



TaxNewsFlash

United States

No. 2024-373
September 25, 2024

Rev. Proc. 2024-38: Guidance on income requirements for residential rental projects financed with exempt bonds and low-income housing projects

The IRS today released [Rev. Proc. 2024-38](#) as guidance on the effect on the income requirements under section 142(d) (providing rules for qualified residential rental projects financed with exempt facility bonds) and section 42 (providing rules for qualified low-income housing projects) of the alternative income eligibility requirements for the Department of Housing and Urban Development–Veterans Affairs Supportive Housing (HUD–VASH) program, which were published in the Federal Register on August 13, 2024.

Rev. Proc. 2024-38 provides that for purposes of initial and continuing income determinations under sections 142(d)(2) and (3), respectively, and with respect to whether any project is a qualified low-income housing project as defined in section 42(g) and whether any unit is a low-income unit as defined in section 42(i)(3), all Department of Veterans Affairs (VA) service-connected disability benefits are excluded from income (consistent with the HUD–VASH income eligibility waiver) for prospective and current tenants who, as of the date of the income determination, are approved to receive or are currently receiving assistance under the HUD–VASH program and to whom the HUD–VASH income eligibility waiver applies.

Rev. Proc. 2024-38 generally applies to income determinations with respect to residential rental projects financed with exempt facility bonds under section 142(d) issued as part of an issue with an issue date on or after October 24, 2024, and with respect to qualified low-income housing projects as defined in section 42(g), and low-income units as defined in section 42(i)(3) on or after October 24, 2024.

kpmg.com/socialmedia



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at +1 202.533 3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)