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Housing Tax Credit Program

HTC

PROGRAM STRUCTURE

- The Housing Credit offers a dollar-for-dollar reduction in a taxpayer's income tax liability in return for making a long-term investment in affordable rental housing
- State agencies award Housing Credits to developers, who then sell the Credits to private investors in exchange for funding for the construction and rehabilitation of affordable housing

PROGRAM BENEFITS

- Increase and preserve the supply of rental housing for extremely low- to moderate-income households
- Lowering the debt required to finance the development of housing (and resulting debt payments), which allows for lower, more affordable rents
- Provide high-quality, privately developed affordable housing with government compliance and oversight

Program Overview

The Low Income Housing Tax Credit (Housing Credit) is a federal tax credit created by President Reagan and Congress in the Tax Reform Act of 1986 designed to encourage private sector investment in the new construction, acquisition, and rehabilitation of rental housing affordable to low-income households. Over the last three decades, the Housing Credit has become the most successful affordable rental housing production program in history. The program serves households with incomes between 20% Area Median Income (AMI) and 80% AMI. This program benefits individuals, families, seniors, veterans and persons with disabilities across Georgia. Maximum rents charged to a household is equal to 30% of the AMI income designation (between 20% and 80% AMI) of each affordable unit on the property.

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