No. 2025-277
September 29, 2025

Final regulations: Recordkeeping and reporting requirements for average income test under section 42 low-income housing credit

The U.S. Treasury Department and IRS today issued **final regulations** (T.D. 10036) setting forth recordkeeping and reporting requirements for the average income test for purposes of the low-income housing credit under section 42.

The final regulations follow the basic framework of the temporary and proposed regulations issued in October 2022 (REG–113068-22), with some revisions in response to comments received.

The final regulations, which also withdraw the October 2022 temporary regulations, are effective on the date published in the Federal Register (which is scheduled to be September 30, 2025), and generally apply to tax years beginning after December 31, 2022.

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