



Housing Tax Credits Statement of Election of Gross Rent Floor (Competitive State Cap Credit Building)

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

1. the date of the initial allocation for tax credit projects (allocation award), 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.

Except for a low-income building described in section 42(h)(4)(B) (a bond-financed building), the IRS will treat the gross rent floor in section 42(g)(2)(A) as taking effect on the first option: the date an Agency initially allocates a housing credit dollar amount to the building under section 42(h)(1).

However, if the Owner/Taxpayer designates it as such on the Gross Rent Floor Election Form, 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 made the initial allocation no later than the building's Placed-In-Service date.

Instructions: Owners/Taxpayers of qualified Housing Tax Credit projects (competitive state cap credit buildings) 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 of the allocation/award.

An allocation/award is only made with the issuance of a Carryover Agreement or an 8609.

Statement should be submitted via Box or the Multifamily Portal.

Questions may be directed to tamara.wilson@state.mn.us or 1.800.657.3647/651.296.4451.



**Housing Tax Credit Program
Statement of Election of Gross Rent Floor
(Competitive State Cap Credit Building)**

The Minnesota Housing Finance Agency (Minnesota Housing), the housing credit agency for the State of Minnesota as defined in Section 42 of the Internal Revenue Code , has reserved housing tax credits for Development # _____ - _____, named _____ (the Project), as referenced in the Housing Tax Credit Program Reservation Letter/Binding Agreement dated _____ (the Binding Agreement). The Owner of the Project identified in the Binding Agreement is _____ (the Owner/Taxpayer).

The Owner/Taxpayer hereby irrevocably elects, pursuant to IRS Revenue Procedure 94-57, to fix the gross rent floor for the building, which is part of the referenced Project, at the allowable rents on the Elected Date identified below. The Owner/Taxpayer acknowledges that this Election is binding upon the Owner/Taxpayer and all successors in interest to the Owner/Taxpayer.

The Owner/Taxpayer elects the gross rent floor for the building(s) described as:

BIN (Building Identification Number)	Address
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(Attach separate sheet if more space is required.)

To be fixed as taking effect on the Elected Date of (check only one option):

- _____ The allocation/award date (the date of the initial allocation for tax credit projects)
- _____ The Placed-In-Service date

Acknowledged, agreed, and accepted this _____ day of _____, _____.

Owner/Taxpayer: _____

By: _____
Signature

Type/Print Name and Title

STATE OF MINNESOTA)
) ss
COUNTY OF _____)

On this ____ day of _____, 20____, _____, being first duly sworn and to me personally known, acknowledged that (s)he executed the above document for the purposes recited therein.

Notary Public, State of Minnesota
My Commission Expires: _____