	Low Income Housing Tax Credit Program (LIHTC)	Poverty Reduction Tax Credit Program (PRTC)
Purpose	The Low Income Tax Credit program (LIHTC) was intended as a means of encouraging the construction of high quality housing that would be affordable to low income households.	The Poverty Reduction Tax Credit program (PRTC) is proposed as a means of encouraging the development and implementation of programs that will provide training and long-term support to individuals to assist them in working their way out of poverty.
Formula	The LIHTC program can allow federal tax credits to be issued to a project that are equal to 90% or more of the eligible basis portion of a project's total cost. One tenth of these credits will be issued to the project each year over ten years.	The PRTC program would issue federal tax credits over ten years to a project that are equal to 25% of the net total of the change in income earned by each of the project's low-income clients over a six-year period.
Investment in Program	Investors pay money into a project in return for the reduction in their income taxes resulting from the project's tax credits.	Same as in LIHTC
Time Period	Credits are committed over a ten-year time period but some or all can be recaptured in the event of project non-compliance over a much longer time period.	Credits would be committed over a ten-year time period but can only be claimed to the extent earned by the project at the rate of 25% of increased income by its clients.
Client Eligibility	A household's income must be at or below 60% of the area gross median income at time of client's application in order to be eligible for the program.	Same as in LIHTC
Qualified Census Tracts	The eligible basis used in the above formula shall be increased by 30% if the project is located in a qualified census tract as designated by HUD.	The above formula shall be increased by 30% for each person that the project is serving from a qualified census tract as designated by HUD. That is, the 25% shall be increased to 32.5% for serving these particular persons.
State Credit Ceiling	In 2023 the federal LIHTC credits allocated to each state shall be the greater of $2.75 multiplied by the state population or $3,185,000, with an inflation adjustment for each year after 2023.	Same as in LIHTC
Project Selection	Local projects within each state are selected by that state to receive federal credits in accordance with that state's Qualified Allocation Plan.	Same as in LIHTC
Recapture of Credits	A taxpayer's tax shall be increased for both the current taxable year and, in some cases, for prior years, if the project's commitments regarding building completion and qualification of the project's residents, as well as other LIHTC regulations, become out of compliance during the compliance period.	A taxpayer's tax shall be increased for both the current taxable year and, in some cases, for prior years if an audit by either an independent CPA or by the state agency shows that the total of credits claimed is incorrect due to errors in calculation of earned income by the project's clients or due to the project's serving ineligible clients.
Allocation of Unused Credits	Unused credit carryover of a state for any calendar year shall be assigned to the Treasury Secretary for allocation to other qualified states.	Same as in LIHTC
Independent Monitoring	The project is subject to annual audits by a CPA as well as inspections at key points in a project's life by the appropriate state agency with resultant reports going to the IRS and the state agency.	Same as in LIHTC

View diagram of tax credit comparison