

Section 42 Rent-Restricted Income & Expense Reporting Form Instructions

Cell	Name of Cell	Instructions
	<u>Description of Project</u>	
D22	Address(es)	Physical address of the Section 42 Housing Project (Project).
D24	Parcel Identification Numbers (PID)	If there are multiple parcels under the Project, please enter the information for the parcels on the second tab of the income and expense reporting form (IERF) titled "additional PID".
D29	Date Placed in Service	The year that this Project was put into service. If there are multiple buildings, enter the most current year. This date should match the date on the IRS Form 8609.
	<u>Land Use Restriction Agreement (LURA) Terms</u>	
H37	Original Total Tax Credits Allocated to Project	The total tax credits need to add up to the Federal and State tax credits.
D39	Compliance Period	The required years that the Project will operate under a LURA. This is found on the Summery Page of the LURA.
D40	Extended Use Period	If the Project has been extended, this will be the years in which the agreed period has been extended through the LURA.
D42	Total Affordability Period	The total years of the Project.
D43	Set-Aside Election	Click the drop-down and choose one of the available options. This will be the tax credit Set-Aside Income Election for IRS purposes as set on the LURA summary page.
	<u>Mixed Income Property Configuration</u>	
H54	Total Units	The total units should equal the total units in cell D27 under the Description of Project.
	<u>Financing & Mortgage Information</u>	
H58	Total Development Costs	The total development cost. This information can be found on Nebraska Investment Finance Authority's (NIFA) financial audited cost certification.
H62	Qualified Basis	The amount of eligible basis that will be used to generate low-income housing tax credits (LIHTC). The qualified basis is based upon the proportion of the property that will be used for affordable housing. The "qualified basis" is equal to the eligible basis, multiplied by the applicable fractions.
H65	Equity Investment	Money that is invested in a firm by its owner(s) or holder(s) of common stock (ordinary shares), but which is not returned in the normal course of the business.

	<u>Debt/Mortgage Information</u>	**Note: These items <i>must</i> be completed for <u>each loan</u>.
D75	Lender	Name of the lender.
D79	*Interest Rate	If the interest rate is variable enter conditions to the right in notes.
D81	Amortization Period (in years)	The time period in years that it will take to repay the mortgage in full.
D82	Maturity Date	Final payment date of loan.
D83	Lien Position	The lien position of the mortgage. (First, Second, Third, etc..)
D84	Repayment Requirements	Click the drop-down and choose one of the available options.
D140	Total Financing Sources	Total Financing Sources must equal Total Development Costs in cell H59.
D143	Grants	If none, state "none." Enter notes to the right. These would include federal, state, and city grants etc.
	<u>Information from the Audited Financial Report</u>	
H147	NIFA #	The number assigned to this Project from NIFA.
D154	Targeted Rent Level	This generally is the income level of the rent for this Project, such as 60% of the median area income.
	<u>Income</u>	
D158	Potential Gross Income	If this Project was always rented for the year, this would be the total income received from rents.
	<u>Vacancy and Collection Loss</u>	
D162	Vacancy	The loss of income based on vacant apartments.
D163	Uncollected Rent	The loss of income based on tenants not paying rent.
D164	Other	Any other Vacancy or Collection Loss. Enter notes to the right.
D165	Total Vacancy and Collection Loss	Sum of income loss from vacancy, uncollected rent, and other losses.
	<u>Miscellaneous Income</u>	
D168	Interest Income	The interest earned on cash temporarily held in savings accounts, certificates of deposits, or other investments.
D173	Security Deposit Forfeits	This is funds gathered from security deposits that are not claimed by tenant.

D176	Miscellaneous Income	This is a catch-all category of other income gained from other sources not listed above. If there is other income, list sources in notes to the right.
D177	Rental Subsidy	If this Project has any rental subsidy, list it here. Also note from where the subsidy came from in notes to the right.
D178	Other	If there are any other income associated with this property, enter it here, and note to the right the income source.
D179	Total Miscellaneous Income	This is all of the income gathered for the year listed under miscellaneous income.
D181	Effective Gross Income	This is Potential Gross Income(D159) plus Miscellaneous Income(D179) minus any Vacancy & Collection Loss(D165)
	<u>Expenses</u>	
	<u>Administrative</u>	
D191	Dues and Subscriptions	Any annual membership fees, subscriptions to papers, magazines, etc....
D192	Licenses/fees/permits	Any License or Permit fees.
D193	Mileage/Automobile/Vehicle/Travel	Any expenses occurred from mileage/automobile/vehicle/travel directly related to Project.
D194	Credit/Tenant Investigation Fees	Fees incurred from credit checks, employment screening, sex offender checks, etc...
D200	Other	Any other administrative expenses not listed above. Note description of other expense to the right.
D201	Total Administrative Expenses	Yearly expense of administrative fees.
	<u>Management</u>	
D204	Management Fee	All management fees other than the costs listed below.
D205	Asset Management Fee	A fee charged to investors based on the amount of money invested in real estate assets.
D206	Manager/Asst Mgr. On-site	Salaries paid for on-site managers or assistant managers.
D207	Managers/Employees Unit Discount	Rent that is lost from an employee living in the unit instead of renting the unit to a tenant.
D208	Maintenance Employee	The salary of a maintenance employee.
D209	Contract Labor	Any cost occurred from contract labor not listed in services or Repairs & Maintenance.
D210	Employee Benefits	Any expense occurred from providing any employee benefit.
D211	Payroll Taxes/Processing	Payroll taxes and any fee occurred for processing the payroll tax.
D212	Other	Any management fees not covered above. If other management fees, enter notes to the right.
D213	Total Mgmt./Payroll Expense	The total yearly management fee occurred for this Project.

	<u>Services</u>	
D220	Other	Services that are not listed above. If there are other services, note description to the right.
D221	Total Services Expenses	Total yearly cost of services.
	<u>Repairs and Maintenance</u>	
D231	Other	All Repairs and Maintenance not listed above. If there are other Repairs and Maintenance, note description to the right.
D232	Total Repairs and Maintenance Expense	Total yearly expense of Repairs and Maintenance for this Project.
	<u>Utilities</u>	
D239	Other	Other utilities cost incurred not reported above. Enter the description to the right.
D240	Total Utilities Expense	Total yearly utilities paid for this Project.
	<u>Insurance</u>	
D243	Property Insurance	Premium paid for property insurance.
D244	Other	Any other fees or expenses for property insurance.
D245	Total Insurance Expense	
	<u>Reserves for Replacement</u>	
D248	Payment to replace reserve account	Any separate money accounts that are to set aside for capital improvements. These are typically larger maintenance expense items such as whole roofs, all HVAC system, all the carpet. Once this money is set aside, it shall not be re-entered into repair and maintenance at a later time.
D249	Other	Any other reserve for replacement. Enter notes to the right.
D250	Total Reserves for Replacement Expense	Total yearly reserve for replacement for this Project.
	<u>Real Estate Taxes</u>	
D253	Property Taxes	Yearly property tax.
D254	Special Assessment Taxes	Any special assessment taxes paid.
D255	Other	Any other taxes paid. Do not add Tax Increment Financing as this is not included in property taxes paid in column D253. For any other real estate tax, note description to the right.
D256	Total Real Estate Taxes	Total yearly real estate taxes paid for this Project.
D258	Total Expenses	The total yearly expenses occurred for this Project and is the sum of cells D201+D213+D221+D232+D240+D245+D250+D256
D260	NET OPERATING INCOME	Net Operating Income is The Effective Gross Income(D181) minus the Total Expenses (D258).

	** Note**	** If a cell is yellow, this is a caution and the information entered should be reviewed. **
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Additional Notes:

**Make sure there is no depreciation, debt service, capital improvement, or owner business expense included in these expenses as these are improper expenses to report on this form.

Regarding tax increment financing, only the tax paid on the **base value should be included under real estate taxes paid.

Submittal Instructions: Please upload the completed 2023 income and expense report using this [ShareFile link](#). Once completed you will receive a confirmation email.

For detailed ShareFile instructions, please click [here](#).

For ShareFile questions, please contact:

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