



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY**

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Comptroller

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Stephanie S. Maxwell
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November 24, 2015

VIA ELECTRONIC MAIL

Kelsie Jones, Executive Secretary
Tennessee State Board of Equalization
9th Floor, W.R. Snodgrass Tennessee Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243

Re: Proposed Subsidized Affordable Housing Rules

Dear Mr. Jones:

We have reviewed and analyzed both the oral comments made at the rulemaking hearing on November 6, 2015 and the written comments we have received in response to the proposed Subsidized Affordable Housing Rules. In light of those, we believe it is appropriate to change the language in Proposed Rule 0600-10-.03(3)(b) to offer taxpayers the option to "have the assessor include in the assessor's annual appraisal, instead of the present value of all future tax credits, the average annual present value as calculated in (3)(a) above, based on a fifteen-year period of time, and this average annual value shall be used in each year the credit remains in effect." The fifteen-year time period aligns with the minimum fifteen-year compliance period required for all low income housing tax credit ("LIHTC") developments, aligns with the period of time in which the I.R.S. is authorized to recapture the tax credits, and limits the financial impact on LIHTC properties during their first years in operation while still generating the same amount of total property tax revenue.

Very truly yours,

A handwritten signature in black ink, appearing to read "Stephanie S. Maxwell".

Stephanie S. Maxwell
General Counsel