



Recordkeeping and Retention, LIHTC

Under the recordkeeping provision of Reg. § 1.42-5 (b), the owner must keep records for each building in the project for each year in the compliance period showing:

- The total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit);
- The percentage of residential rental units in the building that are low-income units;
- The rent charged on each residential rental unit in the building (including any utility allowances);
- The number of occupants in each low-income unit, but only if rent is determined by the number of occupants in each unit under 42(g)(2)(as in effect before the amendments made by the Omnibus Budget Reconciliation Act of 1989);
- The low-income unit vacancies in the building and information that shows when and to whom, the next available units were rented;
- The annual income certification of each low-income tenant per unit.
- Documentation to support each low-income tenant's income certification;
- The eligible basis and qualified basis of the building at the end of the first year of the credit period; and
- The character and use of the nonresidential portion of the building included in the building's eligible basis under section 42 (d) (e.g., tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities, or facilities reasonably required by the project).

Under the record retention provision, § 1.42-5 (b)(3), owners are required to keep all records for each building for a minimum of six years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the credit period must be retained for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building, bringing the total retention for the first year to 21 years.