

Additional Qualified Disaster Zone Allocation Authority for Calendar Years 2021 or 2022

Announcement 2022-27

This announcement reminds State and local housing credit agencies (Agencies) of an impending deadline applicable to certain allocations of housing credit dollar amounts under § 42 of the Internal Revenue Code.

For each of calendar years 2021 and 2022, § 305 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (Act), Public Law 116-260, div. EE, § 305, 134 Stat. 3038, 3080 (Dec. 27, 2020), conditionally increases a State's housing credit ceiling under § 42(h)(3). Subject to certain additional requirements (including a dollar limitation),¹ a State's housing credit ceiling under § 42(h)(3) is increased only if, and to the extent that, the State's Agencies allocate housing credit dollar amounts in 2021 and 2022 for certain purposes. To qualify, these allocations must be for the construction or rehabilitation of buildings located in qualified disaster zones. Because § 305 of the Act applies only to allocations in 2021 and 2022, a State cannot carry over to years after 2022 any housing credit allocation authority under § 305 of the Act that was not used to make qualifying allocations in 2021 and 2022.

¹The applicable dollar limitation (defined in § 305(a)(2)(B) of the Act) that may apply to a State's housing credit ceiling increases depends on the population of the State (as determined for calendar year 2020) that resides in a qualified disaster zone. For this purpose, Notice 2021-45, 2021-31 I.R.B. 170, contains county- and parish-level 2020 populations residing in qualified disaster zones.

DRAFTING INFORMATION

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