Form **8703**

(Rev. September 1990)

Department of the Treasury
Internal Revenue Service

# Annual Certification by Operator of a Residential Rental Project

**(Complete a separate Form 8703 for each project.)**

**For calendar year 19 .**

OMB No. 1545-1038
Expires 8-31-93

**Part I** **General Information**

Amended Form ▶ ☐

| | |
|---|---|
| Address of building/project (do not use P.O. box) | Name and address of **operator** of project |
| Name and address of **owner** of project | Taxpayer identification number of **operator** of project |
| Taxpayer identification number of **owner** of project | |

1 Check the box for the test elected with respect to this project:

a ☐ 20-50 test b ☐ 40-60 test c ☐ 25-60 test (NYC only)

# General Instructions

*(Section references are to the Internal Revenue Code unless otherwise noted.)*

**Paperwork Reduction Act Notice.**—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us this information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The average time needed to complete and file this form varies depending on individual circumstances. The estimated average time is:

| | |
|---|---|
| **Recordkeeping** . . . | 3 hrs., 35 min. |
| **Learning about the law or the form** . . . . . | 30 min. |
| **Preparing and sending the form to IRS** . . . . . | 35 min. |

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service,** Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget,** Paperwork Reduction Project (1545-1038), Washington, DC 20503. **Do NOT** send the tax form to either of these offices. Instead, see *Where To File* below.

**Purpose of Form.**—Form 8703 is used by operators of residential rental projects to provide annual information the IRS will use to determine whether the projects continue to meet the requirements of section 142(d).

**Who Must File.**—The operator of a residential rental project for which an election was made under section 142(d) must file Form 8703. A separate Form 8703 must be filed for each project.

**When To File.**—File Form 8703 by March 31 after the close of the calendar year for which the certification is made. Form 8703 must be filed annually during the qualified project period. See the instructions for line 2 for the definition of "qualified project period."

**Where To File.**—File Form 8703 with the Internal Revenue Service Center, Philadelphia, PA 19255.

**Penalty.**—Section 6652(j) provides for a penalty of $100 for each failure to comply with the certification requirements unless it can be shown that failure to file is due to reasonable cause and not to willful neglect.

# Specific Instructions

## Part I.—General Information

Enter the address of the project. Do not use P.O. boxes. Enter the name, address (including ZIP code), and taxpayer identification number of both the owner and the operator of the project.

**Amended Form.**—If you are filing an amended Form 8703, check the *Amended Form* box and complete Parts I and III. Then complete only those lines of Part II you are amending by entering the correct information.

**Line 1.**—To be a qualified residential rental project, one of the following tests must have been elected with respect to the project:

- **20-50 test.**—20 percent or more of the residential units must be occupied by individuals whose income is 50 percent or less of the area median gross income.
- **40-60 test.**—40 percent or more of the residential units must be occupied by individuals whose income is 60 percent or less of the area median gross income.
- **25-60 test (NYC only).**—25 percent or more of the residential units must be occupied by individuals whose income is 60 percent or less of the area median gross income.

See Rev. Rul. 89-24, 1989-1 C.B. 24, for guidance on computing the income limits applicable to these tests.

**Line 2.**—The qualified project period is the period beginning on the 1st day that 10 percent of the residential units are occupied and ending on the latest of:

**(1)** The date that is 15 years after the date that 50 percent of the residential units are occupied;

**(2)** The 1st day that no tax-exempt private activity bond issued for the project is outstanding; or

**(3)** The date that any assistance provided for the project under section 8 of the United States Housing Act of 1937 terminates.

**Lines 3a and 3b.**—If you claimed the low-income housing credit for more than one building in the project, attach a schedule listing the building identification number (BIN) for each building.

## Part II.—Annual Determinations

**Line 5.**—Enter the number of residential rental units occupied by individuals whose income is:

**(1)** 50 percent or less of area median gross income (if box 1a was checked), or

**(2)** 60 percent or less of area median gross income (if box 1b or 1c was checked).

Do not include any units included on line 6.

**Line 6.**—Enter the number of residential rental units occupied by continuing residents whose income exceeds the applicable income limit, but whose income is treated as not exceeding the applicable income limit. Do not include any units included on line 5. See section 142(d)(3)(B).

**Lines 9a and b.**—Complete these lines only if an election was made to treat the project as a deep-rent skewed project under section 142(d)(4). For a deep-rent skewed project, 15% or more of the low-income units must be occupied by individuals whose income is 40% or less of the area median gross income.

On line 9a, enter the number of low-income units occupied by individuals whose income is 40 percent or less of area median gross income. Also include the number of units occupied by continuing residents whose income is treated as not exceeding the applicable income limit. See section 142(d)(4)(B).