form 8609 Part II Line 8b. If buildings within the same development are considered separate “projects” (i.e. if Line 8b of the 8609 is marked “no”), then each building may potentially have different sets of limits. Even if the multiple building project election is marked yes, it is important to note that separate phases are always considered different projects and are therefore likely to have different sets of limits.

The Housing and Economic Recovery Act of 2008 (HERA) created HERA special limits for projects defined as “HUD hold harmless impacted projects.” A project is eligible to use the HERA special limits if:

1. The county has HERA special limits published; and
2. The project placed-in-service on or before December 31, 2008.

Furthermore, HERA established an additional “hold-harmless” policy for all tax credit projects. Under this policy, a project’s income and rent limits will never decrease from one year to the Next, even if there is a decrease in the HUD published limits for the county in which the project is located. However, a project is never eligible to use a set of limits if it was not placed-in-service during the time those limits were in effect. A multiple building project is considered placed-in-service on the date the first building in that project places in service.

For more information on correctly applying income and rent limits, please refer to Parts 4.1 and 4.2 of the Compliance Manual.



Limits for other programs

The 2013 income and rent limits for the HOME, CDBG, CDBG-D, and NSP programs will be released under a future RED Notice.

Questions?

Questions about the 2013 limits or any other tax credit compliance topics can be directed to:

Anika Allen, Compliance Auditor

Jeff Ivory, Senior Compliance Auditor

George McMannis, Compliance Auditor

Matt Rayburn, Deputy Director of Compliance and Asset Management

Ryan Splichal, Compliance Auditor

2013 LOW-INCOME HOUSING TAX CREDIT PROGRAM

Effective December 4, 2012

Main table with columns for COUNTY, COUNTY INCOME LIMITS (SET-ASIDE, ONE PRSN, TWO PRSN, THREE PRSN, FOUR PRSN, FIVE PRSN, SIX PRSN, SEVEN PRSN, EIGHT PRSN, NINE PRSN), and COUNTY RENT LIMITS (EFF, 1 BR, 2 BR, 3 BR, 4 BR, 5 BR, 6 BR). It contains data for counties POSEY, PULASKI, PULASKI-HERA LIMITS, PUTNAM, PUTNAM-HERA LIMITS, RANDOLPH, RANDOLPH-HERA LIMITS, RIPLEY, RIPLEY-HERA LIMITS, RUSH, RUSH-HERA LIMITS, SCOTT, SCOTT-HERA LIMITS, and SHELBY, SHELBY-HERA LIMITS.

2013 LOW-INCOME HOUSING TAX CREDIT PROGRAM

Effective
December 4, 2012

COUNTY INCOME LIMITS

COUNTY RENT LIMITS

COUNTY	SET-ASIDE	ONE PRSN	TWO PRSN	THREE PRSN	FOUR PRSN	FIVE PRSN	SIX PRSN	SEVEN PRSN	EIGHT PRSN	NINE PRSN	COUNTY RENT LIMITS						
											EFF	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
WELLS	30%	13,020	14,880	16,740	18,570	20,070	21,570	23,040	24,540	25,998	325	348	418	483	539	594	649
	40%	17,360	19,840	22,320	24,760	26,760	28,760	30,720	32,720	34,664	434	465	558	644	719	793	866
	50%	21,700	24,800	27,900	30,950	33,450	35,950	38,400	40,900	43,330	542	581	697	805	898	991	1,083
	60%	26,040	29,760	33,480	37,140	40,140	43,140	46,080	49,080	51,996	651	697	837	966	1,078	1,189	1,299
WELLS-HERA LIMITS	30%	13,920	15,900	17,880	19,860	21,450	23,040	24,630	26,220	27,804	348	372	447	516	576	635	695
	40%	18,560	21,200	23,840	26,480	28,600	30,720	32,840	34,960	37,072	464	497	596	688	768	847	926
	50%	23,200	26,500	29,800	33,100	35,750	38,400	41,050	43,700	46,340	580	621	745	860	960	1,059	1,158
	60%	27,840	31,800	35,760	39,720	42,900	46,080	49,260	52,440	55,608	696	745	894	1,032	1,152	1,271	1,390
WHITE	30%	11,760	13,440	15,120	16,770	18,120	19,470	20,820	22,140	23,478	294	315	378	436	486	537	586
	40%	15,680	17,920	20,160	22,360	24,160	25,960	27,760	29,520	31,304	392	420	504	581	649	716	782
	50%	19,600	22,400	25,200	27,950	30,200	32,450	34,700	36,900	39,130	490	525	630	726	811	895	978
	60%	23,520	26,880	30,240	33,540	36,240	38,940	41,640	44,280	46,956	588	630	756	872	973	1,074	1,173
WHITLEY	30%	13,020	14,880	16,740	18,570	20,070	21,570	23,040	24,540	25,998	325	348	418	483	539	594	649
	40%	17,360	19,840	22,320	24,760	26,760	28,760	30,720	32,720	34,664	434	465	558	644	719	793	866
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	60%	27,840	31,800	35,760	39,720	42,900	46,080	49,260	52,440	55,608	696	745	894	1,032	1,152	1,271	1,390