How Does the Low Income Housing Tax Credit Work?



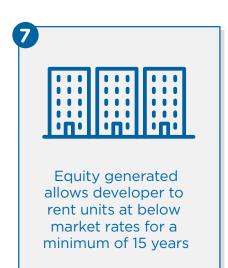












The Low Income Housing Tax Credit (LIHTC, Housing Credit) is a dollar-for-dollar federal tax credit for affordable housing investments. It was created under the Tax Reform Act of 1986 and gives incentives for the utilization of private equity in the development of affordable housing aimed at low-income Americans. The program is administered at the state level by State housing finance agencies (I.e., IHDA) with each state getting a fixed allocation of credits based on its population. IHDA evaluates applications against our "Qualified Allocation Plan" (QAP).

