



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

OFFICE OF  
CHIEF COUNSEL

April 2, 2002

Number: **INFO 2002-0067**

Release Date: 6/28/2002

CONNEX-114156-02

CC:PSI:5

Dear \_\_\_\_\_ :

I am writing in response to your letter dated March 4, 2002, concerning your constituent, \_\_\_\_\_ wants to know whether she is eligible to remain as a tenant in a section 42 qualified low-income building while a student. Specifically, she asks if she, as the recipient of assistance provided by the \_\_\_\_\_ ( \_\_\_\_\_ ), meets the exception for certain students provided under section 42(i)(3)(D)(i)(II) of the Internal Revenue Code (the Code).

“Low-income unit” means, in general, any unit in a building if the unit is rent-restricted (as defined in section 42(g)(2)), and the individuals occupying the unit meet the income limitation applicable under section 42(g)(1) to the project of which the building is a part (section 42(i)(3)(A) of the Code). A unit will not fail to be treated as a low-income unit merely because it is occupied by an individual who is enrolled in a job training program receiving assistance under the Job Training Partnership Act or other similar Federal, State, or local laws (section 42(i)(3)(D)(i)(II) of the Code).

In \_\_\_\_\_ case, the following facts must be present for this exception to apply:

- (1) The \_\_\_\_\_ offers a job training program(s)
- (2) \_\_\_\_\_ is enrolled as a participant in the program
- (3) The \_\_\_\_\_ receives assistance under the Job Training Partnership Act (repealed in 1998, and replaced by the Workforce Investment Act) or other similar Federal, State, or local laws.

We cannot tell from \_\_\_\_\_ letter whether she is enrolled in a job training program with \_\_\_\_\_ and whether the \_\_\_\_\_ receives assistance under the Job Training Partnership Act or other similar Federal, State, or local laws. Therefore, we cannot say whether this exception applies to \_\_\_\_\_ .

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We would be happy to speak with \_\_\_\_\_ to gather additional information and explore what steps, if any, she may take to address this issue.

I hope this information is helpful. If we can be of further assistance to you or \_\_\_\_\_, please contact me or Greg Doran, Attorney-Advisor (CC:PSI:5), at \_\_\_\_\_.

Sincerely,

Paul Kugler

Paul Kugler  
Associate Chief Counsel  
(Passthroughs and Special Industries)