



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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Executive Director of CalHFA

**Executive Director**  
NANCEE ROBLES

DATE: March 30, 2023

TO: Applicants Receiving Tax-Exempt Bond Allocation and Federal Tax Credit Reservation

FROM: Carmen Doonan, Development Manager

SUBJECT: Election to Fix the Credit Percentage – Tax Exempt Bond Projects

This memorandum is to provide you with forms necessary to fix the applicable tax credit percentage for tax-exempt bond projects receiving annual federal tax credits.

Pursuant to section 42(b)(1)(A)(ii)(II) of the Internal Revenue Code (IRC), an applicant may elect to fix the applicable tax credit percentage for the month in which the tax exempt bonds are issued, please use the attached forms.

If you choose to fix the applicable tax credit percentage for the month in which the bonds are issued, please use the attached forms. In no case should the election take place prior to the issuance of tax exempt bonds.

**The forms must be completed, signed, notarized and returned to the Tax Credit Allocation Committee by the fifth (5<sup>th</sup>) day of the month following the month the bonds are issued.**

The forms only apply to projects receiving federal tax credits pursuant to Tax Credit Allocation Committee Regulations Section 10326 and IRC section 42(h)(4).

If you have any questions, please contact your regional analyst at (916) 654-6340.

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Election to Fix the Credit Percentage at Time Tax Exempt Bonds are Issued**  
**(Treasury Regulations Section 1.42-8)**

Project Name: \_\_\_\_\_

CTCAC Number: CA-\_\_\_\_\_

By execution of this Election, Owner hereby irrevocably elects, pursuant to section 42(b)(1)(A)(ii)(II) of the Internal Revenue Code (IRC), to fix the applicable credit percentage for each building comprising the project identified above as the percentage prescribed by the Secretary of the Treasury for the month of \_\_\_\_\_, 20\_\_\_\_ which is the month the tax exempt bonds were issued with respect to each building comprising the project. The percentage of the aggregate basis of the building(s) and the land on which the building(s) is located that is financed with the proceeds of obligations described in IRC section 42(h)(4)(A) (i.e. tax exempt bonds) is \_\_\_\_\_%.

The applicable credit percentage for the month of \_\_\_\_\_, 20\_\_\_\_ is \_\_\_\_\_% for the 30% present value credit.

\_\_\_\_\_  
Owner Signature\*

Printed Name: \_\_\_\_\_

Title of Signatory: \_\_\_\_\_

Owner Entity: \_\_\_\_\_

\*Owner signature must be notarized

\_\_\_\_\_  
Received by California Tax Credit Allocation Committee on \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_  
Nancee Robles, Executive Director

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A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_

(Notary **must** be executed on this page)

On \_\_\_\_\_ before me, \_\_\_\_\_ (insert name and title of the officer) personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Signature \_\_\_\_\_ [SEAL]

**Certification of Bond Issuance Month and  
Percentage of Aggregate Basis Financed by Tax-Exempt Bonds**

Project Name: \_\_\_\_\_

Project CTCAC Number: CA-\_\_\_\_\_

Project Address: \_\_\_\_\_  
\_\_\_\_\_, CA \_\_\_\_\_

By execution of this statement, the issuing authority (bond issuer), hereby certifies pursuant to Treasury Decision (TD) 8520 and Income Tax Regulations 26 CFR part 1.42-8(b) that the following is true and correct:

- The percentage of aggregate basis of the building(s) and the land on which the building(s) is located that is financed with the proceeds of obligations described in section 42(h)(4)(A) (tax exempt bonds) is \_\_\_\_\_%. (Ref. TD 8520; §1.42-8(b)(1)(iii)).
- This month in which the tax-exempt bonds were issued is \_\_\_\_\_, 20\_\_\_\_. (Ref. TD 8520; §1.42-8(b)(1)(iv)).

\_\_\_\_\_  
Signature of Issuing Authority

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Bond Issuing Authority