

**30-Day Limited Analysis Project**  
**3 MRS §998(6)**

**Select Information Related to Maine's Affordable  
Housing Tax Credit**

Prepared for the Joint Committee on Taxation and the Government  
Oversight Committee

by the Office of Program Evaluation & Government Accountability

February 2026

## At A Glance

---

**19** out of **33** state-level affordable housing tax credits have sunsets or appropriation processes providing mechanisms for states to periodically re-examine program performance and state funding priorities

**80% to 90%** of affordable housing need is unmet in Maine. Nationally and state-wide, affordable housing availability continues to be a concern.

**429 units** of affordable housing have been supported by SLIHTC from 2023 to 2025

OPEGA did not identify ready data on the efficiency of different affordable housing policy tools, which are often used together.

# Descriptive Information on Other States' Credits; Including Related to Sunset Dates.

---

OPEGA compiled information on other states' affordable housing programs and found the following information that may be useful in consideration of LD 2116. Information was collected from state government websites, Novogradac,<sup>1</sup> and NCSL (National Conference of State Legislatures).

**33** states (including D.C.) have state affordable housing credits

**19** out of 33 state credits have sunsets or appropriation controls

**11** credits are set to expire in 2026, 2027, and 2028

**6** states recently considered sunset-related program changes

## **33 states (including D.C.) have state affordable housing credits.**

- Many credits are linked to the federal LIHTC but the manner of the link can differ.
- Four states (Illinois, Minnesota, New Mexico, and Vermont) have credits for taxpayers making donations either to state funds or qualifying affordable housing projects directly.
- Funds available through state affordable housing credits also vary. Arkansas is an outlier with only \$250,000 in funds available annually. On the high side, are states like California (\$500M), Ohio (\$100M), and New York (\$88M). Many state credits fall in the range of \$5M to \$30M annually.
- Florida and Arizona's credits are included in the 33 state count, but appear to be unfunded. Florida's credit may have never been active despite existing in statute.

## **19 of out 33 state credits have sunset dates or appropriation controls.**

- Of those without sunset dates, three programs are limited by state appropriations (California, Florida, and Tennessee).

---

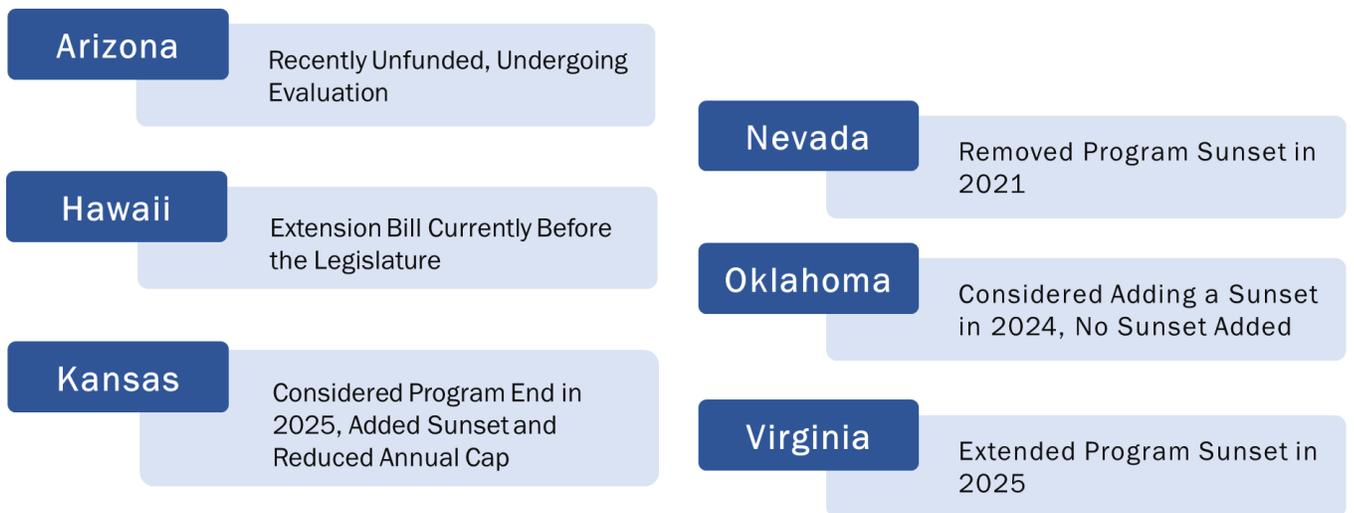
<sup>1</sup> See <https://www.novoco.com/resource-centers/affordable-housing-tax-credits/state-lihtc-program-descriptions>

- Arizona’s credit has a sunset date, but also seems to be subject to a budgetary process and was left unfunded in the state’s 2025 budget.

**11 credits are set to expire in 2026, 2027, and 2028.**

- Illinois’s credit is set to expire in 2026.
- In 2027, credits are set to expire in Alabama, Hawaii, and Ohio.
- In 2028, credits are set to expire in Indiana, Kansas, Maine, Minnesota, Rhode Island, and Utah. Arizona’s credit is also set to expire in 2028, even though it is currently unfunded.
- Legislation to extend the sunset date is currently before Hawaii’s Legislature (from 2027 to 2032).

**Six states recently made or considered sunset-related program changes.**



OPEGA notes that sunsets may serve a less direct purpose in states like Arizona that fund their credits directly through an appropriation process. Appropriating funds directly through a budget process serves as another form of oversight. OPEGA identified three states (California, Florida, and Tennessee) that fund their credits through an appropriation process without a sunset, but did not do further work to identify states, other than Arizona, that might have a sunset combined with an appropriation process.

More information on states that made or considered sunset-related program changes is available in Appendix C. Appendix F contains a table of all state programs identified with source links to relevant statute, pending legislation, and news articles.

# Readily Available Information on Affordable Housing Trends in Maine and Nationally

---

## A Shortage of Affordable Housing Persists in Maine and Nationally

There are current concerns about the availability of affordable housing both nationally and in Maine. Although there are varying standards by which affordable housing is defined, there seems to be general agreement that there is not enough of it nationwide. According to the National Low-Income Housing Coalition “[e]xtremely low-income renters face a shortage in every state and major metropolitan area,” and nationally “[o]nly 35 affordable and available rental homes exist for every 100 extremely low-income renter households.”<sup>2</sup>

In 2025, the Joint Center for Housing Studies at Harvard University reported that “[t]he nation’s housing challenges are growing in urgency. Affordability has continued to erode for renters and homeowners, and a record-high number of people are unhoused.”<sup>3</sup> The report details the many root causes of the current housing challenges and discusses varied approaches to tackling the issue, including examples of some approaches being implemented in other states or major metro areas.

Likewise in Maine, there is a high level of unmet need for affordable housing across the state. MaineHousing’s need assessment data shows between 80% and 90% of affordable housing need was *unmet* in most counties as of October 2025.<sup>4</sup> As an example, this means that in Cumberland County roughly 49,000 households were identified as in need of low-income housing, and just under 5,800 affordable units were available. In Piscataquis County, almost 1,600 households were identified as needing low-income housing and 308 affordable units were available. The map on the next page uses MaineHousing data to display unmet need by county, where darker blues indicated a greater level of unmet need.

---

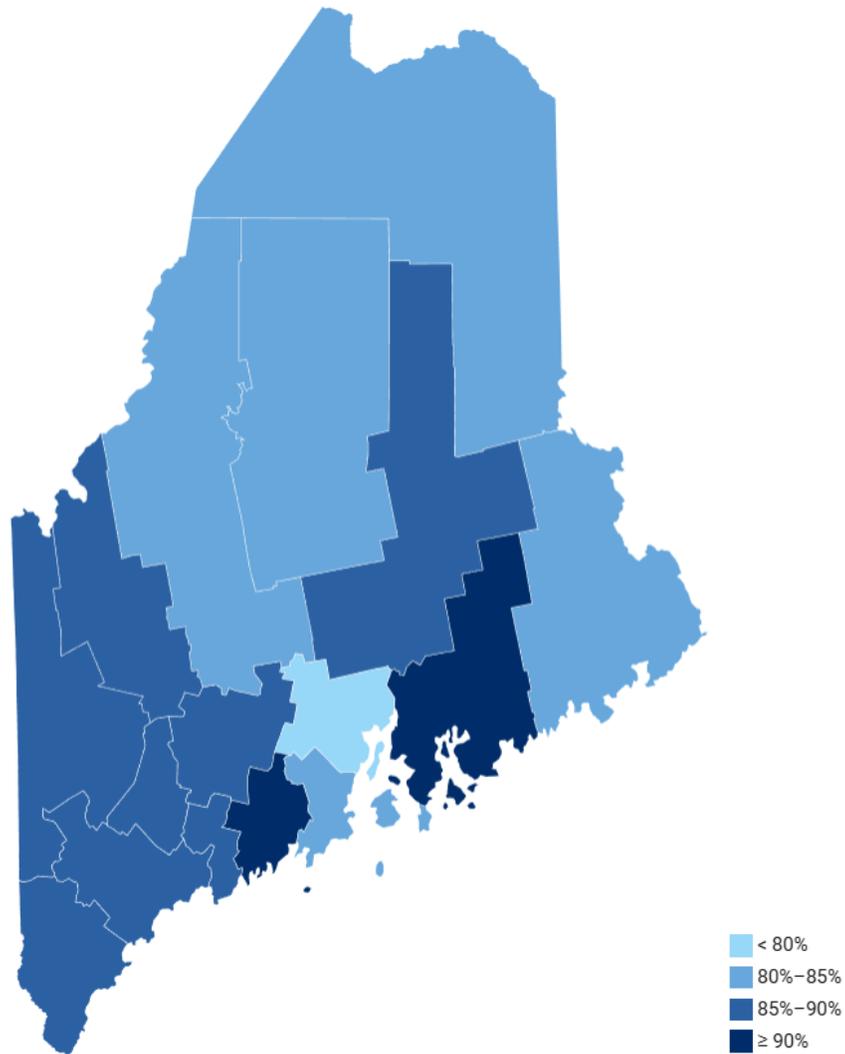
<sup>2</sup> National Low-Income Housing Coalition <https://nlihc.org/gap#summary-table>

<sup>3</sup> Harvard University, Joint Center for Housing Studies. 2025. “The State of the Nation’s Housing.” Pg. 39.

[https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard\\_JCHS\\_The\\_State\\_of\\_the\\_Nations\\_Housing\\_2025.pdf](https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2025.pdf)

<sup>4</sup> OPEGA relied on MaineHousing’s need assessment data and used the difference between the number of households identified as below 80% of the area median income for a county and the number of available affordable housing units identified by MaineHousing to determine unmet need. This does not include affordable housing units that are in the pipeline but not complete.

## Unmet Need for Affordable Housing by Maine County, October 2025



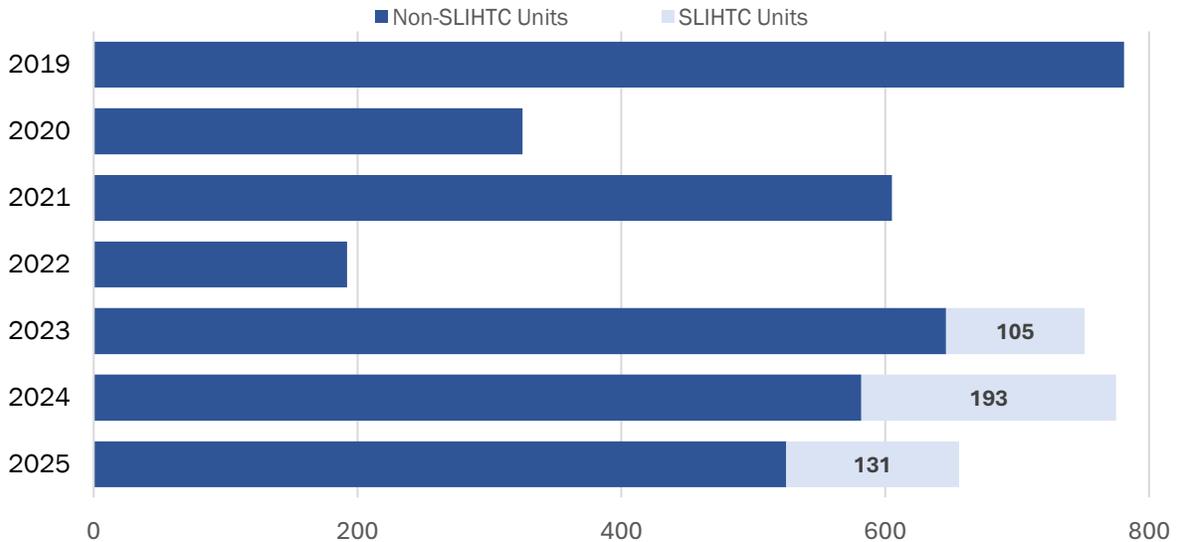
Source: Data provided by MaineHousing; map created with Datawrapper.

### **In Maine, the SLIHTC Has Supported Completion of Affordable Housing and Leveraged Federal Funding; OPEGA Has Not Evaluated Program Performance**

MaineHousing provided data showing that SLIHTC supported the completion of 429 affordable housing units between 2023 and 2025. OPEGA is presenting this readily available performance data but is not in a position at this time to evaluate what the data means for program performance.

The first units supported with SLIHTC funding were completed in 2023, and SLIHTC units have accounted for 14-25% of all affordable housing units completed with MaineHousing financing in the years since.

## Affordable Housing Units Completed with MaineHousing Funding



**Source:** 2026 Maine Housing Outlook report and additional data provided by MaineHousing.

According to summary information provided by MaineHousing, these 429 units had total development costs of approximately \$179.2 million, an average of about \$375,000 per unit after removing the Wedgewood project from the calculation. According to MaineHousing, removing the Wedgewood project, a US Department of Housing and Urban Development Choice Neighborhoods project, as an outlier shows a more typical development cost per unit.<sup>5</sup>

Federal LIHTC for the units totaled approximately \$62.7 million, or \$146,000 per unit, accounting for about 35% of total development costs. Maine Housing explained the federal funds accessed using SLIHTC in this way:

The limiting factor in almost all MaineHousing production programs (other than 9% LIHTC, which is a finite resource) is subsidy. MaineHousing is not limited in the number of below-market mortgages it can make nor is there a practical limit on 4% LIHTC that can be generated. The amount of subsidy MaineHousing has available ultimately dictates the number of projects we can finance. For that reason, the 824<sup>6</sup> SLIHTC units would not have been produced without SLIHTC as MaineHousing did not have the \$61.55 million of subsidy that would have been needed without the State credit.

A breakdown of SLIHTC accessed and federal LIHTC received by development is on the following page.

<sup>5</sup> MaineHousing reported that this project was not a typical LIHTC project because of the HUD Choice Neighborhood grant, which is a hybrid housing/economic development grant. There were additional requirements of that grant which MaineHousing said they would not normally have approved for SLIHTC, and which made the project more expensive such as building the project in 9 separate buildings, bigger unit sizes, and in-unit laundry. All these features were funded by HUD. Total SLIHTC allocations for the units were approximately \$30.9 million, or \$72,000 per unit, and accounted for approximately 17% of total development costs. Neither this average nor the federal LIHTC average remove Wedgewood as the SLIHTC and Federal LIHTC amounts were in line with typical projects.

<sup>6</sup> The 824 figure provided by MaineHousing includes the 429 units completed and the units in development which will also access federal funds. This excludes the Rural Development units in process.

## Completed Affordable Housing Units Supported by SLIHTC

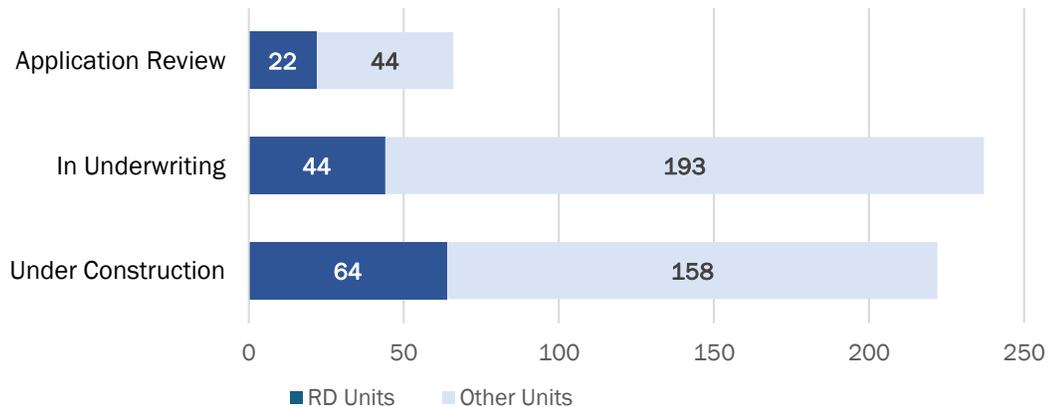
Year	Project Name	Town	Units	SLIHTC Amount	Federal LIHTC Amount	Total Development Cost
2023	Porter Station	Portland	60	\$5,001,590	\$7,704,381	\$22,012,518
2023	Phoenix Flats	Portland	45	\$2,994,521	\$5,653,933	\$16,154,093
2024	Mary Street	Skowhegan	40	\$4,475,663	\$5,432,030	\$15,520,086
2024	Winter Landing	Portland	52	\$3,399,730	\$7,102,448	\$20,292,708
2024	Equinox	Portland	43	\$2,873,938	\$6,758,091	\$19,308,831
2024	Snow School	Fryeburg	28	\$791,192	\$3,407,578	\$9,735,936
2024	Hartland Senior Apts. II	Hartland	30	\$2,257,504	\$3,398,000	\$9,708,572
2025	Peasley Park	Rockland	49	\$5,657,672	\$6,078,540	\$17,367,256
2025	Wedgewood	Lewiston	82	\$3,445,749	\$17,184,561	\$49,098,745
<b>Total</b>			<b>429</b>	<b>\$30,897,559</b>	<b>\$62,719,561</b>	<b>\$179,198,745</b>
<b>Cost Per Unit</b>				<b>\$72,022</b>	<b>\$146,199</b>	<b>\$374,928</b>

**Source:** MaineHousing SLIHTC data. Italics indicate estimated costs.

Note: Wedgewood had higher costs and higher federal contribution than is typical. It is excluded from the summary cost per unit. See footnote 5.

In addition to the completed units discussed above, there are also 525 affordable units currently in the SLIHTC pipeline in various phases of completion. Of the units in development, 130 are Rural Development (RD) units that have been in service for many years and are considered at risk of being lost from the affordable housing inventory. Appendix D includes more detail about the individual RD projects currently under development.

### SLIHTC Units Currently In Development



**Source:** MaineHousing SLIHTC spreadsheet.

# Existing Research on Effects of Affordable Housing Tools

---

OPEGA did not readily identify a consensus in the research on the efficacy or efficiency of tax credits as a policy tool or about what other tools may be considered most proven or cost-effective. There is a lot of research on affordable housing policy and tools generally, and reviewing and summarizing that literature would require more time and resources than allowed in this limited scope project. OPEGA did identify that there are many types of tools, public and private, federal and state level, that are often used in conjunction with one another to support an affordable housing development.

Recent reports, including those from the Congressional Research Service (CRS) and the Government Accountability Office (GAO), have identified some concerns related to oversight and efficiency of the federal LIHTC credit but also note that more data is needed.<sup>7</sup> Studies from Georgia<sup>8</sup> and Missouri<sup>9</sup> on their state-level credits came away with questions about the efficiency of those credits. However, it's unclear at this stage whether those states' needs and programs are comparable enough to allow one to draw lessons for Maine's credit from those reviews.

Even with concerns that may exist, there is wide recognition that the LIHTC is the primary tool available for supporting affordable housing development and many states choose to build on the preexisting scaffolding for administering that credit. We noted that the Affordable Housing Tax Credit Coalition (AHTCC) which describes itself as "a trade association of housing professionals who advocate for affordable housing financed with federal Low-Income Housing Tax Credit" developed recommendations for state-level low-income housing tax credits in 2023.<sup>10</sup> Maine's credit, at least in design, appears to generally align with these suggested practices.

---

<sup>7</sup> Congressional Research Service. "The Low-Income Housing Tax Credit: Policy Issues." October 2019.

<https://www.congress.gov/crs-product/IF11335>.

Government Accountability Office. 2023. "Low-Income Housing Tax Credit: Opportunities to Improve Oversight." GAO-24-107064 <https://www.gao.gov/products/gao-24-107064>. Government Accountability Office. 2018. "Low-Income Housing Tax Credit: Improved Data and Oversight Would Strengthen Cost Assessment and Fraud Risk Management." GAO-18-637.

<https://www.gao.gov/products/gao-18-637>

Ibid. 2016. "Low-Income Housing Tax Credit: Some Agency Practices Raise Concerns and IRS Could Improve Noncompliance Reporting and Data Collection." GAO-16-360 <https://www.gao.gov/products/gao-16-360>

Ibid. 2015. "Low-Income Housing Tax Credit: Joint IRS-HUD Administration Could Help Address Weaknesses in Oversight." GAO-15-330 <https://www.gao.gov/products/gao-15-330>

<sup>8</sup> Buschman, Robert D., et al. 2022. "Tax Incentive Evaluation: Georgia Low-Income Housing Tax Credit." *Fiscal Research Center, Georgia State University*. Prepared for Georgia Department of Audits and Accounts <https://www.audits.ga.gov/ReportSearch/download/28277>

<sup>9</sup> Missouri State Auditor. "Economic Development. Low Income Housing Tax Credit Program." March 2014.

<https://auditor.mo.gov/AuditReport/ViewReport?report=2014014>

<sup>10</sup> <https://www.taxcreditcoalition.org/state-tax-credits/>

# Appendix A. Project Scope

In January 2026, the Maine Legislature’s Joint Standing Committee on Taxation requested that the Government Oversight Committee (GOC) approve the Office of Program Evaluation and Government Accountability (OPEGA) to conduct a limited analysis project as authorized under 3 MRS §998(6). The Taxation Committee sought authorization of the limited analysis review to assist in processing legislation before that committee related to the Affordable Housing Tax Credit.<sup>11</sup> The GOC approved the request on January 23, 2026. OPEGA had 30 days to complete the project and submit the results to the two committees.

This limited analysis project, uses readily available information, to speak to the following topics requested by the Taxation Committee:

- 1 Descriptive information on similar programs in other states and comparison to Maine’s credit, including whether or not credits have sunsets or have been extended
- 2 Readily available information on affordable housing trends in Maine and nationally over the last 10 years.
- 3 A summary of existing research about the effects of tools like this credit on the availability of housing.

---

<sup>11</sup> See LD 2116 “An Act to Make Permanent the Affordable Housing Income Tax Credit” <https://legislature.maine.gov/LawMakerWeb/summary.asp?ID=280101160>

# Appendix B. Federal LIHTC and Maine SLIHTC Background

---

The Congressional Research Service calls the federal low-income housing tax credit (LIHTC) program the federal government’s “primary policy tool for the development of affordable rental housing.” The federal program was enacted by the Tax Reform Act of 1986.<sup>12</sup> The federal credit exists in two forms, a 9% credit that is allocated to states in a limited amount and distributed by state housing agencies through a competitive process, and 4% credits which are for projects also using federal tax-exempt bond financing and are not subject to the state limitations on federal LIHTC, but are rather limited by the state’s limit on private activity bonding authority.

Maine’s Credit for Affordable Housing is built, in part, to make use of the federal credit providing funds up to a matching level for those Maine projects that make use of the 4% federal credit.<sup>13</sup> There is also a version of the credit that is capped at \$500,000 per project and available to projects that do not claim the federal credit and meet other state criteria.

Maine State Housing Authority (MaineHousing), the administering agency, describes Maine’s credit this way:

The intent of this tax credit is to provide a state-level financing instrument that can be paired with the federal 4% low income housing tax credit which is used in the production of affordable housing. Combining the 4% federal credit with this state credit provides a financing option that can pay for nearly 60% of the cost of constructing a housing development project. In this way, the state credit almost doubles the amount of tax credit subsidy that MaineHousing can make available to certain projects in a given year.<sup>14</sup>

Maine State Housing Authority (MaineHousing) selects qualifying projects eligible for 4% LIHTC and issues credit certificates according to process set out in statute and rule and the state’s Qualified Allocation Plan (QAP). Taxpayers cannot receive the credit until after the affordable housing project is placed in service for federal tax purposes.

MaineHousing has a capped annual credit allocation (\$10M) that can be carried forward if unused.<sup>15</sup> MaineHousing is directed by statute to make certain percentages of the credit allocation available for particular types of projects, including senior housing, affordable housing in rural areas, and supportive housing.

Projects must continue to be qualified affordable housing projects for 45 years following the date they are placed in service.

---

<sup>12</sup> Congressional Research Service. 2025. “An Introduction to the Low-Income Housing Tax Credit.” <https://www.congress.gov/crs-product/RS22389>

<sup>13</sup> Under 36 MRS §5219-WW(4)(C) MSHA can provide a credit in a lesser amount than the federal low-income housing credit if it is necessary to avoid a reduction of the federal credit that is available to the project.

<sup>14</sup> MaineHousing. 2024. Maine Low Income Housing Tax Credit Report. [https://www.mainehousing.org/docs/default-source/policy-research/state-reporting/2024-maine-low-income-housing-tax-credit-annual-report.pdf?sfvrsn=d4019d15\\_1](https://www.mainehousing.org/docs/default-source/policy-research/state-reporting/2024-maine-low-income-housing-tax-credit-annual-report.pdf?sfvrsn=d4019d15_1)

<sup>15</sup> Even with the carryforward, no more than \$15M in credits can be allocated in a calendar year.

# Appendix C. State Case Studies

---

## Case Studies of Potential Interest: Recent Changes or Consideration of Changes Related to Sunset

### Arizona: Recently Unfunded, Undergoing Evaluation

Credit enacted in 2021. In 2025, the state budget did not fund the credit.

In October 2025, Arizona's Joint Legislative Audit Committee voted unanimously to audit the program's performance to inform future decisions around funding. That review is due in October 2026.<sup>16</sup>

### Hawaii: Extension Bill Currently Before Legislature

There is a current bill before the Hawaii legislature that would extend that credit's sunset from 2027 to 2032 (5 years).<sup>17</sup>

### Kansas: Considered Program Termination in 2025 Session, Ultimately Added Sunset and Reduced Annual Cap

Kansas considered terminating the program in the 2025 legislative session, but ultimately added a 2028 sunset and reduced the annual credit cap.<sup>18</sup>

Annual cap was \$25M in 2025 and was reduced to \$8.8M in 2026-2028.

### Nevada: Removed Program Sunset in 2021

The NV Legislature removed the program sunset (previously set to 2030) during the 2021 session.<sup>19</sup>

### Oklahoma: Considered Adding Sunset in 2024, No Sunset Added

Oklahoma's Affordable Housing Tax Credit is required to undergo review every five years.<sup>20</sup>

The Oklahoma Legislature considered adding a sunset to the program in 2024, but the bill did not become law.<sup>21</sup>

### Virginia: Extended Program Sunset During 2025 Legislative Session

Virginia's credit was set to expire in 2026 but the sunset was extended to 1.1.2031 by a 2025 budget bill.<sup>22</sup>

---

<sup>16</sup> <https://www.betteramericanmedia.org/post/arizona-discontinues-low-income-housing-tax-credit-program-amid-standoff>  
<https://azcapitoltimes.com/news/2025/07/04/low-income-housing-credit-left-out-of-bipartisan-budget-deal/>  
<https://azcapitoltimes.com/news/2025/10/18/audit-to-determine-future-of-affordable-housing-program/>

See AZ Joint Legislative Audit Committee 10.7.25 meeting beginning at 9:50 timestamp for discussion of audit:  
<https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2025101001>

<sup>17</sup> [https://data.capitol.hawaii.gov/session/measure\\_indiv.aspx?billtype=HB&billnumber=1920&year=2026](https://data.capitol.hawaii.gov/session/measure_indiv.aspx?billtype=HB&billnumber=1920&year=2026)

<sup>18</sup> <https://kansasreflector.com/2025/04/28/kansas-legislature-steps-back-from-terminating-popular-affordable-housing-tax-credit-program/>

<sup>19</sup> <https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7887/Text>. Nevada does not have income tax, but the tax credits can be used to offset excise tax on banks and payroll taxes, gaming license feeds, and general tax on insurance premiums. See [https://www.novoco.com/public-media/documents/nevada\\_sb\\_448\\_senate\\_approved\\_060319.pdf](https://www.novoco.com/public-media/documents/nevada_sb_448_senate_approved_060319.pdf)

<sup>20</sup> <https://law.justia.com/codes/oklahoma/title-68/section-68-2357-403/>

<sup>21</sup> <https://www.billtrack50.com/billdetail/1678435>

<sup>22</sup> <https://lis.virginia.gov/bill-details/20251/HB1600>

## Appendix D. RD Projects Currently in Development with Support from SLIHTC

---

These 130 affordable housing units were originally funded via federal Rural Development programs targeting high need rural areas, but they are nearing the age at which they can be sold and repurposed as market value units. The goal of these development projects is to update these units and keep them in Maine’s affordable housing inventory.

### Rural Development Units and Estimated Development Costs

Project Name	Location	Units	Estimated Development Costs
<b>Under Construction - Credits Reserved</b>			
3-9 Pine Street	Thomaston	16	\$1,813,118
63 Water Street	Thomaston	12	\$1,611,705
Living Easy Apartments	Mapleton	12	\$578,222
Main View Apartments	Orono	24	\$2,750,633
<b>In Underwriting - Credits Reserved</b>			
Coles Hill Apartments	Waldoboro	24	\$1,563,578
Salmon Brook Meadows	Washburn	20	\$1,574,834
<b>Application Under Review</b>			
Follis Place Apartments	Eastport	22	TBD

**Source:** MaineHousing SLIHTC data.

## Appendix E. Research of Potential Interest

---

Buschman, Robert D., et al. 2022. “Tax Incentive Evaluation: Georgia Low-Income Housing Tax Credit.” *Fiscal Research Center, Georgia State University*. Prepared for Georgia Department of Audits and Accounts <https://www.audits.ga.gov/ReportSearch/download/28277>

Congressional Research Service. 2025. “Introduction to Low-Income Housing Tax Credit.” [https://www.congress.gov/crs-product/RS22389\\_pdf](https://www.congress.gov/crs-product/RS22389_pdf)

Congressional Research Service. 2019. “The Low-Income Housing Tax Credit: Policy Issues.” <https://www.congress.gov/crs-product/IF11335>

Government Accountability Office. 2023. “Low-Income Housing Tax Credit: Opportunities to Improve Oversight.” *GAO-24-107064* <https://www.gao.gov/products/gao-24-107064>

Government Accountability Office. 2018. “Low-Income Housing Tax Credit: Improved Data and Oversight Would Strengthen Cost Assessment and Fraud Risk Management.” *GAO-18-637*. <https://www.gao.gov/products/gao-18-637>

Government Accountability Office. 2016. “Low-Income Housing Tax Credit: Some Agency Practices Raise Concerns and IRS Could Improve Noncompliance Reporting and Data Collection.” *GAO-16-360* <https://www.gao.gov/products/gao-16-360>

Government Accountability Office. 2015. “Low-Income Housing Tax Credit: Joint IRS-HUD Administration Could Help Address Weaknesses in Oversight.” *GAO-15-330* <https://www.gao.gov/products/gao-15-330>

Harvard University, Joint Center for Housing Studies. 2025. “The State of the Nation’s Housing.” [https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard\\_JCHS\\_The\\_State\\_of\\_the\\_Nations\\_Housing\\_2025.pdf](https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2025.pdf)

MaineHousing. 2024. “Maine Low Income Housing Tax Credit Report.” [https://www.mainehousing.org/docs/default-source/policy-research/state-reporting/2024-maine-low-income-housing-tax-credit-annual-report.pdf?sfvrsn=d4019d15\\_1](https://www.mainehousing.org/docs/default-source/policy-research/state-reporting/2024-maine-low-income-housing-tax-credit-annual-report.pdf?sfvrsn=d4019d15_1)

Missouri State Auditor. 2014 “Economic Development. Low Income Housing Tax Credit Program.” <https://auditor.mo.gov/AuditReport/ViewReport?report=2014014>

National Low-Income Housing Coalition. 2025. “The Gap: A Shortage of Affordable Homes.” <https://nlihc.org/gap#summary-table>

Novogradac. “Affordable Housing Resource Center.” <https://www.novoco.com/resource-centers/affordable-housing-tax-credits/state-lihtc-program-descriptions>. Accessed February 2026.

# Appendix F. Features of 33 State-Level Low-Income Housing Tax Incentives

The status of state-level low-income housing tax incentives in the U.S. is fluid, with programs recently being amended, unfunded, and created. There are current bills before state legislatures that would make significant changes to their low-income housing tax credits. The table that follows summarizes current incentives as of early February 2026.

Features of 33 State (and D.C.) Low-Income Housing Tax Incentives			
State Program	Description	Annual State Cap	Sunset
<b>Alabama Workforce Housing Tax Credit</b>	Credit available to qualified projects that are eligible for the 4% federal LIHTC. 9% federal projects may be eligible if the rural set-aside is not met.	\$5M	9.30.27
<b>Arizona Affordable Housing Tax Credit</b>	Credit available to qualified projects receiving federal LIHTC. State credit is worth at least 50% of the federal LIHTC received. Credit is still in statute but is currently unfunded through the 2025 budget process.	\$4M	Currently unfunded; 12.31.28
<b>Arkansas State Housing Credit</b>	Credit available to qualified projects in the state receiving federal LIHTC, amount per project is capped at 20% of federal award.	\$250,000	No sunset identified
<b>California State Low Income Housing Tax Credit</b>	Credit available for projects receiving federal LIHTC or qualifying tax-exempt bonds.	\$500M	Subject to appropriation
<b>Colorado State Affordable Housing Credit</b>	Credit available to projects receiving federal 4% LIHTC. Can also be granted in counties impacted by federally declared disasters and not count against the annual state cap if those credits are used to leverage state and federal natural disaster funds.	\$12M CY26; \$12M CY27; \$16M CY28; \$20M CY29-31.	12.31.31
<b>Connecticut Housing Tax Credit Contribution Program</b>	Credits for nonprofit organizations, which can then be sold to state business firms in return for cash contributions to the nonprofit corporation's housing program. Qualifying projects can include federal LIHTC projects, but also other affordable housing projects.	\$10M	No sunset identified

Features of 33 State (and D.C.) Low-Income Housing Tax Incentives			
State Program	Description	Annual State Cap	Sunset
<b>District of Columbia Low-Income Housing Tax Credit</b>	Credit available to qualified projects receiving federal LIHTC, amount per project is up to 25% of the federal LIHTC received.	\$8.575M 2025, increasing \$175k per year through 2028 and increasing 5% per year thereafter	No sunset identified
<b>Florida State Housing Tax Credit Program</b>	Credit for developers of qualified housing projects in certain urban areas. While this program is in state statute and allows a credit up to 9% of the eligible basis against any tax due, it appears to be currently unfunded and not functional.	Subject to state appropriation, currently unfunded	Subject to appropriation
<b>Georgia Housing Tax Credit Program</b>	Credit available to projects receiving federal LIHTC in an amount equal to the federal LIHTC credit received (for both 9% and 4% federal credit).	Equal to federal LIHTC credit received	No sunset identified <sup>23</sup>
<b>Hawaii Low-Income Housing Tax Credits</b>	Credit is up to 50% of the federal LIHTC credit received (both 9% and 4% federal credit). State credit is limited to the amount the state administering agency determines is necessary to make the development feasible.	Up to 50% of the federal LIHTC credit received	12.31.27 <sup>24</sup>
<b>Illinois Affordable Housing /Donor Housing Credit</b>	Credit for donors making private investment in affordable housing projects. Credit is equal to 50% of the value of the donation.	\$32,850,352 in FY22 & 23, increases by 5% each fiscal year after	12.31.26
<b>Indiana Affordable and Workforce Housing Tax Credit</b>	Credit available for projects receiving federal LIHTC. Credit amount is from 40% to 100% of the federal 4% LIHTC received, taken over five years.	\$30M	7.1.28
<b>Kansas Affordable Housing Tax Credit</b>	Credit provides a state match for 9% federal LIHTC received.	\$8.8M in 2026-2028.	12.31.28
<b>Maine Credit for Affordable Housing (SLIHTC)</b>	Credit for properties that use tax-exempt bonds and federal 4% LIHTC. A version of the credit is also available for certain rural development projects. Credit is limited to amount needed to make project feasible, up to the federal LIHTC amount.	\$10M; may not exceed \$15M a year with carryover	12.31.28

<sup>23</sup> Report from Georgia House Study Committee on Low-Income Housing Tax Credits recommended a sunset and consideration of the credit every 5 years thereafter: [https://www.house.ga.gov/Documents/CommitteeDocuments/2017/LowIncomeHousingTaxCredits/LowIncome\\_Housing\\_Tax\\_Credit\\_Study%20Committee\\_FinalReport.pdf](https://www.house.ga.gov/Documents/CommitteeDocuments/2017/LowIncomeHousingTaxCredits/LowIncome_Housing_Tax_Credit_Study%20Committee_FinalReport.pdf)

<sup>24</sup> Current bill before the Hawaii Legislature would extend the sunset five years to 12.31.32: <https://www.novoco.com/news/hawaii-legislation-would-allow-transfer-or-sale-of-state-lihtcs>

Features of 33 State (and D.C.) Low-Income Housing Tax Incentives			
State Program	Description	Annual State Cap	Sunset
<b>Massachusetts Low-Income Housing Tax Credit</b>	Credit, that when combined with the federal LIHTC, is the least amount necessary to make qualified project feasible.	\$20M	No sunset identified
<b>Minnesota Affordable Housing Tax Credit</b>	Credit for donors making contributions to a state contribution fund. Credit is equal to 85% of the amount contributed.	\$9.9M	12.31.28
<b>Missouri Low-Income Housing Tax Credit</b>	Credit is available to projects receiving the federal LIHTC credit (for both 9% and 4% federal credit).	70% of federal LIHTC received	No sunset identified
<b>Nebraska Affordable Housing Tax Credit</b>	Credit is available to projects receiving the federal LIHTC credit (for both 4% and 9% federal credit).	Up to total federal LIHTC amounts received	No sunset identified
<b>Nevada Low-Income Housing Tax Credit</b>	Credit for properties that use tax-exempt bond financing or federal 9% or 4% LIHTC.	\$10M	Removed sunset in 2021
<b>New Jersey Aspire Program</b>	Aspire Program is broader than affordable housing developments, but those developments using federal LIHTC are eligible for state credits. The credit provides up to 60% of project costs for certain projects in targeted area that receive the federal 4% LIHTC.	Cap for all Aspire credits is \$1.1B over six years; Up to \$90M is provided for projects for affordable housing.	3.1.29
<b>New Mexico Affordable Housing/Donor Housing Credit</b>	Credit for donors making contributions of land, buildings, materials, cash or services to approved affordable housing projects or the state affordable housing trust. Credit is up to 50% of the value of the donation.	\$1.85 adjusted for inflation, multiplied by the current state population.	No sunset identified
<b>New York Low-Income Housing Tax Credit</b>	Modeled after the federal LIHTC, dollar-for-dollar reduction in state taxes for investors in certain qualified low-income housing projects.	\$88M	No sunset identified
<b>Ohio Low-Income Housing Tax Credit</b>	Credit available to projects receiving federal LIHTC, equal to up to the amount of federal LIHTC received to the extent that the combined credits don't exceed the amount necessary to ensure financial feasibility.	\$100M	7.1.27
<b>Oklahoma Affordable Housing Tax Credit</b>	Credit for new construction only, equal to up to the value of federal LIHTC received.	\$4M	Undergoes review every five years. <sup>25</sup>

<sup>25</sup> According to statute, "The Oklahoma Affordable Housing Act shall undergo a review every five years by a committee of nine persons, to be appointed by various state officials." <https://law.justia.com/codes/oklahoma/title-68/section-68-2357-403/>. Oklahoma also considered adding a sunset to the credit in 2024 but it did not become law: <https://www.billtrack50.com/billdetail/1678435>.

## Features of 33 State (and D.C.) Low-Income Housing Tax Incentives

State Program	Description	Annual State Cap	Sunset
<b>Pennsylvania Housing Tax Credit</b>	Credit available to projects receiving the 4% or 9% federal LIHTC. Credit amount is based on merits of the project.	\$10M	No sunset identified
<b>Rhode Island Low-Income Housing Tax Credit</b>	Credit available to projects receiving federal LIHTC. Credit amount cannot exceed amount necessary to make project feasible.	\$30M	6.30.28
<b>South Carolina Housing Tax Credit</b>	Credit available for projects that use tax-exempt bonds and federal 4% LIHTC. Projects using 9% LIHTC can also apply and make case for credit need.	Equal to federal LIHTC credit received	12.31.30
<b>Tennessee Rural and Workforce Housing Tax Credit</b>	Credit available for projects receiving federal LIHTC, amount allocated determined by administering agency.	Amount authorized by a joint resolution of the General Assembly	Subject to appropriation
<b>Texas State Low-Income Housing Tax Credit</b>	Credit available to projects receiving federal LIHTC, equal to up to the amount of federal LIHTC received. Cannot exceed amount necessary to make project feasible.	\$25M + any carryover from previous year	12.31.29
<b>Utah Housing Credit</b>	Credit available to projects receiving federal LIHTC. Credit amount is determined by administering agency.	\$10M	12.31.28, Undergoes review every three years starting in 2026. <sup>26</sup>
<b>Vermont Affordable Housing Tax Credit</b>	Credit for donors making contributions to an affordable housing project. Credit amount is determined by the administering agency up to 25% of the qualified basis of the project.	\$4M	No sunset identified
<b>Virginia Housing Opportunity Tax Credit</b>	Credit available to projects receiving federal LIHTC, equal to up to the amount of the federal LIHTC received.	\$68M annually 2026-2030	1.1.31
<b>Wisconsin State Housing Tax Credit</b>	Credit available to projects receiving the federal 4% LIHTC. Credit amount is determined by administering agency.	\$42M	No sunset identified
<b>Source:</b> Derived from Novogradac <a href="https://www.novoco.com/resource-centers/affordable-housing-tax-credits/state-lihtc-program-descriptions">https://www.novoco.com/resource-centers/affordable-housing-tax-credits/state-lihtc-program-descriptions</a> , supplemented with information from state government websites.			

<sup>26</sup> Statute also provides that Utah's Revenue and Taxation Interim Committee shall review the tax credit starting in 2026 and every three years thereafter, consider recommendations from the administering agency, and recommend any legislative action. <https://law.iustia.com/codes/utah/title-59/chapter-7/part-6/section-607/>