

GROSS RENT FLOOR ELECTION

In accordance with Revenue Procedure 94-57, the Internal Revenue Service will treat the gross rent floor in Section 42(g)(2)(A) as taking effect on the date Arkansas Development Finance Authority (ADFA) initially allocates* tax credits to the building unless tax exempt bond financed. ADFA treats carryover allocation date as the initial allocation date. However, the IRS will treat the gross rent floor as taking effect on the building’s placed-in-service date **IF** the owner designates that date instead and **so informs ADFA prior to the placed-in-service date of the building.**

THIS IS A ONE-TIME ONLY, IRREVOCABLE ELECTION.

The undersigned owner hereby makes the following election with respect to the Gross Rent Floor Effective Date for each building in the development designed below:

On the date of initial allocation (or determination)

On the placed-in-service date

*If the proposed development is tax-exempt bond financed (as defined by the Internal Revenue Code), the IRS will treat the gross rent floor as taking effect on the date ADFA initially issues a determination letter unless the owner designates that the place-in-service date should be used.

Owner

By: _____
Its: _____

By: _____
Its: _____

Development Name

THIS ELECTION MUST BE RECEIVED BY ADFA PRIOR TO THE PLACE-IN-SERVICE DATE OF ANY BUILDING IN THE DEVELOPMENT.

RECEIVED BY ARKANSAS DEVELOPMENT FINANCE AUTHORITY:

(Date Stamp)