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GEORGIA DEPARTMENT *of* COMMUNITY AFFAIRS

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Memorandum

2026 Enrollment of H.B. 1199 and S.B. 306 Capping SLIHTC at One-Hundred Million

The purpose of the memorandum is to address two programmatic inquires relating to the one-hundred million cap ("Cap") placed upon Georgia's State Low-Income Housing Tax Credit ("SLIHTC") programs for taxable years 2026, 2027, and 2028, during the state of Georgia's most recent legislative session and signed into law on March 20, 2026 and May 6, 2026, respectively.

Question #1: Whether the state of Georgia's SLIHTC regulations require mandatory 100% Dollar-for-Dollar matching of federal Low-Income Housing Tax Credits ("LIHTC") and SLIHTCs?

Response: Yes, DCA is required to match LIHTC and SLIHTC at 100% Dollar-for-Dollar.

> O.C.G.A. § 48-7-29.6(b)(1) states:
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> *"A state tax credit against the tax imposed by this article, to be termed the Georgia housing tax credit, shall be allowed with respect to each qualified Georgia project placed in service after January 1, 2001. The amount of such credit shall, when combined with the total amount of credits authorized under Code Section 33-1-18, in no event exceed an amount equal to the federal housing tax credit allowed with respect to such qualified Georgia project.*

A surface-level reading of the phrase "in no event exceed an amount equal to the federal housing tax credit allowed" could misinterpret the 100% match as a flexible ceiling that allows reductions. However, the 100% match acts as a fixed floor for the overall allocation.

This interpretation matches prior DCA Practice, specifically in the 2002-2021 Qualified Allocation Plans ("QAP'), which state either that "1. The annual State Credit dollar amount will equal that of the Federal Credit" or "2. The State Credit is applied in conjunction with the Federal Credit on a dollar-for-dollar matching basis."

This interpretation is also supported by provisions initially proposed in failed Senate Bill ("S.B.") 476 (2026) to limit the match to 50% and failed House Bill ("H.B.") 1182 (2024), which attempted to limit the match to 80% for some projects, and 100% for others. If the state already possessed the right to drop below 100%, there would have been no need for the legislature to try to lower the amount via these failed bills.

Ultimately, DCA has no authority to deviate from a 100% dollar-for-dollar match of the federal LIHTC for approved developments.

Question #2: Does the Cap apply to the initial grant in the year it is awarded, or to any final allocation requested in the taxable years of 2026, 2027, and 2028?

Answer: The Cap applies solely to the initial grant in the taxable year it is awarded.

> O.C.G.A. § 48-7-29.6(b)(5), placed a statutory limit on SLIHTC. It states:
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> *"the **annual** amount of tax credits **initially awarded** pursuant to this Code section shall not exceed $100 million for each of the taxable years 2026 through 2028."*

To avoid ambiguities in the initial enrolled bill, H.B 1199, which originally read "the ***aggregate*** annual amount of tax credits ***allowed***," S.B. 306 was passed specifying that the Cap applies strictly to credits initially awarded in each specific allocation year. It does not apply to a cumulative, running total of all claims made that year, which would unfairly penalize investors claiming carryover credits from past years.

In summary, Georgia continues to offer a 100% dollar-for-dollar SLIHTC match of the federal LIHTC. DCA cannot opt to provide only federal credits, nor can they lower the state credit amount below the federal level to bypass or alleviate the one-hundred million cap.

For taxable years 2026 through 2028 award cycles, the SLIHTC is capped at one-hundred million annually, applying exclusively to newly issued awards in those taxable years.

Question #3: Will projects be limited to the initial tax credit award when applying for their final allocation?

Answer: 9% LIHTC projects are restricted to the credit limits outlined in the QAP associated with the application year. The credit amount listed in the Carryover Agreement will be the limit of tax credits allowable on the project.

4% LIHTC projects are not subject to a credit limit and may request additional credits at final allocation only when appropriate eligible basis has been generated.