

Dear NAHMA Members,

Below, please find two recent IRS updates related to the Low-Income Housing Tax Credit (LIHTC) program.

1. Utility Allowance Submetering

Recently, the IRS published final regulations regarding utility allowance submetering in LIHTC properties. The final regulations make permanent current temporary rules that address situations in which a building owner purchases a utility from a utility company and then separately charges tenants for the utility. In those situations, if the utility costs paid by a tenant are based on actual consumption in the tenant's submetered, rent-restricted unit, then the charges are treated as paid by the tenant directly to the utility company, even though the payment passes through the building owner. In such a case, the tenant's payments to the owner for the utilities are not treated as payments of gross rent.

These final regulations extend these principles and apply to situations in which a building owner sells to tenants energy that is produced from a renewable source and that the owner did not purchase from a local utility company.

In addition, the final regulations address a number of public comments submitted in response to the temporary regulations, including with regard to how a building owner may demonstrate that the rate the owner charges tenants for renewable energy satisfies the requirement that the rate charged by the building owner not exceed the rate at which the local utility company would have charged tenants, and which rate or rates should be taken into account in determining whether the owner's charges to the tenant qualify.

The final regulation took effect on March 4, 2019. To read the attached final rule online, please click [here](#).

2. 2019 Calendar Year Resident Population Figures

Recently, the IRS published the 2019 Calendar Year Resident Population Figures, which are used by state and local housing credit agencies that allocate low-income housing tax credits and housing bonds to calculate population-based credit ceilings, volume caps, and volume limits.

For Calendar Year 2019, the amount for calculating the credit ceiling is the greater of \$2.75625 multiplied by the State population, or \$3,166,875. The amount for calculating the volume cap Calendar Year 2019 is the greater of \$105 multiplied by the State population, or \$316,745,000.

The Calendar Year 2019 population figures are available in the attached IRS Bulletin (page 908-909), or online [here](#).

Thanks,

Juliana

*Juliana Bilowich, Manager of Government Affairs
National Affordable Housing Management Association
400 N. Columbus St., Suite 203, Alexandria, VA 22314*

Phone 703-683-8630, ext.116 Email jbilowich@nahma.org, Website www.nahma.org

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.