

TENANT INCOME CERTIFICATION (TIC) - INITIAL	Project Type	(TIC) Effective Date	Example	Reference
	New Construction	The Effective Date and the Move-in Date is the date the household occupies the unit.	A qualified tenant moves into a HTC unit on 8/5/2020. The Effective Date and the Move-in Date is 8/5/2020	8823 Audit Guide page 4-22
	Acquisition/Rehab	<p><i>Existing Tenants Only:</i></p> <p>A. If an existing household is certified within 120 days before or 120 days after the date of Acquisition, the effective date can be the date of Acquisition (Acquisition placed-in-service date).</p> <p>B. If an existing tenant is certified more than 120 days after the date of Acquisition, the effective date is the date that the last household member signed the Tenant Income Certification.</p> <p><i>All new move ins:</i> After the acquisition placed in service date, the Effective Date and the Move-in Date is the date the household occupies the unit.</p> <p><i>Safe Harbor:</i> The IRS created the safe harbor to allow owners to use existing tenants as tax credit qualifying households in an event where the household was income eligible when the owner purchased the building but then went over the income limit during the rehab construction period before credits were initiated. Reference IRS 8823 Audit Guide page 4-25 and see IRS Revenue Procedure 2003-82.</p> <p>This only applies to when credits are deferred, and has the most impact on properties that are mixed income. If the credits are deferred, units qualified before the start of the credit period with households who are still in place at the start of the credit will not need to be re-qualified. However, if they have been at the property more than 120 days before the start of the first credit year an "income test" will likely be needed at the begin of that year. The income test is self-certification by the household.</p> <p><i>Note on credits: Both Acquisition and Rehab credits must be claimed in the same year. If the rehab places in service in the same year as the Acquisition credit, both credits can be claimed based on the Acquisition placed-in-service date. If the Rehab places in service in a later year than the Acquisition credits, both credits can be claimed beginning January of the year the Rehab credit places in service.</i></p>	<p><i>Example 1:</i> Acquisition PIS Date is 6/1/2020. Rehab PIS date is 11/26/20. An existing household is certified on 7/15/2020. The effective date on the TIC is 6/1/2020. Since the Rehab credit placed in service in the same year as the Acquisition, both credits can be claimed back to the date of acquisition of 6/1/20.</p> <p><i>Example 2:</i> Acquisition PIS Date is 6/1/2020. Rehab PIS date is 05/01/21. An existing household is certified on 11/15/2020, and the last adult household member signed the TIC. The effective date on the TIC is 11/15/2020. Since the Rehab credit places in service in the year following the date of Acquisition, both credits can be claimed beginning January of the year the Rehab credit places in service, which would be 1/1/2021.</p>	<p>8823 Audit Guide page 4-25</p> <p>IRS Procedure 2003-82</p>
	Rehab Only	<p><i>Existing Tenants only:</i> Even though Acquisition credits are not allocated, typically there is still an acquisition (transfer in ownership) that occurs. Although there will be no 8609 for acquisition, similar to acquisition/rehab this transfer in ownership date can be used as the effective date. (See above section on Acquisition/Rehab)</p> <p><i>All new move ins:</i> The Effective Date and the Move-in Date is the date the household occupies the unit.</p> <p><i>Note on credits: credits cannot be claimed until the tax year the Rehab credit places in service.</i></p>	If the acquisition is 8/1/2020 but the rehab does not place in service until 5/1/2021, credits cannot be claimed until 2021.	8823 Audit Guide page 4-25
	Resyndication	<p><i>Existing Qualified Tenants:</i> Existing Households determined to be income-qualified under the original HTC allocation are considered to be income-qualified households under subsequent allocation of credits.</p> <p>For existing households deemed over income, the TIC should reflect current income information based on current income verifications, with a note to file stating that the tenant was income qualified under the initial credit allocation and be supported by the initial file. The effective date of the certification should reflect the date of acquisition, and the move-in date should reflect the original move-in date.</p> <p>For TICs signed more than 120 days after the acquisition placed in service date, the effective date would reflect the date the last household member signs the TIC. The move-in date should reflect the original move-in date.</p> <p><i>Existing Tenants (Market or not yet LIHTC qualified):</i> See Acquisition/Rehab section above. Income qualification requirements must be met for both the new and old LIHTC allocations</p> <p><i>All new move ins:</i> After the acquisition placed in service date, The Effective Date and the Move-in Date is the date the household occupies the unit.</p>	The Smith household originally qualified on 1/18/2014 under the initial allocation. The project receives a subsequent allocation of acquisition credits and rehab credits. The date of acquisition is 8/1/2020. The Smith household completed their certification on 9/4/2020 and was determined to be over income; however, since the Smith household qualified under the original allocation of credits there are considered income qualified under the subsequent allocation. The effective date of the certification should reflect the date of acquisition, 8/1/2020 and the move-in date should reflect the original move-in date 01/18/2014.	8823 Audit Guide page 4-26 to 4-28

TRANSFERS

Transfer Type	Certification Requirements	Example	Reference
Transfers within the same BIN	<p>The move-in date and effective date of the annual certification does not change to the date of transfer, it remains based on the date of last certification.</p> <p><i>Note for mixed income: A household can transfer from one unit to another unit in the same BIN, even if the household's income exceeds 140% of the federal income limit, without having to requalify.</i></p> <p><i>Note for 100% low income: If there is no changes in household, then the household does not need to be and should NOT be certified at the time of transfer.</i></p>	<p>A household is certified and moves into unit 101, a HTC unit in Building A, on 5/1/2019. The household transfer to unit 201, a HTC unit in Building A, on 2/5/2020. A new income certification does not need to be completed but a transfer TIC needs to be printed or updates to the original TIC showing the the separate transfer date. The household's move-in date remains 5/1/2019, and next recertification will still be due on 5/1/2020.</p>	<p>8823 Audit Guide page 4-23/24 & Treasury Reg. 1.42-15(d)</p>
Transfer to Different BIN in the same Project <i>(Project defined by IRS form 8609 8(b) election)</i>	<p>The move-in date and effective date of the annual certification does not change to the date of transfer, it remains based on the date of last certification.</p> <p><i>Notes for mixed income: 1) If a household does not have an income in excess of 140% of the applicable income limit, a household can transfer from one unit in a BIN to another unit in the different BIN without the household having to requalify. 2) If the household is in excess of 140%, either the transfer CANNOT occur or the household would be treated as a new move in and must meet current requirements in the new unit.</i></p> <p><i>Note for 100% low income: If there is no changes in household, then the household does not need to be and should NOT be certified at the time of transfer.</i></p>	<p>With 8(b) yes on both buildings, a household is certified and moves into unit 101, a HTC unit in Building A, on 5/1/2019. The household transfer to unit 550, a HTC unit in Building B, on 2/5/2020. A new certification does not need to be completed and the household's next recertification will still be due on 5/1/2020.</p>	<p>8823 Audit Guide page 4-23/24 & Rev. Rul. 2004-82</p>
Transfer to Different BIN in a different Project <i>(Project as defined by IRS form 8609 8(b) election)</i>	<p>A household must be requalified when transfer from one BIN to another BIN, as each BIN is considered it's own project. Such transfers are treated like new move-ins; meaning, a new certification must be completed and the household must be at or below the current income limit applicable to the unit located in the different BIN. If the household has an income the exceeds the income limit for the new unit, the transfer cannot occur.</p>	<p>With 8(b) no on one of the buildings, a household is certified and moves into unit 101, a HTC unit in Building A, on 5/1/2019. The household requests a transfer to unit 550, a HTC unit in Building B. A new certification must be completed and the household must income qualify under the current income limits applicable to unit 550. The household is determined to be income eligible and the transfer occurs on 2/5/2020. The new certification would be effective the date of transfer, 02/2/2020, and the next annual recertification would be due on 2/2/2021.</p>	<p>8823 Audit Guide page 4-23/24 & Rev. Rul. 2004-82</p>
Transfer in Year One	<p>Use caution when transferring households during year one of the credit period. Since the units statuses switches upon transfer, it is important to be aware that one household may only initially qualify one unit. Meaning, if a household is LIHTC certified in one unit, and then is subsequently transfer to an unqualified unit, the unit that the household is transfer out of adopts the unqualified status. The new unit the household transfers into, adopts the status of a qualified unit.</p>	<p>On May 15 of the first year of the credit period, an income-qualified household moved into Unit 102, a new, never-LIHTC occupied (unqualified) unit in BIN 1. On October 30, the household moved, and the lease was transferred to Unit 606, a previously unqualified unit in BIN 2. When the transfer occurs, unit 606 adopts that status of a qualified LIHTC unit, and unit 102 becomes an unqualified unit. In the event that unit 102 is not occupied by a qualified household until year two of the credit period, the 2/3 credit penalty would apply to the unit, meaning the owner would not receive the full value of the credit for unit 102.</p>	<p>8823 Audit Guide page 4-23/24 & Rev. Rul. 2004-82</p>