

Section 42.—Low-Income Housing Credit

Low-income housing credit; satisfactory bond; “bond factor” amounts for the period January through December 2004. 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 January through December 2004.

Rev. Rul. 2004–100

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 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 January through December 2004.

Table 1
Rev. Rul. 2004–100
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										
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Jan '04	14.71	27.31	38.15	47.40	55.27	54.52	54.00	53.57	53.27	53.01	52.84
Feb '04	14.71	27.31	38.15	47.40	55.27	54.40	53.89	53.45	53.16	52.91	52.74
Mar '04	14.71	27.31	38.15	47.40	55.27	54.28	53.77	53.34	53.05	52.81	52.65
Apr '04	15.55	28.88	40.34	50.12	58.45	57.84	57.87	57.99	58.25	58.56	58.98
May '04	15.55	28.88	40.34	50.12	58.45	57.71	57.75	57.87	58.13	58.45	58.87
Jun '04	15.55	28.88	40.34	50.12	58.45	57.59	57.63	57.75	58.02	58.34	58.77
Jul '04	14.75	27.38	38.24	47.52	55.41	53.96	53.46	53.05	52.78	52.56	52.43
Aug '04	14.75	27.38	38.24	47.52	55.41	53.85	53.36	52.95	52.68	52.47	52.35
Sep '04	14.75	27.38	38.24	47.52	55.41	53.75	53.26	52.86	52.59	52.38	52.27
Oct '04	15.52	28.81	40.24	50.00	58.30	56.99	57.04	57.18	57.46	57.82	58.28
Nov '04	15.52	28.81	40.24	50.00	58.30	56.88	56.93	57.08	57.37	57.72	58.19
Dec '04	15.52	28.81	40.24	50.00	58.30	56.77	56.83	56.97	57.27	57.64	58.11

Table 1 (cont'd)
 Rev. Rul. 2004-100
 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									
	2001	2002	2003	2004						
Jan '04	52.99	53.40	54.02	54.15						
Feb '04	52.90	53.30	53.92	54.15						
Mar '04	52.81	53.22	53.83	54.15						
Apr '04	59.74	60.79	62.04	62.68						
May '04	59.64	60.69	61.93	62.68						
Jun '04	59.55	60.59	61.84	62.68						
Jul '04	52.61	53.03	53.64	54.15						
Aug '04	52.54	52.97	53.59	54.15						
Sep '04	52.47	52.91	53.54	54.15						
Oct '04	59.08	60.16	61.46	62.68						
Nov '04	59.01	60.10	61.40	62.68						
Dec '04	58.94	60.04	61.36	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; Rev. Rul. 2002-72, 2002-2 C.B. 759; and Rev. Rul. 2003-117, 2003-46 I.R.B. 1051.

DRAFTING INFORMATION

The principal author of this revenue ruling is David McDonnell of the Office of Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue ruling, contact Mr. McDonnell at (202) 622-3040 (not a toll-free call).