

Part I

Section 42.--Low-Income Housing Credit

26 CFR 1.42-16: Eligible basis reduced by federal grants.

Rev. Rul. 98-49

Pursuant to § 1.42-16(b)(3) of the Income Tax Regulations, the Internal Revenue Service has determined that payments made to a building owner on behalf or in respect of a tenant under the Section 8 Assistance For Single-Room Occupancy Dwellings Program (42 U.S.C. 11301, 11401-11402) or under the Shelter Plus Care Program (42 U.S.C. 11301, 11403-11407b) are not grants made with respect to a building or its operation under § 42(d)(5) of the Internal Revenue Code.

DRAFTING INFORMATION

The principal author of this revenue ruling is Christopher J. Wilson of the Office of Assistant Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue ruling contact Mr. Wilson on (202) 622-3040 (not a toll-free call).