



Housing Authority in-Lieu-of-Tax

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Housing Authority in-Lieu-of-Tax

Reference Number: MTAS-1874

Revenue Class: Intergovernmental Revenue

Fund: General

Account No.: 33310

Description: Payments in lieu of taxes from local housing authority, based on gross rent receipts. Housing authorities "shall agree" to pay in-lieu-of taxes or special assessments not to exceed the cost of services, improvements, or facilities provided. A similar requirement provides that nonprofit housing corporations providing low-cost housing for elderly or handicapped people must agree to make in-lieu-of-tax payments for any project exceeding 12 units occupied after January 1, 1990. Bonds and notes of a housing authority are issued for a public purpose and together with the interest shall be exempt from taxation.

Authorization: T.C.A. § 67-5-206; T.C.A. § 67-5-207

Requirements or Restrictions: Subject to federal housing law and regulations. There also are several qualifications for nonprofit housing corporations that must be met to be eligible for the payment in-lieu-of taxes listed under T.C.A. § 67-5-207.

Current Rate: Varies.

Frequency of Payment: Varies.

Late Pay Penalty: N/A

Exemptions: N/A

Collection: Varies.

Use Restrictions: None.

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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