

Having trouble viewing this email? [Click here](#)

You're receiving this email because you have expressed an interest in Winthrop & Weinstine, P.A. Don't forget to add news@winthrop.com to your address book so we'll be sure to land in your inbox!

You may [unsubscribe](#) if you no longer wish to receive our emails.



Federal Tax Credit Law Alert

IRS Issues Guidance on Safe Harbor for Historic Tax Credit Projects in Rev. Proc. 2014-12

On December 30, 2013, the Internal Revenue Service (the "IRS") issued Revenue Procedure 2014-12 ("Guidance"), which establishes a "safe harbor" for federal historic tax credit ("HTC") investments made within a single tier or through a master tenant structure. The Guidance was issued largely in the response to the recent decision in *Historic Boardwalk Hall, LLC v. Commissioner*, 694 F.3d 425 (3d Cir. 2012), cert. denied, US No. 12-90, May 28, 2013 ("*HBH*"), in which the Third Circuit Court of Appeals held that an investor was not a partner in the partnership that owned a project, because it did not have a meaningful upside potential nor a meaningful downside risk in the economics of the property.

The Guidance will undoubtedly serve as a very large first step in restarting an HTC industry that has been stagnant for months, but due to some of the ambiguous requirements in the Guidance, additional measures in the coming months will likely need to be undertaken before Investors return to investing at levels experienced prior to the *HBH* decision. Such additional measures may include additional clarification, interpretation, and/or elaboration on certain provisions by government officials and/or the adoption of new standard investment terms by developers, Investors, and their respective tax advisors to conform to the requirements of the Guidance. Attorneys from Winthrop & Weinstine will be closely monitoring and actively participating in such ongoing conversations as the HTC industry prepares to implement the safe harbor requirements in the financing structures of historic projects going forward.

For Winthrop & Weinstine, P.A.'s summary of the Guidance, as supplemented by guidance from IRS officials Joseph Worst and Craig Gerson at the January 14, 2014, conference held by IPED, Inc. (the "IPED Conference"), and our analysis of the material terms and conditions of the same, [please click here](#).

January 23, 2014

Norman L. Jones III

(612) 604-6605

njones@winthrop.com

Jeffrey J. Koerselman

(612) 604-6702

jkoerselman@winthrop.com

Paul W. Markwardt

(612) 604-6643

pmarkwardt@winthrop.com

John D. Nolde

(612) 604-6720

jnolde@winthrop.com

Jon L. Peterson

(612) 604-6736

jpeterson@winthrop.com

John M. Stern

(612) 604-6588

jstern@winthrop.com

Todd B. Urness

(612) 604-6657

tturness@winthrop.com

Additional Information

If you have any questions about any topics in this Alert, or any other concerns that arise as a result of the Guidance, please do not hesitate to contact any of the attorneys from Winthrop & Weinstine's [Federal Tax Credit Practice Group](#).

NOTICE:

This client alert is a periodic publication of Winthrop & Weinstine, P.A., and should not be construed as legal advice or legal opinion on any specific facts or circumstances. The contents are intended for general information purposes only, and you are urged to consult your legal counsel concerning your situation and any specific legal questions you may have. This may be considered Advertising Material.

Winthrop & Weinstine, P.A., Capella Tower | Suite 3500,
225 South Sixth Street, Minneapolis, MN 55402

[SafeUnsubscribe™ {recipient's email}](#)

[Forward this email](#) | [Update Profile](#) | [About our service provider](#)

Sent by news@winthrop.com in collaboration with

Constant Contact 

Try it free today