

Tax Credit Investment Accounting



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2012 Fall Meeting
Washington, DC
September 12, 2012



THE AFFORDABLE HOUSING
TAX CREDIT COALITION

Objectives

- Background
- Overview
- Reasons for change
- Benefits

Background

- Catalyst was a meeting with HUD in 2010
- Effort began in February 2011
- Comprised of 20 investors, syndicators and others
- Novogradac & Company and Reznick Group worked together to research and prepare a White Paper

Overview

- Addressed changes in LIHTC program from 1994 and growth of other tax credits (NMTC, RETC, etc.)
- Addressed relevance, reliability and distortion to presentation of financial statements
- Proposed new accounting for investment tax credits

Reasons for Change

- Current shift to fair value
- Deterrent to current investing
- Negatively impacts investor financial reporting
- Misunderstood by analysts

Benefits

- Increase investment in tax credits
- Provide accounting certainty for existing and new tax credit investors, as well as for tax credit programs
- Improve comparability and consistency in financial reporting for investors

Questions?



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