

LIHTC Prevailing Wage Compliance Framework

compliance package is complete and defensible before submitting to your allocating

How the Inflation Reduction Act's prevailing wage requirements apply to Low

of operation. Records must be available for IRS and state housing finance agency review

KEY TOPICS: IRA LIHTC coverage · Rehabilitation thresholds · Recordkeeping · Tax credit implications

The Inflation Reduction Act (2022) extended prevailing wage requirements to LIHTC

IRA Coverage for LIHTC: agency of the IRS. Developers risk losing years of tax credit equity. Ensure your LIHTC projects that begin construction after January 29, 2023 and claim enhanced IRA

Rehabilitation Thresholds:

Rehabilitation projects are covered when the cost of rehabilitation exceeds the greater

Recordkeeping Obligations:

Maintain certified payroll records for all construction and, in some cases, for 10 years

Tax Credit Implications:

Non-compliance can result in recapture of LIHTC allocations by the state housing finance