

Section 42.—Low-Income Housing Credit

Low-income housing credit; satisfactory bond; “bond factor” amounts for the period October through December 2002.

This ruling announces the monthly bond factor amounts to be used by taxpayers who dispose of qualified low-income buildings or interests therein during the period October through December 2002. This ruling also provides a summary of the bond factor amounts for dispositions occurring during the period January through September 2002.

Rev. Rul. 2002-72

In Rev. Rul. 90-60, 1990-2 C.B. 3, the Internal Revenue Service provided guid-

ance 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 Bulletin 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 the 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 October through December 2002. Table 1 also provides a summary of the bond factor amounts for dispositions occurring during the period January through September 2002.

Table 1
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Monthly Bond Factor Amounts for Dispositions Expressed
As a Percentage of Total Credits

Month of Disposition	Calendar Year Building Placed in Service or, if Section 42(f)(1) Election Was Made, the Succeeding Calendar Year										
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Jan '02	17.76	32.73	45.44	56.24	65.46	65.92	66.46	66.99	67.63	68.35	69.24
Feb '02	17.76	32.73	45.44	56.24	65.46	65.75	66.28	66.80	67.44	68.16	69.05
Mar '02	17.76	32.73	45.44	56.24	65.46	65.57	66.10	66.62	67.26	67.98	68.86
Apr '02	17.76	32.73	45.44	56.24	65.46	65.40	65.93	66.45	67.08	67.80	68.68
May '02	17.76	32.73	45.44	56.24	65.46	65.23	65.76	66.27	66.91	67.62	68.50
Jun '02	17.76	32.73	45.44	56.24	65.46	65.06	65.59	66.11	66.74	67.46	68.33
Jul '02	17.76	32.73	45.44	56.24	65.46	64.90	65.42	65.94	66.58	67.29	68.17
Aug '02	17.76	32.73	45.44	56.24	65.46	64.74	65.26	65.78	66.42	67.13	68.01
Sep '02	17.76	32.73	45.44	56.24	65.46	64.58	65.10	65.62	66.26	66.98	67.86
Oct '02	17.76	32.73	45.44	56.24	65.46	64.43	64.95	65.47	66.11	66.83	67.72
Nov '02	17.76	32.73	45.44	56.24	65.46	64.27	64.80	65.32	65.96	66.68	67.58
Dec '02	17.76	32.73	45.44	56.24	65.46	64.12	64.65	65.17	65.81	66.54	67.44

Table 1 (cont'd)
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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	1999	2000	2001	2002
Jan '02	70.13	70.98	72.28	72.55
Feb '02	69.92	70.77	72.05	72.55
Mar '02	69.73	70.58	71.84	72.55
Apr '02	69.55	70.40	71.67	72.55
May '02	69.38	70.24	71.51	72.55
Jun '02	69.21	70.09	71.37	72.55
Jul '02	69.05	69.94	71.25	72.55
Aug '02	68.90	69.81	71.14	72.55
Sep '02	68.76	69.68	71.04	72.55
Oct '02	68.62	69.57	70.94	72.55
Nov '02	68.49	69.45	70.86	72.55
Dec '02	68.37	69.35	70.78	72.55

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; and Rev. Rul. 2001-53, 2001-2 C.B. 488.

DRAFTING INFORMATION

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