

Ohio Housing Council 2025 Fall Symposium

One Big Beautiful Bill – LIHTC Implications



Renee Beaver
Partner
Novogradac
renee.beaver@novoco.com

Chris LaGrand
Senior Vice President and Corporate Counsel
Woda Cooper Companies
clagrand@wodagroup.com

Mary Ann Lang
Executive Vice President, Capital Markets
Ohio Capital Corporation for Housing
mlang@occh.org

Tom Kibbey
Partner
Squire Patton Boggs
tom.kibbey@squirepb.com

Logan O'Sicky
Principal
Novogradac
logan.osicky@novoco.com

training.novoco.com



Copyright Notice and Disclaimer:

Novogradac & Company LLP (“Novogradac”) is the copyright owner of this webinar. This webinar, audio and video recordings of this webinar, the slide deck, transcripts, and any other handouts branded with the Novogradac logo (collectively the “Materials”) are provided to viewers of this webinar for informational and/or educational purposes only and audio, video, or photographic copies and/or derivative works of the Materials may not be created, distributed or reproduced without the consent of Novogradac. **The Materials and attendance at the webinar are not a substitute for professional advice.** By accessing the Materials and attending the webinar, you agree to the terms of this disclaimer. You agree to use the Materials for informational and/or educational purposes only. No other use, including, without limitation, reproduction, retransmission or editing of the Material may be made without the prior written consent of Novogradac. You agree that Novogradac makes no warranty, guarantee, or representation as to the accuracy or sufficiency of the information in the Material and that Novogradac is not responsible for any such business, financial and/or tax decisions made by you based on the information contained in the Materials. You agree not to make audio or video recordings of the webinar instruction. You may not copy, cite to, or distribute the Materials, in whole or in part, without the prior written consent of an authorized officer of Novogradac. All rights reserved 2025 by Novogradac & Company LLP.

training.novoco.com



Outline

The 12% increase in 9% allocations

Implementation of the 25% test

The effect of other reconciliation provisions

training.novoco.com

© NOVOGRADAC.

3

Outline

The 12% increase in 9% allocations

Implementation of the 25% test

The effect of other reconciliation provisions

training.novoco.com

© NOVOGRADAC.

4

12% Increase in 9% Allocations

- What agencies have to allocate is made up of several components
- The largest is a multiplier times population (or small state minimum)
- The amount is \$3.00 for 2025, and is as yet unknown for next year
- Section 42 rounds it down to the nearest \$0.05
- Under the bill, this part will be 12% greater
- Starts in CY 2026 with no sunset (permanent)
- More to forward commit now or award next year

Example: Ohio (hypothetical)

	Before	Changed	Difference
2026 Multiplier	\$3.05	\$3.40	
Population	11,981,477	11,981,477	
LIHTCs	\$36,543,505	\$40,737,022	\$4,193,517

The additional credits would still be subject to statewide set asides and regional distribution per the QAP. However, the overarching theme here is more piece of the pie.

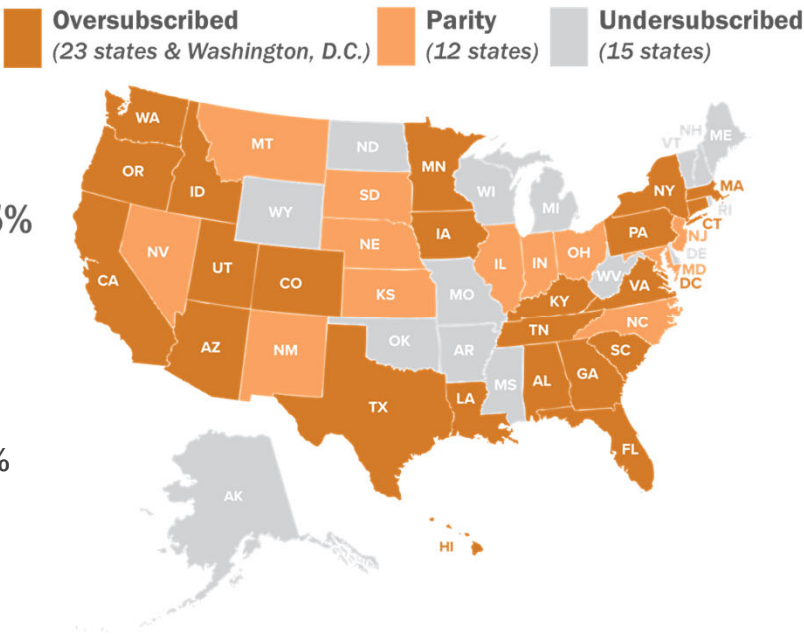
Outline

- The 12% increase in 9% allocations
- Implementation of the 25% test
- The effect of other reconciliation provisions

Lowering the 50% Test to 25%

Applicable for transactions closing on or after January 1, 2026

Transactions closing prior to January 1, 2026 can utilize the 25% test if additional bonds are issued on or after such date



Transition of the 50% Test to 25% Test

- All projects that are PIS prior to 1/1/2026 must meet the 50% test
- Projects closed prior to 1/1/2026 that will not be PIS until after 1/1/2026 can take advantage of the 25% test if additional bonds are issued on or after 1/1/2026*
 - *Draw down bonds issued prior to 1/1/2026 but not funded would not qualify. MUST be a new 2026 issuance
- Additional bond issuance would be required to be the lesser of (1) the amount needed to meet the 50% test, or (2) 5% of aggregate basis

Illustration of Additional Bond Issuance

Both Examples Assume Projects PIS in 2026

	Example 1	Example 2
Aggregate Basis	\$ 30,000,000	\$ 30,000,000
2025 Issuance	\$ 14,700,000	\$ 10,500,000
50% Test	49%	35%
Minimum to Meet 50% Test	\$ 300,000	\$ 4,500,000
5% of Aggregate Basis	\$ 1,500,000	\$ 1,500,000
Minimum Additional Issuance	\$ 300,000	\$ 1,500,000
Test Met:	50% Test	25% Test

Outline

The 12% increase in 9% allocations

Implementation of the 25% test

The effect of other reconciliation provisions

training.novoco.com

© NOVOGRADAC.

11

Other Provisions’ Impact

100% Bonus Depreciation for property acquired (“written binding contract”) and placed in service after Jan. 19, 2025

Sect. 163(j) limit on deducting interest (adding DA back to EBIT)

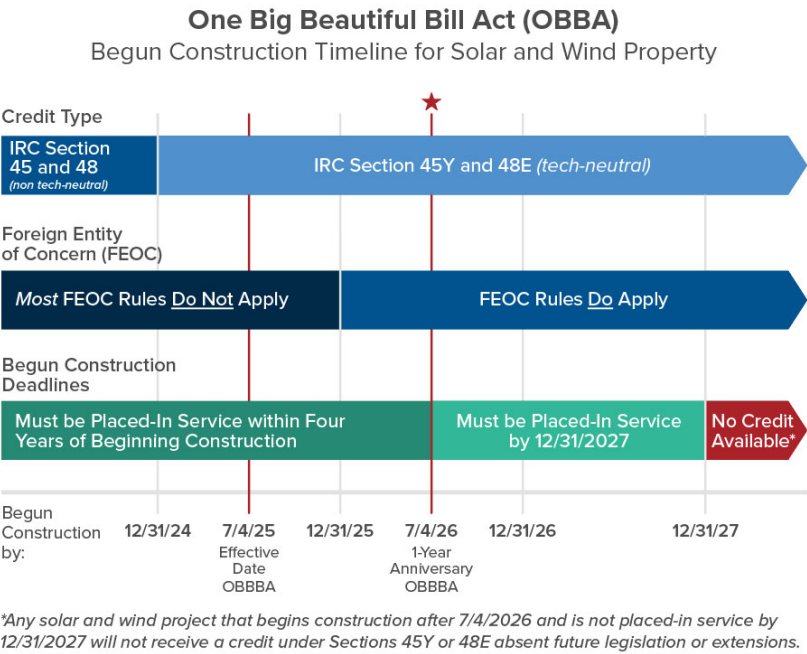
45L credit ends for homes “acquired” after June 30, 2026

training.novoco.com

© NOVOGRADAC.

12

Sections 48E ITC,
45Y PTC



Additional Discussion Topics Pertaining to
OBBA

- Credit Pricing!
- Potential for a growing investor base
- Potential for changes in deal size
- What will be used to fill the sourcing gap created by 25% test?
- Changes to the HUD program due to OBBA?
- Motivations to close more 9% or 4% projects?
- What is next for our industry?

Ohio Housing Council 2025 Fall Symposium

One Big Beautiful Bill – LIHTC Implications



Renee Beaver
Partner
Novogradac
renee.beaver@novoco.com

Chris LaGrand
Senior Vice President and Corporate Counsel
Woda Cooper Companies
clagrand@wodagroup.com

Mary Ann Lang
Executive Vice President, Capital Markets
Ohio Capital Corporation for Housing
mlang@occh.org

Tom Kibbey
Partner
Squire Patton Boggs
tom.kibbey@squirepb.com

Logan O'Sicky
Principal
Novogradac
logan.osicky@novoco.com