

IRS Revenue Procedure 94-57 allows the owner/taxpayer to fix the date of the gross rent floor to be either:

1. the Credit Allocation date, or
2. the Placed-In-Service date.

In past years, some county median incomes have decreased during the years between these dates, thereby reducing the maximum allowable rent.

For a bond-financed building, the IRS will treat the gross rent floor in section 42(g)(2)(A) as taking effect on the date an Agency initially issues a Determination Letter for the building.

However, if the owner/taxpayer designates it as such, the IRS will treat the gross rent floor as taking effect on the second option: a building's Placed-In-Service date. If this option is chosen, the owner/taxpayer must also inform the Agency that issued the Determination Letter no later than the Placed-In-Service date.

**Instructions:** Owners/taxpayers of qualified Housing Tax Credit projects (bond-financed building) must complete this form to notify Minnesota Housing of the date the gross rent floor in section 42(g)(2)(A) of the Internal Revenue Code takes effect.

Minnesota Housing must receive this election form by the date the project is Placed-In-Service. If no election is made or if election form(s) are not received by that deadline, then the gross rent floor date will automatically be fixed by Minnesota Housing to be the date Minnesota Housing initially issued its Determination Letter.

Statement should be submitted via Box and Multifamily Customer Portal.

Questions may be directed to [tamara.wilson@state.mn.us](mailto:tamara.wilson@state.mn.us) or 1.800.657.3647/651.296.4451.

