

Section 42.—Low-Income Housing Credit

Low-income housing credit; satisfactory bond; “bond factor” amounts for the period January through March 2003.

This ruling announces errors in the monthly bond factor amounts to be used by taxpayers who dispose of qualified low-income buildings or interests therein during the period January through March 2003. It also provides a list of the corrected bond factor amounts. Rev. Rul. 2003–2 revoked.

Rev. Rul. 2003–22

In Rev. Rul. 90–60, 1990–2 C.B. 3, the Internal Revenue Service provided guidance to taxpayers concerning the general methodology used by the Treasury Department in computing the bond factor amounts used in calculating the amount of bond considered satisfactory by the Secretary under § 42(j)(6) of the Internal Revenue Code. It further announced that the Secretary would publish in the Internal Revenue Bul-

letin a table of bond factor amounts for dispositions occurring during each calendar month.

Rev. Proc. 99–11, 1999–1 C.B. 275, established a collateral program as an alternative to providing a surety bond for taxpayers to avoid or defer recapture of low-income housing tax credits under § 42(j)(6). Under this program, taxpayers may establish a Treasury Direct Account and pledge certain United States Treasury securities to the Internal Revenue Service as security.

This revenue ruling provides in Table 1 the bond factor amounts for calculating the amount of bond considered satisfactory under § 42(j)(6) or the amount of United States Treasury securities to pledge in a Treasury Direct Account under Rev. Proc. 99–11 for dispositions of qualified low-income buildings or interests therein during the period January through March 2003.

Due to a miscalculation, Rev. Rul. 2003–2, 2003–2 I.R.B. 251, is in error regarding dispositions of qualified low-income buildings or interests therein during the period January through March 2003. The

present revenue ruling provides the corrected bond factor amounts.

Under the authority of § 7805(b), taxpayers that posted bonds and taxpayers that established Treasury Direct Accounts under Rev. Proc. 99–11, based upon the above mentioned bond factor amounts may continue to rely on those figures. Taxpayers that choose to amend their previously posted bonds by using the corrected bond factor amounts listed in this revenue ruling may do so by submitting an amended Form 8693, *Low-Income Housing Tax Credit Disposition Bond*, to the Internal Revenue Service Center, Philadelphia, PA 19255. The amended form may be submitted either by the taxpayer or the surety. Taxpayers that choose to amend the amount of securities pledged in their previously established Treasury Direct Account by using the corrected bond factor amounts listed in this revenue ruling should contact the Bureau of Public Debt, Division of Customer Service, IRS Collateral Desk at (304) 480–6158 for further information.

Table 1
Rev. Rul. 2003–22
Monthly Bond Factor Amounts for Dispositions Expressed
As a Percentage of Total Credits

	Calendar Year Building Placed in Service or, if Section 42(f)(1) Election Was Made, the Succeeding Calendar Year										
Month of Disposition	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Jan '03	16.23	30.04	41.83	51.93	60.50	60.24	60.12	60.11	60.18	60.39	60.62
Feb '03	16.23	30.04	41.83	51.93	60.50	60.09	59.97	59.96	60.03	60.24	60.47
Mar '03	16.23	30.04	41.83	51.93	60.50	59.94	59.82	59.82	59.89	60.10	60.33

Table 1 (cont'd)
Rev. Rul. 2003–22
Monthly Bond Factor Amounts for Dispositions Expressed
As a Percentage of Total Credits

	Calendar Year Building Placed in Service or, if Section 42(f)(1) Election Was Made, the Succeeding Calendar Year			
Month of Disposition	2000	2001	2002	2003
Jan '03	60.89	61.55	62.49	62.68
Feb '03	60.75	61.41	62.33	62.68
Mar '03	60.62	61.27	62.19	62.68

For a list of bond factor amounts applicable to dispositions occurring during other calendar years, see: Rev. Rul. 98-3, 1998-1 C.B. 248; Rev. Rul. 2001-2, 2001-1 C.B. 255; Rev. Rul. 2001-53, 2001-2 C.B. 488; and Rev. Rul. 2002-72, 2002-44 I.R.B. 759.

EFFECT ON OTHER REVENUE RULINGS

Rev. Rul. 2003-2, 2003-2 I.R.B. 251, is revoked.

DRAFTING INFORMATION

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