

Dear NAHMA Members,

Below, please find three Housing Credit updates related to the 2019 Credit volume caps and small state minimum, the Priority Guidance Plan for the Treasury Department and the IRS, and the prescribed LIHTC rates for December.

2019 Housing Credit and Private Activity Bond Volume Cap amounts

This week, the IRS issued the 2019 per capita and small state minimum volume cap amounts for the Low-Income Housing Tax Credit (LIHTC) and Private Activity Bonds (PABs). The Credit ceiling for 2019 is the greater of \$2.76 multiplied by the state population, or \$3,166,875. The state ceiling for PABs will be the greater of \$105 multiplied by the state population, or \$316,745,000.

As a result of the tax reform legislation enacted at the end of 2017, the cost of living increases for 2019 are based on the chained Consumer Price Index (chained CPI), which provides a lower increase than the CPI for All Urban Consumers (CPI-U) that was previously used to determine inflation.

To read Revenue Procedure 2018-57 online, please click [here](#).

2018-2019 Priority Guidance Plan for Treasury and IRS

Recently, the Treasury Department and the IRS issued their Priority Guidance Plan for 2018-2019. The Plan lists policy guidance the agencies will prioritize for the year (beginning July 1, 2018). Top of the list is the Low-Income Housing Credit's (LIHTC) new income-averaging option, which was enacted earlier this year. In addition, the Priority Guidance Plan lists guidance related to Private Activity Bonds (PABs), which include Multifamily Housing Bonds that trigger the 4% credit, and implementation of the 2017 tax reform law, among other planned guidance.

To read the 2018-2019 Priority Guidance Plan online, please click [here](#).

Low-Income Housing Tax Credit Rates for December 2018

The IRS recently issued **Revenue Ruling 2018-30**, which provides prescribed rates for federal income tax purposes, including applicable federal interest rates, adjusted applicable federal interest rates, and adjusted long-term and tax-exempt rates for December 2018.

As provided in the ruling, **Table 4** contains **LIHTC Appropriate Percentages Under Section 42(b)(1) for December 2018**:

- Appropriate percentage for the 70% present value low-income housing credit: **7.74%**
- Appropriate percentage for the 30% present value low-income housing credit: **3.32%**

Note: Under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, shall not be less than 9%. To view the revenue ruling from the IRS online, please click [here](#).

Thanks,

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NAHMA is the leading voice for affordable housing management, advocating on behalf of multifamily property managers and owners whose mission is to provide quality affordable housing.