



To: Real Estate Department Partners
From: Real Estate Department
Date: January 21, 2021
Re: **Tax Credit Relief under Internal Revenue Service Notice 2021-12**

Notice: RED-21-04

On January 15, 2021, the Internal Revenue Service released [Internal Revenue Service Notice 2021-12](#). As a result, IHCDCA is hereby implementing two forms of relief:

- 1) Extension of 10% Test: IHCDCA grants an extension in meeting the 10% test for projects that received an allocation of 2020 9% tax credits in the 2020A-C tax credit round. The new deadline is September 30, 2021.
- 2) Extension to Satisfy Occupancy Regulations: For purposes of § 42(f), if the close of the first year of the credit period with respect to a building is on or after April 1, 2020, and on or before June 30, 2021, then the qualified basis for the building for the first year of the credit period is calculated by taking into account any increase in the number of low-income units by the close of the 6-month period following the close of that first year.

Questions about this notice can be directed to Alan Rakowski, Director of Real Estate Allocation, via arakowski@ihcda.in.gov or 317-233-1220.



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