

DC Tax Flash: IRS Issues Compliance Relief for Qualified Low-Income Housing

Tax Alert
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The Internal Revenue Service (IRS) today issued [Notice 2020-53](#), which offers temporary relief from certain requirements under [Internal Revenue Code section 42](#) for qualified low-income housing projects and qualified residential rental projects under [section 142\(d\)](#) and [section 147\(d\)](#).

For issuers, operators, owners, and tenants of qualified low-income housing projects or qualified residential rental projects financed with exempt facility bonds, and state agencies that have jurisdiction over these projects, the IRS explains that today's guidance delivers the following relief:

- For certain time-sensitive actions scheduled to be performed and requirements to be met on or after April 1, 2020 and before December 31, 2020, owners and operators now have until December 31, 2020 to perform the actions and satisfy the requirements.
- Further, between April 1, 2020 and December 31, 2020, owners of qualified low-income housing projects are not required to perform certain income recertifications or reduce the eligible basis in a building because of the temporary closure of an amenity or common area due to the COVID-19 pandemic, and state agencies that have jurisdiction over the projects are not required to conduct compliance-monitoring.
- Additionally, between April 1, 2020 and December 31, 2020, owners and operators of these projects, issuers, and state agencies may treat medical personnel and other essential workers providing services during the COVID-19 pandemic as if they were Displaced Individuals, as defined in Rev. Procs. 2014-49 and 2014-50, and therefore, may provide emergency housing for these persons as described in these revenue procedures.

In a related move, the IRS today also issued [proposed regulations](#) on the compliance-monitoring duties of state agencies for purposes of the low-income housing credit. "The proposed regulations relax the minimum compliance-monitoring sampling requirement for purposes of physical inspections and low-income certification review, providing flexibility and reduced burdens with respect to the requirements set forth in the [final regulations published on February 26, 2019](#)."

The 13-page text of the proposed regulations is [posted here](#).

[Miller & Chevalier Coronavirus Task Force](#)

The outbreak of COVID-19 is creating significant business and legal challenges for companies throughout the world. In response to client demand, the firm has formed an interdisciplinary task force to help businesses navigate these issues.

[COVID-19 Resource Library](#)

We also maintain a resource library of [legislative responses](#) and [regulatory guidance](#) related to COVID-19.

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