

Bond Case Briefs

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IRS Extends Temporary Relief for Qualified Low-Income Housing Projects: NABL

Today, the Internal Revenue Service (IRS) issued [Notice 2021-12](#) extending the temporary relief from certain requirements under § 42 for qualified low-income housing projects and under §§ 142(d) and 147(d) for qualified residential rental projects that was provided in Notice 2020-53, 2020-30 I.R.B. 151 in response to the continuing COVID-19 pandemic. The notice also provides relief for additional § 42 requirements not previously addressed in Notice 2020-53.

Of note:

- For purposes of section 5.02 of Rev. Proc. 2004-39, the last day of a 12-month transition period for a qualified residential rental project that ends on or after April 1, 2020, and before September 30, 2021, is postponed to September 30, 2021.
- If a bond is used to provide a qualified residential rental project and if the § 147(d) 2-year rehabilitation expenditure period for the bond ends on or after April 1, 2020, and before September 30, 2021, then the last day of that period is postponed to the earlier of one year from the original due date or September 30, 2021.

On December 2, 2020, NABL submitted a letter to the U.S. Department of the Treasury and IRS requesting an extension of IRS Notice 2020-53 through December 31, 2022. Notice 2020-53 provided relief to bond issuers, operators, owners and tenants of qualified residential rental projects and qualified low-income housing projects financed with exempt facility bonds, and state agencies that have jurisdiction over these projects, from otherwise-applicable federal tax law compliance requirements. Read NABL's letter [here](#).

Notice 2021-12 will be in IRB: 2021-6, dated February 8, 2021.