



## State Housing Tax Credit Program and Contribution Fund Frequently Asked Questions

Last Updated: December 15, 2025

The Minnesota Housing Tax Credit Contribution Account was established by the Minnesota Legislature in 2022, pursuant to [Minnesota Statute 462A.40](#) and [Minn. Stat. 290.0683](#). Minnesota Housing named this program the State Housing Tax Credit (SHTC) Program and Contribution Fund.

The information in this Frequently Asked Questions (FAQ) document is supplementary to the [SHTC Program and Contribution Fund Program Guide](#) (Program Guide) and any loan documents between Minnesota Housing and a Recipient. In the event of any conflicts between the information in this document and the Program Guide and/or loan documents, the information in the Program Guide and/or loan documents will govern and control.

Any capitalized terms which are not otherwise defined in this FAQ have the meaning assigned in the Program Guide.

Minnesota Housing cannot give tax advice. Contributors, Designees, Recipients, and Applicants are encouraged to consult with a knowledgeable tax professional.

## State Housing Tax Credit Contribution Fund Information

- Q1. When a taxpayer submits an application for a Tax Credit Certificate (TCC), are the requested tax credits reserved for that taxpayer?**
- A1. When a taxpayer submits a State Housing Tax Credit Contribution Application, the tax credits, if available, are reserved pending review of the application and receipt of the signed documents and funds. The documents and funds must be received within the timeframe specified by Minnesota Housing in the payment instructions. If the documents or funds are not received within the specified timeframe, the tax credits may be allocated to other applicants.
- Q2. Can a taxpayer make a Designated Contribution to a Qualified Project that isn't funded by Minnesota Housing?**
- A2. Yes. Qualified Projects do not need other Minnesota Housing funding to receive Designated Contributions from the SHTC Program. The project and Recipient must meet all requirements in the Program Guide and submit all due diligence checklist items to receive the Designated Contribution.
- Q3. Who is eligible to make a contribution?**
- A3. Minnesota taxpayers are eligible to contribute to the fund as allowed in [Minn. Stat. 290.0683](#). The term "taxpayer" means any person or corporation subject to a tax imposed by [Minn. Stat., Chapter 290](#), and any insurance company, association, surplus lines broker, insured, or any other person or entity required to pay any amount due under [Minn. Stat., Chapter 297I](#).
- Q4. What is the process to apply for a tax credit certificate?**
- A4. The contribution process is as follows:
- Complete the State Housing Tax Credit Contribution Application: Eligible taxpayers complete and submit the online application which, while open, can be found on Minnesota Housing's [Support Housing and Qualify for a Tax Credit](#) webpage. Applicants will *not* receive an automated confirmation email upon submission.
  - Application Review by Minnesota Housing: Minnesota Housing staff reviews the application. If the application is accepted, the Applicant will receive an email via DocuSign, typically within 10 business days, with a document to electronically sign and payment instructions. If the application is not accepted, Minnesota Housing staff will notify the Applicant.
  - Submit Signed Document and Contribution: To secure tax credits, the Applicant must return the signed document and full payment *within the timeframe specified* in the DocuSign email. Failure to do so may result in withdrawal of the application.

- Issuance of Tax Credit Certificate: Once Minnesota Housing receives the signed document and funds, the tax credit certificate will be issued within 30 days.

Minnesota Housing may, at its sole discretion, decline to issue a tax credit certificate and return any contribution, if applicable. Contributions may be declined for such reasons as:

- Failure to provide all required information on the tax credit certificate application and taxpayer certification;
- Data errors that cannot be resolved with the taxpayer and/or the DOR; or
- Insufficient credits to match the contribution. Contributions made to the account are irrevocable.

**Q5. What information is required to submit an online application?**

A5. A PDF version of the State Housing Tax Credit Contribution Application can be found on our [State Housing Tax Credit Program and Contribution Fund](#) webpage, and outlines the information required. Note that this version is for reference purposes only; the application information must be submitted through the online application while it is open.

**Q6. How much can a taxpayer contribute?**

A6. A taxpayer may contribute a minimum of \$1,000 and up to a maximum of \$2 million per taxable year.

**Q7. Can a taxpayer contribute more than once in a year?**

A7. Yes. A taxpayer can make multiple contributions within the same calendar year, but the total may not exceed \$2 million per the taxpayer's taxable year.

**Q8. Will everyone who applies for a Tax Credit Certificate receive one?**

A8. Each calendar year, \$9.9 million in state housing tax credits are available. Tax credits are available on a first-come, first-served basis. If there are not sufficient credits available, Minnesota Housing cannot issue a Tax Credit Certificate and must return any contribution (or portion of a contribution) for which credits are not available.

**Q9. If Minnesota Housing does not issue \$9,900,000 in Tax Credit Certificates in a calendar year, can certificates for the remaining tax credits be issued in the following year?**

A9. No. Unused tax credits do not carry into the next year.

**Q10. Can nonresidents and part-year residents receive a Tax Credit Certificate?**

A10. Yes. The credit must be allocated based on the percentages calculated under [Minn. Stat. 290.06, subdivision 2c\(e\)](#).

- Q11. If a pass-through entity makes a contribution, will Tax Credit Certificates be issued to each of the partners, members, or shareholders showing the amount of tax credits allocated to them?**
- A11. No. Only one Tax Credit Certificate will be issued. When that entity files its Minnesota tax return, the credit will be reported to the owners on the appropriate schedule. See [Minn. Stat. 290.0683, subd. 4.](#)
- Q12. The program offers a tax credit against a taxpayers Minnesota tax liability equal to 85% of the amount contributed. Can the 15% of the contribution that does not receive a Tax Credit Certificate be claimed as a deduction?**
- A12. Minnesota Housing is not aware of a specific Minnesota modification allowing the deduction to be claimed on a Minnesota state tax return. For federal rules and regulations, the taxpayer must consult with representatives from the Internal Revenue Service (IRS) or its tax advisor(s) for more information regarding federal law and the deductibility of contributions on federal tax filings. Minnesota Housing cannot provide tax advice and recommends consulting with a knowledgeable tax professional.
- Q13. When does the taxpayer claim the state housing tax credit on their Minnesota tax return?**
- A13. The tax credit must be claimed by the taxpayer for the taxable year that the contribution is received into the account. More information about the state housing tax credit can be found in [Minn. Stat. 290.0683](#) and on the Minnesota Department of Revenue's [State Housing Tax Credit](#) webpage.
- Q14. What if a taxpayer contributes more than their Minnesota state tax liability for the tax year?**
- A14. If the amount of the state housing tax credit exceeds the taxpayer's state tax liability, the excess is a credit carryover to each of the 10 succeeding taxable years. The entire amount of the excess unused state housing tax credit for the taxable year must be carried first to the earliest of the taxable years to which the credit may be carried, and then to each successive year to which the credit may be carried. The amount of the unused credit may not exceed the taxpayer's tax liability, less any credit for the current taxable year. For more information, refer to [Minn. Stat. 290.0683](#) and the Minnesota Department of Revenue's [State Housing Tax Credit](#) webpage.
- Q15. Can a taxpayer request their contribution be used to fund a specific project?**
- A15. The taxpayer may select to designate their contribution to a specific Qualified Project when they submit their State Housing Tax Credit Contribution Application. This is called a Designated Contribution to a Qualified Project. Note that this is not a guarantee that the project qualifies

for funding, or that all designated funds will go toward that project. See section 2.01 of the Program Guide for more information.

**Q16. What information needs to be provided in the State Housing Tax Credit Contribution Application when making a Designated Contribution to a specific Qualified Project?**

A16. To make a Designated Contribution, the State Housing Tax Credit Contribution Application must include (in the Contribution Information section):

- Name of the project
- Type of project (homeownership or rental)
- Developer/owner/administrator name and contact information

Contributors may add additional project information such as a description of the project, the project registration number, the project address, or geographic area of the project if the address hasn't been identified yet.

**Q17. Does Minnesota Housing have a list of Qualified Projects that are approved to receive Designated Contributions?**

A17. No, Minnesota Housing does not pre-approve projects to receive State Housing Tax Credit Program funds at the time of contribution.

**Q18. Will Designated Contributions be returned to the taxpayer if the project they designate is not built or is not funded?**

A18. No. Contributions are irrevocable. The Designated Contribution funds will be added to the General Contribution Pool and used to fund eligible projects throughout Minnesota.

**Q19. Can a taxpayer designate their contributed funds to be used in a specific geographic area, or for a certain kind of project?**

A19. No. Applicants may indicate that their contribution is for a specific Qualified Project or the General Contribution Pool only. Taxpayers cannot designate funds for a specific geographic area or specific use.

**Q20. Can a taxpayer decide what kind of funding their contribution provides to the Recipient?**

A20. No. The loan terms will depend on the type of project and other sources of funding or resources available to the project and will be agreed upon by Minnesota Housing and the Recipient. See section 4.02 of the Program Guide for more information.

## State Housing Tax Credit Program Information

**Q21. Are there income limits for households that rent or purchase a unit that has funding from the SHTC Program?**

A21. Yes. The income limit for homeownership units is 115% of area median income (AMI), as determined by the U.S. Department of Housing and Urban Development (HUD), and 80% of AMI for rental units. Please note that if SHTC Program funds are awarded through a Minnesota Housing RFP other than the SHTC Contribution Program RFP, additional restrictions may apply.

**Q22. What is a Qualified Project?**

A22. A project that meets all requirements of the SHTC Contribution Program (including, but not limited to, threshold criteria, submitted supporting documentation to the satisfaction of Minnesota Housing, and all laws applicable to said program), and is reasonably expected to close in the next 24 months.

**Q23. What does it mean to register a project?**

A23. Project registration informs Minnesota Housing of a developer/owner/administrator's intent to solicit Designated Contributions through the SHTC Program for a specific Qualified Project. Project registration is not required. Registering your project does not guarantee that the project is a Qualified Project or that the Designee is an eligible Recipient under the SHTC Contribution Program. After receiving a request to register a project, Minnesota Housing will reach out the requester to set up technical assistance meeting and, once registration is completed, provide a registration letter.

Developers/owners/administrators may share the registration letter with prospective contributors. To learn more about registering a project, visit the [State Housing Tax Credit Program and Contribution Fund](#) webpage.

**Q24. What is the General Contribution Pool?**

A24. Contributions that are not designated for (or are not able to be used by) specified Qualified Projects will be added to the General Contribution Pool. Funds in the General Contribution Pool will be made available through one or more Request for Proposals (RFP) processes. See Chapters 4 and 5 in the Program Guide for more information about the General Contribution Pool.

**Q25. How will the funds be used?**

A25. Funds will be used to develop and preserve affordable housing throughout Minnesota. See section 3.02 of the Program Guide for more information on eligible uses of SHTC Contribution Program funds.

Awarding of funds will be at Minnesota Housing's sole discretion.

**Q26. Why is funding only offered as a loan and not a grant?**

A26. Loans provide flexibility for projects with different financial structures and funding sources, simplify and streamline the development and application process, and reduce the complexity of post-selection due diligence and long-term compliance and monitoring requirements.

**Q27. What are the loan terms?**

A27. Minnesota Housing expects awards and distributions to be generally provided in the form of a 0% or low-interest loan with up to a 30-year term. The loan terms and interest rate may be adjusted to allow these funds to be utilized with other sources of funding. Loans may be deferred or forgivable, at Minnesota Housing's discretion.

**Q28. How does a Designee request funds that have been designated for their Qualified Project?**

A28. Using the information submitted by the taxpayer that provided the Designated Contribution, Minnesota Housing will notify Designees when a Designated Contribution is made for their project. The Designee must submit due diligence items outlined in the due diligence checklist. This includes information confirming that the project qualifies for funding under the program, confirmation that the Designee is eligible to receive the funds and is not a Disqualified Individual or a Disqualified Business, and any other necessary due diligence items required to close on the loan. The Designee must enter into a Loan Agreement within 24 months of Minnesota Housing's receipt of the Designated Contribution.

Funds will be disbursed according to the process outlined in Chapter 7 of the Program Guide.

## **Eligible Recipients and Uses**

**Q29. If construction financing for a project has closed, can a Designated Contribution be used to replace a portion of the construction financing or the permanent financing?**

A29. A Designated Contribution to a Qualified Project may be used to fund any of the eligible uses listed in section 3.02 of the Program Guide. Designees will need to work with their assigned underwriter if the project has other sources of funding from Minnesota Housing and obtain any required modifications and approvals from all other lenders involved prior to the SHTC loan closing. The project must meet all requirements in the Program Guide and complete all due diligence items.

**Q30. What is an eligible Recipient?**

A30. Minnesota Housing may award loans to:

- A city as defined in [Minn. Stat. 462A.03, subd. 21](#)

- A federally recognized American Indian Tribe or subdivision located in Minnesota
- A Tribal housing corporation
- A private developer
- A nonprofit organization
- A housing and redevelopment authority under [Minn. Stat. 469.001-469.047](#)
- A public housing authority or agency authorized by law to exercise any of the powers granted by [Minn. Stat. 469.001-469.047](#)
- The owner of the housing

**Q31. Who cannot receive an award or Designated Contribution?**

A31. An award will not be provided to Disqualified Individuals, as defined in [Minn. Stat. 462A.40, subd. 3\(b\)](#), or Disqualified Businesses, as defined in [Minn. Stat. 462A.40, subd. 3\(c\)](#). Before applying, all recipients must sign a disclosure that the disqualifications do not apply.

A Disqualified Individual is:

- An individual who made, or whose Immediate Family Member made, a contribution to the account in the current or prior taxable year and received a tax credit certificate; or
- An individual who owns, or whose Immediate Family Member owns, the housing for which the loan will be used; or
- An individual who meets the following criteria:
  - The individual is an officer or principal of a business entity; and
  - That business entity made a contribution to the account in the current or previous taxable year and received a tax credit certificate; or
- An individual who meets the following criteria:
  - The individual directly owns, controls, or holds the power to vote 20% or more of the outstanding securities of a business entity; and
  - That business entity made a contribution to the account in the current or previous taxable year and received a tax credit certificate.

Immediate Family Member means: the taxpayer's spouse, parent or parent's spouse, sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint return, the limitations apply collectively to the taxpayer and spouse.

A Disqualified Business is:

- A business entity that made a contribution to the account in the current or prior taxable year and received a tax credit certificate; or
- A business entity that has an officer or principal who is an individual who made a contribution to the account in the current or previous taxable year and received a tax credit certificate; or
- A business entity that meets the following criteria:

- The business entity is directly owned, controlled, or is subject to the power to vote 20% or more of the outstanding securities by an individual or business entity; and
- That controlling individual or business entity made a contribution to the account in the current or previous taxable year and received a tax credit certificate.

Minnesota Housing cannot give tax advice. Contributors, Designees, and Applicants are encouraged to consult with a knowledgeable tax professional.

**Q32. If I or my business contribute to the fund and receive a Tax Credit Certificate, am I or my business allowed to apply for funding through the program?**

A32. An individual and/or business entity that made a contribution and received a Tax Credit Certificate in the current or prior taxable year would be disqualified from applying for funding through the program. Both individual and business entity contributors should be aware that their contributions may also make other individuals and/or business entities Disqualified Individuals or Disqualified Businesses.

Disqualification depends on the ownership, control, or voting power held by these individuals and/or business entities, whether individually or in combination with certain family members. Refer to the definitions of Disqualified Individuals and Disqualified Businesses outlined in [Minn. Stat. 462A.40, subd. 3\(b\)](#) and [Minn. Stat. 462A.40, subd. 3\(c\)](#) for more information.

**Q33. What are eligible uses?**

A33. Multifamily and single-family housing developments for households of low and moderate income are allowable uses of funds. This may include:

- Gap financing as defined in [Minn. Stat. 462A.33, subd. 1](#)
- New construction
- Acquisition
- Rehabilitation
- Demolition or removal of existing structures (in conjunction with new unit development or rehabilitation; not a standalone use)
- Construction financing
- Permanent financing

Note that occupancy requirements and other restrictions apply. See section 3.03 of the Program Guide for more information.

## Contact Information

**Q34. Where should I direct questions regarding issuance of Tax Credit Certificates and program questions?**

- A34. You can reach out via email to [statehtc.mhfa@state.mn.us](mailto:statehtc.mhfa@state.mn.us), or by phone at 651.297.3121. You can also send questions via mail to:

Minnesota Housing Finance Agency (Minnesota Housing)  
400 Wabasha St. N.  
Suite 400  
St. Paul, MN 55102

**Q35. Where should I direct questions related to claiming the state housing tax credit?**

- A35. You can reach out via email to [businessincome.tax@state.mn.us](mailto:businessincome.tax@state.mn.us), or by phone at 651.556.3075 with questions regarding claiming the state housing tax credit as it relates to **corporations, partnerships, and fiduciaries.**

You can reach out via email to [individual.incometax@state.mn.us](mailto:individual.incometax@state.mn.us), or by phone at 651.296.3781 or 1.800.652.9094 with questions regarding claiming the state housing tax credit as it relates to **individuals.**

You can reach out via email to [insurance.taxes@state.mn.us](mailto:insurance.taxes@state.mn.us), or by phone at 651.556.3024 with questions regarding claiming the state housing tax credit as it relates to **insurance taxes.**

All questions regarding claiming the state housing tax credit can be sent via mail to:

Minnesota Department of Revenue Mail Station 5510  
600 N. Robert St.  
St. Paul, MN 55146