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IRS hurricane-relief, emergency housing for disaster victims

The IRS today issued a release announcing temporary relief for owners and operators of low-income housing projects located anywhere in the United States and its possessions. The relief is intended to allow these property owners and operators to provide temporary emergency housing to individuals who are displaced by a major disaster from their principal residences, regardless of the income of these individuals.

As noted in the IRS release—[IR-2017-165](#)—owners and operators, in conjunction with agencies and issuers, are authorized to disregard income limits, transience rules, and certain other restrictions that normally apply to low-income housing units when providing temporary emergency housing to displaced individuals. As a result, owners and operators can offer temporary emergency housing to displaced individuals who lived in a county or other local jurisdiction designated for individual assistance by the Federal Emergency Management Agency (FEMA). Upon approval, emergency housing can be provided for up to a year after the close of the month in which the major disaster was declared by the president.

IRS guidance—[Rev. Proc. 2014-49](#) [PDF 74 KB] and [Rev. Proc. 2014-50](#) [PDF 78 KB]—also modifies disaster relief for low-income housing projects including the reasonable restoration period and qualified basis for recapture relief; the tolling period for severely damaged, destroyed, or uninhabitable buildings in the first year of the credit period; and modifying the safe harbor relating to the amount of credit allowable to a restored building to provide relief in circumstances where the restoration cost is less than the eligible basis cost.

This relief automatically applies as soon as the president declares a major disaster and FEMA designates any locality for individual or public assistance. For a list of recent disasters, read the [disaster relief page](#) on the IRS website.

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