

TheoPRO 2: Tax Credit Comprehensives

- Overview of the Tax Credit Program
 - What is a Credit/How Much is it Worth?
 - Who are the Key Players?
 - Key Terms
- Understanding a Tax Credit Project /Building
 - Project or Building (BIN)
 - Minimum & Additional Project Set-Asides
 - Extended Use Period
 - Project Timing Considerations
 - Building Timeline – New construction
 - Non-Compliance During the Federal Compliance Period and Recapture
- Calculating the Value of a Tax Credit Building/Eligibility Basics
 - Eligible Basis
 - Common Area Units
 - Applicable Fraction
 - Qualified Basis
 - Annual Credit
- The First Year of the Credit Period
 - Owners Goal in the First Year
 - Calculating 1st Years Applicable Fraction
 - Credit Calculations
- Acquisition/Rehab
 - Credit Percentages
 - Minimum Expenditures and Service Dates
 - Qualifying Existing Families
- Tax Forms Related to Section 42
 - Form 8586
 - Form 8609
- How Program Income Limits are Determined
 - Income Limits
 - How Program Rent Limits are Determined
 - Maximum Rent Restrictions
 - One and Two Bedroom Units
 - Mandatory vs. Optional Services
 - Gross Rent Floor – Section 8 Rent Assistance
 - Tax Credit Utility Allowances
 - Tax Credit Utility Allowances & Section 8 Families
- Qualifying Families for a Section 42 Unit

- Eligibility Basics
 - Household Composition and Status
 - Family
 - Exclusions
 - Unborn Children and Joint Custody of a Child
 - Lease Terms & Provisions
- Students
- Definition of Household Income and Exclusions
 - Earned Income
 - Unearned Income
- Verifications
 - What Do I Need to Know?
- Income
 - Periodic Payments vs. Lump Sums
 - Types of Income That Must be Included
 - Employment Income
 - How to Annualize Full-Time Income
 - Calculating a Raise
 - Overtime
 - Year to Date Calculations
 - Self-Employment Income
 - Unearned Income
 - Social Security Income and Pensions
 - Alimony/Child Support
 - Temporarily Absent: Military
- Income Calculations
 - Payments in Lieu of Earnings
 - Recurring Gifts/Contributions
- Assets
 - Ownership of Assets
 - Income from Assets
 - Asset Exclusions
 - Asset Calculations
 - Checking Accounts
 - Savings Accounts
 - Trust Accounts
 - Equity in Real Estate
 - CD/Money Market
 - Pensions and Annuities
 - IRA's, Keoghs and 401Ks
 - Insurance Policies
 - Disposal of an Asset
- The Tax Credit Certification
 - TIC

- On-Going Compliance
 - Qualifying Families for Section 42 Recertification
 - HERA
 - Recertification Limits & 140% Test
 - Over 140% at Recertification
 - Income – Available Unit Rule
 - Mixed Income BINS
 - Adding Family Members
 - Tenant Fraud
 - Unit Transfers/8823 Guide
 - Unit Vacancy Rule
 - Vacant Units – Mixed Income Projects
 - Monitoring minimum Set –Asides
 - General Compliance – Monitoring & Reporting
 - Form 8823 – Casualty Loss

- Fair Housing & Section 42
 - IRS Definition of “Non-Availability” to Public
 - Protected Classes
 - Occupancy Standards for Multi-Family Housing
 - Housing for Older Persons

- Importance of Record Retention
 - Maintaining Tax Credit Files

- Review
 - Review Questions