

Part III. Administrative, Procedural, and Miscellaneous

26 CFR 601.105: Examination of returns and claims for refund, Credit, or abatement; determination of correct tax liability.

Rev. Proc. 96-27

SECTION 1. PURPOSE

This revenue procedure publishes the population figures for states and the District of Columbia for use in determining the 1996 calendar year (1) population-based component of the state housing credit ceiling under § 42(h)(3)(C)(i) of the Internal Revenue Code, and (2) volume cap under § 146.

SECTION 2. BACKGROUND

.01 State Housing Credit Ceiling

(1) Section 42(h)(1) provides generally that any building (other than a building a certain percentage of which is financed with proceeds of tax-exempt private activity bonds) is eligible for the low-income housing credit under § 42 only if it receives an allocation of a housing credit dollar amount from the state or local housing credit agency (state agency) of the jurisdiction in which the building is located.

(2) Section 42(h)(3)(A) provides that the aggregate housing credit dollar amount that a state agency may allocate for any calendar year is the portion of the state housing credit ceiling (credit ceiling) allocated to the state agency for the calendar year.

(3) Section 42(h)(3)(C) defines the credit ceiling as an amount equal to the sum of four components. One component, the "population component," equals \$1.25 multiplied by the state population.

(4) Section 42(h)(3)(G) provides that for purposes of § 42(h), population is determined in accordance with § 146(j).

.02 Volume Cap

(1) Section 103(a) provides that gross income does not include interest on any state or local bond. However, § 103(b) provides that § 103(a) does not apply to any private activity bond that is not a qualified bond within the meaning of § 141.

(2) Section 141(e)(2) provides that one requirement that must be met in

order for a private activity bond to be a "qualified bond" is that the issue of which the bond is a part must meet the applicable requirements of § 146.

(3) Section 146(a) provides that a private activity bond meets the requirements of § 146 if the aggregate face amount of the issue of private activity bonds of which it is a part, when added to the aggregate face amount of tax-exempt private activity bonds previously issued by the issuing authority (issuing authority) during the calendar year, does not exceed the issuing authority's volume cap for the calendar year.

(4) The volume cap for any issuing authority is defined by § 146(b) as a percentage of the state ceiling for the calendar year.

(5) Section 146(d) defines the state ceiling applicable to any state for any calendar year after 1987 as the greater of \$50 multiplied by the state population or \$150,000,000.

(6) Section 146(j) provides that population determinations of any state (or issuing authority) are made with respect to any calendar year on the basis of the most recent census estimate of the resident population of the state (or issuing authority) released by the Bureau of the Census before the beginning of that calendar year.

.03 Population Figures

(1) On January 26, 1996, in press release CB96-10, the Bureau of the Census released resident population estimates for the 50 states and the District of Columbia as of July 1, 1995.

(2) The estimates released in press release CB96-10 were not released before the beginning of calendar year 1996. Accordingly, the estimates do not meet the statutory requirements of § 146(j), and may not be used by state agencies, states, or issuing authorities for purposes of determining the 1996 calendar year credit ceiling or volume cap.

(3) The most recent census estimates of the resident population of the states (or issuing authorities) released by the Bureau of the Census before the beginning of calendar year 1996 are those contained in CB94-204, which are estimates as of July 1, 1994. These population estimates are the same estimates published in Notice 95-8,

1995-1 C.B. 293, for use by state agencies, states, and issuing authorities in determining the 1995 calendar year credit ceiling and volume cap.

SECTION 3. SCOPE

The state population figures published in this revenue procedure are to be used by state agencies, states, and issuing authorities in determining the 1996 calendar year credit ceiling and volume cap.

SECTION 4. PROCEDURE

.01 For purposes of § 146(j), the state population figures to be used by state agencies, states, and issuing authorities for the 1996 calendar year are the estimates of the resident population of states for July 1, 1994, released by the Bureau of the Census on December 28, 1994, in press release CB94-204. For convenience, these estimates are reprinted below.

Resident Population Estimates for July 1, 1994

| <i>State</i> | <i>Population</i> |
|---------------|-------------------|
| Alabama | 4,219,000 |
| Alaska | 606,000 |
| Arizona | 4,075,000 |
| Arkansas | 2,453,000 |
| California | 31,431,000 |
| Colorado | 3,656,000 |
| Connecticut | 3,275,000 |
| Delaware | 706,000 |
| D.C. | 570,000 |
| Florida | 13,953,000 |
| Georgia | 7,055,000 |
| Hawaii | 1,179,000 |
| Idaho | 1,133,000 |
| Illinois | 11,752,000 |
| Indiana | 5,752,000 |
| Iowa | 2,829,000 |
| Kansas | 2,554,000 |
| Kentucky | 3,827,000 |
| Louisiana | 4,315,000 |
| Maine | 1,240,000 |
| Maryland | 5,006,000 |
| Massachusetts | 6,041,000 |
| Michigan | 9,496,000 |
| Minnesota | 4,567,000 |
| Mississippi | 2,669,000 |
| Missouri | 5,278,000 |
| Montana | 856,000 |
| Nebraska | 1,623,000 |
| Nevada | 1,457,000 |

| <i>State</i> | <i>Population</i> | <i>State</i> | <i>Population</i> |
|----------------|-------------------|---------------|-------------------|
| New Hampshire | 1,137,000 | Tennessee | 5,175,000 |
| New Jersey | 7,904,000 | Texas | 18,378,000 |
| New Mexico | 1,654,000 | Utah | 1,908,000 |
| New York | 18,169,000 | Vermont | 580,000 |
| North Carolina | 7,070,000 | Virginia | 6,552,000 |
| North Dakota | 638,000 | Washington | 5,343,000 |
| Ohio | 11,102,000 | West Virginia | 1,822,000 |
| Oklahoma | 3,258,000 | Wisconsin | 5,082,000 |
| Oregon | 3,086,000 | Wyoming | 476,000 |
| Pennsylvania | 12,052,000 | | |
| Rhode Island | 997,000 | | |
| South Carolina | 3,664,000 | | |
| South Dakota | 721,000 | | |

SECTION 5. EFFECTIVE DATE

This revenue procedure is effective

for determinations of population under § 146(j) for the 1996 calendar year.

DRAFTING INFORMATION

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