

## Section 42.—Low-Income Housing Credit

*26 CFR 1.42–16: Eligible basis reduced by federal grants.*

**Low-income housing tax credit.** This revenue ruling advises taxpayers that certain rental assistance payments made to a building owner on behalf of, or in respect to, a tenant under the Housing Opportunities for Persons With AIDS (HOPWA) program are not grants made with respect to a building or its operation under section 42(d)(5) of the Code.

### Rev. Rul. 99–39

Pursuant to § 1.42–16(b)(3) of the Income Tax Regulations, the Internal Revenue Service has determined that certain rental assistance payments made to a building owner on behalf or in respect of a tenant under the Housing Opportunities for Persons With AIDS (HOPWA) program (42 U.S.C. 12901–12912) are not grants made with respect to a building or its operation under § 42(d)(5) of the Internal Revenue Code. These rental assistance payments are provided under 24 C.F.R. 574.300(b)(5).

### DRAFTING INFORMATION

The principal author of this revenue ruling is Christopher J. Wilson of the Office of Assistant Chief Counsel (Pass-throughs and Special Industries). For further information regarding this revenue ruling contact Mr. Wilson on (202) 622-3040 (not a toll-free call).