UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2006

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to ___________

Commission File Number: 0-19022

Gateway Tax Credit Fund II Ltd.
(Exact name of Registrant as specified in its charter)

Florida	65-0142704
(State or other jurisdiction of incorporation or organization)	(IRS Employer No.)

880 Carillon Parkway, St. Petersburg, Florida	33716
(Address of principal executive offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (727) 567-1000

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO _______

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

PART I - Financial Information

Item 1. Financial Statements:

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS

SERIES 2	September 30, 2006 (Unaudited)	March 31, 2006 (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 151,735	$ 250,529
Investments in Securities	126,583	66,276
Total Current Assets	278,318	316,805
Investments in Project Partnerships, Net	0	0
Total Assets	$ 278,318	$ 316,805
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	$ 49,155	$ 48,304
Other Payable	0	8,030
Total Current Liabilities	49,155	56,334
Long-Term Liabilities:		
Payable to General Partners	632,942	599,253
Partners' Equity (Deficit):		
Assignor Limited Partner		
Units of limited partnership interest consisting of 40,000 authorized BAC's, of which 6,136 at September 30, 2006 and March 31, 2006 have been issued to the assignees		
Assignees		
Units of beneficial interest of the limited partnership interest of the assignor limited partner, $1,000 stated value per BAC, 6,136 at September 30, 2006 and March 31, 2006, issued and outstanding	(345,942)	(281,595)
General Partners	(57,837)	(57,187)
Total Partners' (Deficit)	(403,779)	(338,782)
Total Liabilities and Partners' (Deficit)	$ 278,318	$ 316,805

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS

SERIES 3	September 30, 2006 (Unaudited)	March 31, 2006 (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 134,240	$ 236,035
Investments in Securities	126,583	58,952
Total Current Assets	260,823	294,987
Investments in Project Partnerships, Net	0	0
Total Assets	$ 260,823	$ 294,987
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	$ 51,958	$ 52,905
Other Payable	0	7,300
Total Current Liabilities	51,958	60,205
Long-Term Liabilities:		
Payable to General Partners	524,384	493,156
Partners' Equity (Deficit):		
Assignor Limited Partner		
Units of limited partnership interest consisting of 40,000 authorized BAC's, of which 5,456 at September 30, 2006 and March 31, 2006 have been issued to the assignees		
Assignees		
Units of beneficial interest of the limited partnership interest of the assignor limited partner, $1,000 stated value per BAC, 5,456 at September 30, 2006 and March 31, 2006, issued and outstanding	(264,549)	(207,975)
General Partners	(50,970)	(50,399)
Total Partners'(Deficit)	(315,519)	(258,374)
Total Liabilities and Partners' (Deficit)	$ 260,823	$ 294,987

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS

SERIES 4	September 30, 2006 (Unaudited)	March 31, 2006 (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 177,519	$ 322,204
Investments in Securities	177,414	74,685
Total Current Assets	354,933	396,889
Investments in Project Partnerships, Net	0	0
Total Assets	$ 354,933	$ 396,889
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	$ 58,095	$ 59,221
Other Payable	0	8,030
Total Current Liabilities	58,095	67,251
Long-Term Liabilities:		
Payable to General Partners	685,902	647,438
Partners' Equity (Deficit):		
Assignor Limited Partner Units of limited partnership interest consisting of 40,000 authorized BAC's, of which 6,915 at September 30, 2006 and March 31, 2006 have been issued to the assignees		
Assignees Units of beneficial interest of the limited partnership interest of the assignor limited partner, $1,000 stated value per BAC, 6,915 at September 30, 2006 and March 31, 2006, issued and outstanding	(324,518)	(253,967)
General Partners	(64,546)	(63,833)
Total Partners'(Deficit)	(389,064)	(317,800)
Total Liabilities and Partners' (Deficit)	$ 354,933	$ 396,889

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS

SERIES 5	September 30, 2006 (Unaudited)	March 31, 2006 (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 215,980	$ 262,439
Accounts Receivable - Other	0	912
Investments in Securities	100,669	93,086
Total Current Assets	316,649	356,437
Investments in Project Partnerships, Net	139,633	151,630
Total Assets	$ 456,282	$ 508,067
LIABILITIES AND PARTNERS’ EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	$ 76,209	$ 77,770
Other Payable	0	3,650
Total Current Liabilities	76,209	81,420
Long-Term Liabilities:		
Payable to General Partners	557,769	511,577
Partners’ Equity (Deficit):		
Assignor Limited Partner		
Units of limited partnership interest consisting of 40,000 authorized BAC’s, of which 8,616 at September 30, 2006 and March 31, 2006 have been issued to the assignees		
Assignees		
Units of beneficial interest of the limited partnership interest of the assignor limited partner, $1,000 stated value per BAC, 8,616 at September 30, 2006 and March 31, 2006, issued and outstanding	(174,680)	(82,842)
General Partners	(3,016)	(2,088)
Total Partners’ Equity (Deficit)	(177,696)	(84,930)
Total Liabilities and Partners’ Equity (Deficit)	$ 456,282	$ 508,067

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS

SERIES 6	September 30, 2006 (Unaudited)	March 31, 2006 (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 150,270	$ 463,580
Investments in Securities	359,406	78,370
Total Current Assets	509,676	541,950
Investments in Project Partnerships, Net	363,025	372,285
Total Assets	$ 872,701	$ 914,235
LIABILITIES AND PARTNERS' EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	$ 72,778	$ 73,971
Distribution Payable	46	46
Total Current Liabilities	72,824	74,017
Long-Term Liabilities:		
Payable to General Partners	888,621	838,056
Partners' Equity (Deficit):		
Assignor Limited Partner		
Units of limited partnership interest consisting of 40,000 authorized BAC's, of which 10,105 at September 30, 2006 and March 31, 2006 have been issued to the assignees		
Assignees		
Units of beneficial interest of the limited partnership interest of the assignor limited partner, $1,000 stated value per BAC, 10,105 at September 30, 2006 and March 31, 2006, issued and outstanding	(87,835)	2,162
General Partners	(909)	0
Total Partners' Equity (Deficit)	(88,744)	2,162
Total Liabilities and Partners' Equity (Deficit)	$ 872,701	$ 914,235

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
BALANCE SHEETS

TOTAL SERIES 2 – 6	September 30, 2006 (Unaudited)	March 31, 2006 (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 829,744	$1,534,787
Accounts Receivable - Other	0	912
Investments in Securities	890,655	371,369
Total Current Assets	1,720,399	1,907,068
Investments in Project Partnerships, Net	502,658	523,915
Total Assets	$2,223,057	$2,430,983
LIABILITIES AND PARTNERS’ EQUITY (Deficit)		
Current Liabilities:		
Payable to General Partners	$ 308,195	$ 312,171
Distribution Payable	46	46
Other Payable	0	27,010
Total Current Liabilities	308,241	339,227
Long-Term Liabilities:		
Payable to General Partners	3,289,618	3,089,480
Partners’ Equity (Deficit):		
Assignor Limited Partner		
Units of limited partnership interest consisting of 40,000 authorized BAC’s, of which 37,228 at September 30, 2006 and March 31, 2006 have been issued to the assignees		
Assignees		
Units of beneficial interest of the limited partnership interest of the assignor limited partner, $1,000 stated value per BAC, 37,228 at September 30, 2006 and March 31, 2006, issued and outstanding	(1,197,524)	(824,217)
General Partners	(177,278)	(173,507)
Total Partners’ Equity (Deficit)	(1,374,802)	(997,724)
Total Liabilities and Partners’ Equity (Deficit)	$2,223,057	$2,430,983

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 2	2006	2005
Revenues:		
Distribution Income	$ 1,237	$ 1,237
Total Revenues	1,237	1,237
Expenses:		
Asset Management Fee-General Partner	16,845	16,902
General and Administrative:		
General Partner	22,350	11,903
Other	10,085	10,270
Amortization	0	174
Total Expenses	49,280	39,249
Loss Before Equity in Losses of Project Partnerships and Other Income	(48,043)	(38,012)
Equity in Losses of Project Partnerships	0	(4,694)
Interest Income	4,323	3,312
Net Loss	$ (43,720)	$ (39,394)
Allocation of Net Loss:		
Assignees	$ (43,283)	$ (39,000)
General Partners	(437)	(394)
	$ (43,720)	$ (39,394)
Net Loss Per Beneficial Assignee Certificate	$ (7.05)	$ (6.36)
Number of Beneficial Assignee Certificates Outstanding	6,136	6,136

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 3	2006	2005
Revenues:		
Distribution Income	$ 874	$ 4,618
Total Revenues	874	4,618
Expenses:		
Asset Management Fee-General Partner	15,614	15,679
General and Administrative:		
General Partner	18,520	12,444
Other	9,195	12,717
Total Expenses	43,329	40,840
Loss Before Equity in Losses of Project Partnerships and Other Income	(42,455)	(36,222)
Equity in Losses of Project Partnerships	0	0
Interest Income	3,170	3,105
Net Loss	$ (39,285)	$ (33,117)
Allocation of Net Loss:		
Assignees	$ (38,892)	$ (32,786)
General Partners	(393)	(331)
	$ (39,285)	$ (33,117)
Net Loss Per Beneficial Assignee Certificate	$ (7.13)	$ (6.01)
Number of Beneficial Assignee Certificates Outstanding	5,456	5,456

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 4	2006	2005
Revenues:		
Distribution Income	$ 7,370	$ 7,587
Total Revenues	7,370	7,587
Expenses:		
Asset Management Fee-General Partner	19,232	20,551
General and Administrative:		
General Partner	23,350	15,690
Other	10,609	12,075
Total Expenses	53,191	48,316
Loss Before Equity in Losses of Project Partnerships and Other Income	(45,821)	(40,729)
Equity in Losses of Project Partnerships	0	0
Interest Income	4,285	4,053
Net Loss	$ (41,536)	$ (36,676)
Allocation of Net Loss:		
Assignees	$ (41,121)	$ (36,309)
General Partners	(415)	(367)
	$ (41,536)	$ (36,676)
Net Loss Per Beneficial Assignee Certificate	$ (5.95)	$ (5.25)
Number of Beneficial Assignee Certificates Outstanding	6,915	6,915

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 5	2006	2005
Revenues:		
Distribution Income	$ 6,528	$ 4,805
Total Revenues	6,528	4,805
Expenses:		
Asset Management Fee-General Partner	23,096	23,180
General and Administrative:		
General Partner	28,181	19,478
Other	11,464	11,784
Amortization	3,859	501
Total Expenses	66,600	54,943
Loss Before Equity in Income of Project Partnerships and Other Income	(60,072)	(50,138)
Equity in Income of Project Partnerships	828	672
Interest Income	3,727	4,560
Net Loss	$ (55,517)	$ (44,906)
Allocation of Net Loss:		
Assignees	$ (54,962)	$ (44,457)
General Partners	(555)	(449)
	$ (55,517)	$ (44,906)
Net Loss Per Beneficial Assignee Certificate	$ (6.38)	$ (5.16)
Number of Beneficial Assignee Certificates Outstanding	8,616	8,616

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 6	2006	2005
Revenues:		
Distribution Income	$ 7,628	$ 4,677
Total Revenues	7,628	4,677
Expenses:		
Asset Management Fee-General Partner	25,278	26,127
General and Administrative:		
General Partner	29,792	20,560
Other	13,826	9,138
Amortization	9,513	1,241
Total Expenses	78,409	57,066
Loss Before Equity in Income of Project Partnerships and Other Income	(70,781)	(52,389)
Equity in Income of Project Partnerships	13,820	1,803
Interest Income	7,026	6,931
Net Loss	$ (49,935)	$ (43,655)
Allocation of Net Loss:		
Assignees	$ (49,436)	$ (43,219)
General Partners	(499)	(436)
	$ (49,935)	$ (43,655)
Net Loss Per Beneficial Assignee Certificate	$ (4.89)	$ (4.28)
Number of Beneficial Assignee Certificates Outstanding	10,105	10,105

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30,
(Unaudited)

TOTAL SERIES 2 - 6	2006	2005
Revenues:		
Distribution Income	$ 23,637	$ 22,924
Total Revenues	23,637	22,924
Expenses:		
Asset Management Fee-General Partner	100,065	102,439
General and Administrative:		
General Partner	122,193	80,075
Other	55,179	55,984
Amortization	13,372	1,916
Total Expenses	290,809	240,414
Loss Before Equity in Income (Losses) of Project Partnerships and Other Income	(267,172)	(217,490)
Equity in Income (Losses) of Project Partnerships	14,648	(2,219)
Interest Income	22,531	21,961
Net Loss	$ (229,993)	$ (197,748)
Allocation of Net Loss:		
Assignees	$ (227,694)	$ (195,771)
General Partners	(2,299)	(1,977)
	$ (229,993)	$ (197,748)

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 2	2006	2005
Revenues:		
Distribution Income	$ 3,793	$ 3,487
Total Revenues	3,793	3,487
Expenses:		
Asset Management Fee-General Partner	33,690	33,804
General and Administrative:		
General Partner	31,217	22,002
Other	11,431	13,190
Amortization	0	351
Total Expenses	76,338	69,347
Loss Before Equity in Losses of Project Partnerships and Other Income	(72,545)	(65,860)
Equity in Losses of Project Partnerships	0	(13,112)
Interest Income	7,548	5,977
Net Loss	$ (64,997)	$ (72,995)
Allocation of Net Loss:		
Assignees	$ (64,347)	$ (72,265)
General Partners	(650)	(730)
	$ (64,997)	$ (72,995)
Net Loss Per Beneficial Assignee Certificate	$ (10.49)	$ (11.78)
Number of Beneficial Assignee Certificates Outstanding	6,136	6,136

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 3	2006	2005
Revenues:		
Distribution Income	$ 11,814	$ 17,016
Total Revenues	11,814	17,016
Expenses:		
Asset Management Fee-General Partner	31,229	31,358
General and Administrative:		
General Partner	32,637	23,002
Other	11,323	15,609
Total Expenses	75,189	69,969
Loss Before Equity in Losses of Project Partnerships and Other Income	(63,375)	(52,953)
Equity in Losses of Project Partnerships	0	0
Interest Income	6,230	5,553
Net Loss	$ (57,145)	$ (47,400)
Allocation of Net Loss:		
Assignees	$ (56,574)	$ (46,926)
General Partners	(571)	(474)
	$ (57,145)	$ (47,400)
Net Loss Per Beneficial Assignee Certificate	$ (10.37)	$ (8.60)
Number of Beneficial Assignee Certificates Outstanding	5,456	5,456

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 4	2006	2005
Revenues:		
Distribution Income	$ 13,347	$ 12,700
Total Revenues	13,347	12,700
Expenses:		
Asset Management Fee-General Partner	38,464	38,602
General and Administrative:		
General Partner	41,150	29,002
Other	13,347	15,759
Total Expenses	92,961	83,363
Loss Before Equity in Losses of Project Partnerships and Other Income	(79,614)	(70,663)
Equity in Losses of Project Partnerships	0	0
Interest Income	8,350	7,280
Net Loss	$ (71,264)	$ (63,383)
Allocation of Net Loss:		
Assignees	$ (70,551)	$ (62,749)
General Partners	(713)	(634)
	$ (71,264)	$ (63,383)
Net Loss Per Beneficial Assignee Certificate	$ (10.20)	$ (9.07)
Number of Beneficial Assignee Certificates Outstanding	6,915	6,915

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 5	2006	2005
Revenues:		
Distribution Income	$ 19,028	$ 15,981
Total Revenues	19,028	15,981
Expenses:		
Asset Management Fee-General Partner	46,192	46,360
General and Administrative:		
General Partner	49,664	36,003
Other	13,080	16,154
Amortization	7,718	1,002
Total Expenses	116,654	99,519
Loss Before Equity in Losses of Project Partnerships and Other Income	(97,626)	(83,538)
Equity in Losses of Project Partnerships	(2,537)	(1,348)
Interest Income	7,397	8,683
Net Loss	$ (92,766)	$ (76,203)
Allocation of Net Loss:		
Assignees	$ (91,838)	$ (75,441)
General Partners	(928)	(762)
	$ (92,766)	$ (76,203)
Net Loss Per Beneficial Assignee Certificate	$ (10.66)	$ (8.76)
Number of Beneficial Assignee Certificates Outstanding	8,616	8,616

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

SERIES 6	2006	2005
Revenues:		
Distribution Income	$ 21,001	$ 14,867
Total Revenues	21,001	14,867
Expenses:		
Asset Management Fee-General Partner	50,565	52,254
General and Administrative:		
General Partner	52,502	38,003
Other	15,925	13,981
Amortization	19,026	2,767
Total Expenses	138,018	107,005
Loss Before Equity in Income (Losses) of Project Partnerships and Other Income	(117,017)	(92,138)
Equity in Income (Losses) of Project Partnerships	12,741	(106)
Interest Income	13,370	12,147
Net Loss	$ (90,906)	$ (80,097)
Allocation of Net Loss:		
Assignees	$ (89,997)	$ (79,296)
General Partners	(909)	(801)
	$ (90,906)	$ (80,097)
Net Loss Per Beneficial Assignee Certificate	$ (8.91)	$ (7.85)
Number of Beneficial Assignee Certificates Outstanding	10,105	10,105

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)

TOTAL SERIES 2 - 6	2006	2005
Revenues:		
Distribution Income	$ 68,983	$ 64,051
Total Revenues	68,983	64,051
Expenses:		
Asset Management Fee-General Partner	200,140	202,378
General and Administrative:		
General Partner	207,170	148,012
Other	65,106	74,693
Amortization	26,744	4,120
Total Expenses	499,160	429,203
Loss Before Equity in Income (Losses) of Project Partnerships and Other Income	(430,177)	(365,152)
Equity in Income (Losses) of Project Partnerships	10,204	(14,566)
Interest Income	42,895	39,640
Net Loss	$ (377,078)	$ (340,078)
Allocation of Net Loss:		
Assignees	$ (373,307)	$ (336,677)
General Partners	(3,771)	(3,401)
	$ (377,078)	$ (340,078)

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006 AND 2005
(Unaudited)

SERIES 2	Assignees	General Partners	Total
Balance at March 31, 2005	$ (126,760)	$ (55,623)	$ (182,383)
Net Loss	(72,265)	(730)	(72,995)
Balance at September 30, 2005	$ (199,025)	$ (56,353)	$ (255,378)
Balance at March 31, 2006	$ (281,595)	$ (57,187)	$ (338,782)
Net Loss	(64,347)	(650)	(64,997)
Balance at September 30, 2006	$ (345,942)	$ (57,837)	$ (403,779)

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006 AND 2005
(Unaudited)

SERIES 3	Assignees	General Partners	Total
Balance at March 31, 2005	$ (100,780)	$ (49,316)	$ (150,096)
Net Loss	(46,926)	(474)	(47,400)
Balance at September 30, 2005	$ (147,706)	$ (49,790)	$ (197,496)
Balance at March 31, 2006	$ (207,975)	$ (50,399)	$ (258,374)
Net Loss	(56,574)	(571)	(57,145)
Balance at September 30, 2006	$ (264,549)	$ (50,970)	$ (315,519)

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006 AND 2005
(Unaudited)

SERIES 4	Assignees	General Partners	Total
Balance at March 31, 2005	$ (117,046)	$ (62,450)	$ (179,496)
Net Loss	(62,749)	(634)	(63,383)
Balance at September 30, 2005	$ (179,795)	$ (63,084)	$ (242,879)
Balance at March 31, 2006	$ (253,967)	$ (63,833)	$ (317,800)
Net Loss	(70,551)	(713)	(71,264)
Balance at September 30, 2006	$ (324,518)	$ (64,546)	$ (389,064)

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006 AND 2005
(Unaudited)

SERIES 5	Assignees	General Partners	Total
Balance at March 31, 2005	$ 123,860	$ 0	$ 123,860
Net Loss	(75,441)	(762)	(76,203)
Balance at September 30, 2005	$ 48,419	$ (762)	$ 47,657
Balance at March 31, 2006	$ (82,842)	$ (2,088)	$ (84,930)
Net Loss	(91,838)	(928)	(92,766)
Balance at September 30, 2006	$ (174,680)	$ (3,016)	$ (177,696)

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006 AND 2005
(Unaudited)

SERIES 6	Assignees	General Partners	Total
Balance at March 31, 2005	$ 651,535	$ (83,041)	$ 568,494
Net Loss	(79,296)	(801)	(80,097)
Balance at September 30, 2005	$ 572,239	$ (83,842)	$ 488,397
Balance at March 31, 2006	$ 2,162	$ 0	$ 2,162
Net Loss	(89,997)	(909)	(90,906)
Balance at September 30, 2006	$ (87,835)	$ (909)	$ (88,744)

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006 AND 2005
(Unaudited)

TOTAL SERIES 2 - 6	Assignees	General Partners	Total
Balance at March 31, 2005	$ 430,809	$ (250,430)	$ 180,379
Net Loss	(336,677)	(3,401)	(340,078)
Balance at September 30, 2005	$ 94,132	$ (253,831)	$ (159,699)
Balance at March 31, 2006	$ (824,217)	$ (173,507)	$ (997,724)
Net Loss	(373,307)	(3,771)	(377,078)
Balance at September 30, 2006	$(1,197,524)	$ (177,278)	$(1,374,802)

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006 AND 2005
(Unaudited)

SERIES 2	2006	2005
Cash Flows from Operating Activities:		
Net Loss	$ (64,997)	$ (72,995)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	0	351
Accreted Interest Income on Investments in Securities	(1,406)	(2,409)
Equity in Losses of Project Partnerships	0	13,112
Distribution Income	(3,793)	(3,487)
Changes in Operating Assets and Liabilities:		
Increase in Accounts Receivable	0	(1,237)
Increase in Payable to General Partners	34,540	39,858
Decrease in Other Payable	(8,030)	0
Net Cash Used in Operating Activities	(43,686)	(26,807)
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	3,793	3,487
Redemption of Investment in Securities	66,276	63,562
Investment in Securities	(125,177)	0
Net Cash (Used in) Provided by Investing Activities	(55,108)	67,049
(Decrease) Increase in Cash and Cash Equivalents	(98,794)	40,242
Cash and Cash Equivalents at Beginning of Year	250,529	235,004
Cash and Cash Equivalents at End of Period	$ 151,735	$ 275,246

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006 AND 2005
(Unaudited)

SERIES 3	2006	2005
Cash Flows from Operating Activities:		
Net Loss	$ (57,145)	$ (47,400)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Accreted Interest Income on Investments in Securities	(1,406)	(2,143)
Distribution Income	(11,814)	(17,016)
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	30,281	39,157
(Decrease) Increase in Other Payable	(7,300)	1,237
Net Cash Used in Operating Activities	(47,384)	(26,165)
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	11,814	17,016
Redemption of Investment in Securities	58,952	56,537
Investment in Securities	(125,177)	0
Net Cash (Used in) Provided by Investing Activities	(54,411)	73,553
(Decrease) Increase in Cash and Cash Equivalents	(101,795)	47,388
Cash and Cash Equivalents at Beginning of Year	236,035	218,547
Cash and Cash Equivalents at End of Period	$ 134,240	$ 265,935

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006 AND 2005
(Unaudited)

SERIES 4	2006	2005
Cash Flows from Operating Activities:		
Net Loss	$ (71,264)	$ (63,383)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Accreted Interest Income on Investments in Securities	(1,970)	(2,714)
Distribution Income	(13,347)	(12,700)
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	37,338	45,043
Decrease in Other Payable	(8,030)	0
Net Cash Used in Operating Activities	(57,273)	(33,754)
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	13,347	12,700
Redemption of Investment in Securities	74,685	71,627
Investment in Securities	(175,444)	0
Net Cash (Used in) Provided by Investing Activities	(87,412)	84,327
(Decrease) Increase in Cash and Cash Equivalents	(144,685)	50,573
Cash and Cash Equivalents at Beginning of Year	322,204	304,447
Cash and Cash Equivalents at End of Period	$ 177,519	$ 355,020

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006 AND 2005
(Unaudited)

SERIES 5	2006	2005
Cash Flows from Operating Activities:		
Net Loss	$ (92,766)	$ (76,203)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	7,718	1,002
Accreted Interest Income on Investments in Securities	(1,118)	(3,383)
Equity in Losses of Project Partnerships	2,537	1,348
Distribution Income	(19,028)	(15,981)
Changes in Operating Assets and Liabilities:		
Decrease in Accounts Receivable - Other	912	0
Increase in Payable to General Partners	44,631	51,189
Decrease in Other Payable	(3,650)	(700)
Net Cash Used in Operating Activities	(60,764)	(42,728)
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	20,770	15,981
Redemption of Investment in Securities	93,086	89,273
Investment in Securities	(99,551)	0
Net Cash Provided by Investing Activities	14,305	105,254
(Decrease) Increase in Cash and Cash Equivalents	(46,459)	62,526
Cash and Cash Equivalents at Beginning of Year	262,439	238,360
Cash and Cash Equivalents at End of Period	$ 215,980	$ 300,886

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006 AND 2005
(Unaudited)

SERIES 6	2006	2005
Cash Flows from Operating Activities:		
Net Loss	$ (90,906)	$ (80,097)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	19,026	2,767
Accreted Interest Income on Investments in Securities	(6,045)	(5,525)
Equity in (Income) Losses of Project Partnerships	(12,741)	106
Distribution Income	(21,001)	(14,867)
Changes in Operating Assets and Liabilities:		
Decrease in Accounts Receivable - Other	0	700
Increase in Payable to General Partners	49,372	53,851
Decrease in Other Payable	0	(500)
Net Cash Used In Operating Activities	(62,295)	(43,565)
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	23,976	15,790
Investment in Securities	(274,991)	0
Net Cash (Used in) Provided by Investing Activities	(251,015)	15,790
Decrease in Cash and Cash Equivalents	(313,310)	(27,775)
Cash and Cash Equivalents at Beginning of Year	463,580	444,751
Cash and Cash Equivalents at End of Period	$ 150,270	$ 416,976

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND II LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006 AND 2005
(Unaudited)

TOTAL SERIES 2 – 6	2006	2005
Cash Flows from Operating Activities:		
Net Loss	$ (377,078)	$ (340,078)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	26,744	4,120
Accreted Interest Income on Investments in Securities	(11,945)	(16,174)
Equity in (Income) Losses of Project Partnerships	(10,204)	14,566
Distribution Income	(68,983)	(64,051)
Changes in Operating Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable – Other	912	(537)
Increase in Payable to General Partners	196,162	229,098
(Decrease) Increase in Other Payable	(27,010)	37
Net Cash Used in Operating Activities	(271,402)	(173,019)
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	73,700	64,974
Redemption of Investment in Securities	292,999	280,999
Investment in Securities	(800,340)	0
Net Cash (Used in) Provided by Investing Activities	(433,641)	345,973
(Decrease) Increase in Cash and Cash Equivalents	(705,043)	172,954
Cash and Cash Equivalents at Beginning of Year	1,534,787	1,441,109
Cash and Cash Equivalents at End of Period	$ 829,744	$1,614,063

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
(Unaudited)
SEPTEMBER 30, 2006

NOTE 1 - ORGANIZATION:

Gateway Tax Credit Fund II Ltd. ("Gateway" or “Partnership”), a Florida Limited Partnership, was formed September 12, 1989, under the laws of Florida. Operations commenced on September 14, 1990 for Series 2, September 28, 1990 for Series 3, February 1, 1991 for Series 4, July 1, 1991 for Series 5 and January 1, 1992 for Series 6. Gateway has invested, as a limited partner, in other limited partnerships ("Project Partnerships") each of which owns and operates one or more apartment complexes expected to qualify for Low-Income Housing Tax Credits. Gateway will terminate on December 31, 2040, or sooner, in accordance with the terms of the Limited Partnership Agreement. As of September 30, 2006, Gateway had received capital contributions of $1,000 from the General Partners and $37,228,000 from Beneficial Assignee Certificate investors (the "Assignees"). The fiscal year of Gateway for reporting purposes ends on March 31.

Pursuant to the Securities Act of 1933, Gateway filed a Form S-11 Registration Statement with the Securities and Exchange Commission, effective September 12, 1989, which covered the offering (the "Public Offering") of Gateway’s Beneficial Assignee Certificates ("BACs") representing assignments of units for the beneficial interest of the limited partnership interest of the Assignor Limited Partner. The Assignor Limited Partner was formed for the purpose of serving in that capacity for the Fund and will not engage in any other business.

Raymond James Partners, Inc. and Raymond James Tax Credit Funds, Inc., wholly-owned subsidiaries of Raymond James Financial, Inc., are the General Partner and the Managing General Partner, respectively.

Gateway offered BACs in five series. BACs in the amounts of $6,136,000, $5,456,000, $6,915,000, $8,616,000 and $10,105,000 for Series 2, 3, 4, 5 and 6, respectively had been issued as of September 30, 2006. Each Series is treated as a separate partnership, investing in a separate and distinct pool of Project Partnerships. Net proceeds from each Series are used to acquire Project Partnerships which are specifically allocated to such Series. Income or loss and all tax items from the Project Partnerships acquired by each Series are specifically allocated among the Assignees of such Series.

Operating profits and losses, cash distributions from operations and tax credits are allocated 99% to the Assignees and 1% to the General Partners. Profit or loss and cash distributions from sales of properties will be allocated as formulated in the Limited Partnership Agreement.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

Gateway utilizes the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when obligations are incurred.

Gateway accounts for its investments as the sole limited partner in Project Partnerships ("Investments in Project Partnerships") using the equity method of accounting, because management believes that Gateway does not have a majority control of the major operating and financial policies of the Project Partnerships in which it invests, and reports the equity in losses of the Project Partnerships on a 3-month lag in the Statements of Operations. Under the equity method, the Investments in Project Partnerships initially include:

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

1) Gateway’s capital contribution,
2) Acquisition fees paid to the General Partner for services rendered in selecting properties for acquisition, and
3) Acquisition expenses including legal fees, travel and other miscellaneous costs relating to acquiring properties.

Quarterly the Investments in Project Partnerships are increased or decreased as follows:

1) Increased for equity in income or decreased for equity in losses of the Project Partnerships,
2) Decreased for cash distributions received from the Project Partnerships, and
3) Decreased for the amortization of the acquisition fees and expenses.

For the fiscal year ended March 31, 2006, Gateway changed the period over which the intangible acquisition fees and expenses are amortized. In all prior years, the period in which such intangible assets had been amortized was 35 years. In the fiscal year ended March 31, 2006, this amortization period was changed to 15 years to better approximate the period over which the benefits of these investments are realized. As a result of this change in estimate, an additional amortization expense of $23,779 for Series 5 and $33,465 for Series 6, or a total of $57,244 for all Series of Gateway, was recognized during the year-ended March 31, 2006, as compared to the amortization expense amount which would have been realized had the estimated amortization period not changed during the year. The amortization expense is shown on the Statements of Operations.

Pursuant to the limited partnership agreements for the Project Partnerships, cash losses generated by the Project Partnerships are allocated to the general partners of those partnerships. In subsequent years, cash profits, if any, are first allocated to the general partners to the extent of the allocation of prior years’ cash losses.

Since Gateway invests as a limited partner, and therefore is not obligated to fund losses or make additional capital contributions, it does not recognize losses from individual Project Partnerships to the extent that these losses would reduce the investment in those Project Partnerships below zero. The suspended losses will be used to offset future income from the individual Project Partnerships. Any cash distributions received from Project Partnerships which have a zero investment balance are accounted for as distribution income in the period the cash distribution is received by Gateway.

Gateway reviews its investments in Project Partnerships to determine if there has been any permanent impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If the sum of the expected future cash flows is less than the carrying amount of the investment, Gateway recognizes an impairment loss. No impairment loss has been recognized in the accompanying financial statements for the six-month period ended September 30, 2006. For the fiscal year ended March 31, 2006, impairment expense was recognized in the statement of operations in Series 6 in the total amount of $343,241. Refer to Note 5 – Investment in Project Partnerships for further details regarding the components of the Investment in Project Partnership balance.

Gateway, as a limited partner in the Project Partnerships, is subject to risks inherent in the ownership of property which are beyond its control, such as fluctuations in occupancy rates and operating expenses, variations in rental schedules, proper maintenance and continued eligibility of tax credits. If the cost of operating a property exceeds the rental income earned thereon, Gateway may deem it in its best interest to voluntarily provide funds in order to protect its investment. Gateway does not guarantee any of the mortgages or other debt of the Project Partnerships.

Cash and Cash Equivalents

It is Gateway’s policy to include short-term investments with an original maturity of three months or less in Cash and Cash Equivalents. Short-term investments are comprised of money market mutual funds.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

Concentration of Credit Risk

Financial instruments which potentially subject Gateway to concentrations of credit risk consist of cash investments in a money market mutual fund that is advised by a wholly-owned subsidiary of Raymond James Financial, Inc.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates that affect certain reported amounts and disclosures. These estimates are based on management's knowledge and experience. Accordingly, actual results could differ from these estimates.

Investment in Securities

Gateway applies Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities ("FAS 115"). Under FAS 115, Gateway is required to categorize its debt securities as held-to-maturity, available-for-sale or trading securities, dependent upon Gateway's intent in holding the securities. Gateway's intent is to hold all of its debt securities (U.S. Government Security Strips and U.S. Treasury Notes) until maturity and to use these assets to fund Gateway's ongoing operations. Interest income is recognized ratably on the U.S. Government Strips and U.S. Treasury Notes using the effective yield to maturity.

Income Taxes

No provision for income taxes has been made in these financial statements, as income taxes are a liability of the partners rather than of Gateway.

Reclassifications

For comparability, certain 2005 figures have been reclassified, where appropriate, to conform with the financial statement presentation used in 2006.

Variable Interest Entities

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN46"), "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51," which was subsequently revised in December, 2003. Gateway has adopted FIN 46 and applied its requirements to all Project Partnerships in which Gateway held an interest. Generally, a variable interest entity, or VIE, is an entity with one or more of the following characteristics, (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support; (b) as a group the holders of the equity investment at risk lack (i) the ability to make decisions about an entity's activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests and substantially all of the entity's activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights. FIN 46 requires VIE to be consolidated in the financial statements of the entity that is determined to be the primary beneficiary of the VIE. The primary beneficiary, as is applicable to Gateway's circumstances, is the party in the Project Partnership equity group that is most closely associated with the Project Partnership.

Gateway holds variable interests in 141 VIE's, which consist of Project Partnerships, which Gateway is not the primary beneficiary. Gateway's maximum exposure to loss as a result of its involvement with unconsolidated VIE's is limited to Gateway's recorded investments in and receivables from those VIE's, which is approximately $502,658 at September 30, 2006. Gateway may be subject to additional losses to the extent of any financial support that Gateway voluntarily provides to those Project Partnerships in the future.

Basis of Preparation

The unaudited financial statements presented herein have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by generally accepted accounting principles. These statements should be read in conjunction with the financial statements and notes thereto included with the Partnership's report on Form 10-K for the year ended March 31, 2006. In the opinion of management these financial statements include adjustments, consisting only of normal recurring adjustments, necessary to fairly summarize the Partnership's financial position and results of operations. The results of operations for the periods may not be indicative of the results to be expected for the year.

NOTE 3 - INVESTMENT IN SECURITIES:

The September 30, 2006 Balance Sheet includes Investment in Securities consisting of U.S. Government Security Strips and U.S. Treasury Notes which represents their cost, plus accreted interest income of $1,406 for Series 2, $1,406 for Series 3, $1,970 for Series 4, $1,118 for Series 5 and $55,900 for Series 6. The Investment in Securities are commonly held in a brokerage account with Raymond James and Associates, Inc. A separate accounting is maintained for each series' share of the investments.

	Estimated Market Value	Cost Plus Accreted Interest	Gross Unrealized Gains and (Losses)
Series 2	$ 125,710	$ 126,583	$ (873)
Series 3	125,710	126,583	(873)
Series 4	176,192	177,414	(1,222)
Series 5	99,974	100,669	(695)
Series 6	357,695	359,406	(1,711)

As of September 30, 2006, the cost and accreted interest of debt securities by contractual maturities is as follows:

	Series 2	Series 3	Series 4
Due within 1 year	$ 126,583	$ 126,583	$ 177,414
After 1 year through 5 years	0	0	0
Total Amount Carried on Balance Sheet	$ 126,583	$ 126,583	$ 177,414

	Series 5	Series 6	Total
Due within 1 year	$ 100,669	$ 359,406	$ 890,655
After 1 year through 5 years	0	0	0
Total Amount Carried on Balance Sheet	$ 100,669	$ 359,406	$ 890,655

NOTE 4 - RELATED PARTY TRANSACTIONS:

The Payable to General Partners primarily represents the asset management fees owed to the General Partners at the end of the period. It is unsecured, due on demand and, in accordance with the limited partnership agreement, non-interest bearing. Within the next 12 months, the Managing General Partner does not intend to demand payment on the portion of Asset Management Fees payable classified as long-term on the Balance Sheet.

For the six months ended September 30, 2006 and 2005 the General Partners and affiliates are entitled to compensation and reimbursement for costs and expenses incurred by Gateway as follows:

Asset Management Fee - The Managing General Partner is entitled to be paid an annual asset management fee equal to 0.25% of the aggregate cost of Gateway's interest in the projects owned by the Project Partnerships. The asset management fee will be paid only after all other expenses of Gateway have been paid. These fees are included in the Statements of Operations.

NOTE 4 - RELATED PARTY TRANSACTIONS (Continued):

	2006	2005
Series 2	$ 33,690	$ 33,804
Series 3	31,229	31,358
Series 4	38,464	38,602
Series 5	46,192	46,360
Series 6	50,565	52,254
Total	$ 200,140	$ 202,378

General and Administrative Expenses - The Managing General Partner is reimbursed for general and administrative expenses of Gateway on an accountable basis. This expense is included in the Statements of Operations.

	2006	2005
Series 2	$ 31,217	$ 22,002
Series 3	32,637	23,002
Series 4	41,150	29,002
Series 5	49,664	36,003
Series 6	52,502	38,003
Total	$ 207,170	$ 148,012

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

As of September 30, 2006, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 22 Project Partnerships which own and operate government assisted multi-family housing complexes. Cash flows from operations are allocated according to each Partnership agreement. Upon dissolution proceeds will be distributed according to each Partnership agreement.

The following is a summary of Investments in Project Partnerships as of:

SERIES 2	SEPTEMBER 30, 2006	MARCH 31, 2006
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 4,524,678	$ 4,524,678
Cumulative equity in losses of Project Partnerships (1)	(4,742,761)	(4,742,761)
Cumulative distributions received from Project Partnerships	(87,605)	(87,605)
Investment in Project Partnerships before Adjustment	(305,688)	(305,688)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	390,838	390,838
Accumulated amortization of acquisition fees and expenses	(85,150)	(85,150)
Investments in Project Partnerships	$ 0	$ 0

(1) In accordance with the Partnership’s accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $5,798,330 for the period ended September 30, 2006 and cumulative suspended losses of $5,632,737 for the year ended March 31, 2006 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of September 30, 2006, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 23 Project Partnerships which own and operate government assisted multi-family housing complexes. Cash flows from operations are allocated according to each Partnership agreement. Upon dissolution proceeds will be distributed according to each Partnership agreement.

The following is a summary of Investments in Project Partnerships as of:

SERIES 3	SEPTEMBER 30, 2006	MARCH 31, 2006
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 3,888,713	$ 3,888,713
Cumulative equity in losses of Project Partnerships (1)	(4,133,478)	(4,133,478)
Cumulative distributions received from Project Partnerships	(164,417)	(164,417)
Investment in Project Partnerships before Adjustment	(409,182)	(409,182)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	491,746	491,746
Accumulated amortization of acquisition fees and expenses	(82,564)	(82,564)
Investments in Project Partnerships	$ 0	$ 0

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $6,575,682 for the period ended September 30, 2006 and cumulative suspended losses of $6,446,347 for the year ended March 31, 2006 are not included.

Subsequent to this quarter-end, Gateway sold its Project Partnership investment in Birchwood Apartments. Gateway received approximately $100,000 in net proceeds from this sale transaction subsequent to quarter-end.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of September 30, 2006, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 29 Project Partnerships which own and operate government assisted multi-family housing complexes. Cash flows from operations are allocated according to each Partnership agreement. Upon dissolution proceeds will be distributed according to each Partnership agreement.

The following is a summary of Investments in Project Partnerships as of:

SERIES 4	SEPTEMBER 30, 2006	MARCH 31, 2006
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 4,952,519	$ 4,952,519
Cumulative equity in losses of Project Partnerships (1)	(5,268,905)	(5,268,905)
Cumulative distributions received from Project Partnerships	(124,819)	(124,819)
Investment in Project Partnerships before Adjustment	(441,205)	(441,205)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	562,967	562,967
Accumulated amortization of acquisition fees and expenses	(121,762)	(121,762)
Investments in Project Partnerships	$ 0	$ 0

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $5,829,134 for the period ended September 30, 2006 and cumulative suspended losses of $5,604,678 for the year ended March 31, 2006 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of September 30, 2006, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 35 Project Partnerships which own and operate government assisted multi-family housing complexes. Cash flows from operations are allocated according to each Partnership agreement. Upon dissolution proceeds will be distributed according to each Partnership agreement.

The following is a summary of Investments in Project Partnerships as of:

SERIES 5	SEPTEMBER 30, 2006	MARCH 31, 2006
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 6,010,273	$ 6,010,273
Cumulative equity in losses of Project Partnerships (1)	(6,129,743)	(6,127,206)
Cumulative distributions received from Project Partnerships	(200,831)	(199,089)
Investment in Project Partnerships before Adjustment	(320,301)	(316,022)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	632,419	632,419
Accumulated amortization of acquisition fees and expenses	(172,485)	(164,767)
Investments in Project Partnerships	$ 139,633	$ 151,630

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $6,587,270 for the period ended September 30, 2006 and cumulative suspended losses of $6,332,840 for the year ended March 31, 2006 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of September 30, 2006, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 37 Project Partnerships which own and operate government assisted multi-family housing complexes. Cash flows from operations are allocated according to each Partnership agreement. Upon dissolution proceeds will be distributed according to each Partnership agreement.

The following is a summary of Investments in Project Partnerships as of:

SERIES 6	SEPTEMBER 30, 2006	MARCH 31, 2006
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 7,250,034	$ 7,250,034
Cumulative equity in losses of Project Partnerships (1)	(6,833,112)	(6,845,853)
Cumulative distributions received from Project Partnerships	(221,286)	(218,311)
Investment in Project Partnerships before Adjustment	195,636	185,870
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	768,912	768,912
Accumulated amortization of acquisition fees and expenses	(258,282)	(239,256)
Impairment of Investment in Project Partnerships	(343,241)	(343,241)
Investments in Project Partnerships	$ 363,025	$ 372,285

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $4,502,066 for the period ended September 30, 2006 and cumulative suspended losses of $4,294,234 for the year ended March 31, 2006 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

The following is a summary of Investments in Project Partnerships as of:

TOTAL SERIES 2 – 6	SEPTEMBER 30, 2006	MARCH 31, 2006
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	$ 26,626,217	$ 26,626,217
Cumulative equity in losses of Project Partnerships	(27,107,999)	(27,118,203)
Cumulative distributions received from Project Partnerships	(798,958)	(794,241)
Investment in Project Partnerships before Adjustment	(1,280,740)	(1,286,227)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	2,846,882	2,846,882
Accumulated amortization of acquisition fees and expenses	(720,243)	(693,499)
Impairment of Investment in Project Partnerships	(343,241)	(343,241)
Investments in Project Partnerships	$ 502,658	$ 523,915

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

In accordance with the Partnership's policy of presenting the financial information of the Project Partnerships on a three month lag, below is the summarized financial information for the Series' Project Partnerships as of June 30, of each year:

SERIES 2	2006	2005
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	$ 2,211,387	$ 2,047,419
Investment properties, net	14,557,627	15,345,055
Other assets	6,859	6,770
Total assets	$16,775,873	$17,399,244
Liabilities and Partners' Equity:		
Current liabilities	$ 432,470	$ 374,026
Long-term debt	22,653,237	22,746,522
Total liabilities	23,085,707	23,120,548
Partners' equity (deficit)		
Limited Partner	(6,165,022)	(5,593,026)
General Partners	(144,812)	(128,278)
Total Partners' equity (deficit)	(6,309,834)	(5,721,304)
Total liabilities and partners' equity	$16,775,873	$17,399,244
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	$ 1,518,651	$ 1,444,589
Expenses:		
Operating expenses	987,854	989,219
Interest expense	260,325	261,730
Depreciation and amortization	437,738	434,855
Total expenses	1,685,917	1,685,804
Net loss	$ (167,266)	$ (241,215)
Other partners' share of net loss	$ (1,673)	$ (2,412)
Partnerships' share of net loss	$ (165,593)	$ (238,803)
Suspended losses	165,593	225,691
Equity in Losses of Project Partnerships	$ 0	$ (13,112)

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

In accordance with the Partnership's policy of presenting the financial information of the Project Partnerships on a three month lag, below is the summarized financial information for the Series' Project Partnerships as of June 30, of each year:

SERIES 3	2006	2005
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	$ 2,835,217	$ 2,600,359
Investment properties, net	11,557,399	12,390,597
Other assets	156,337	171,739
Total assets	$14,548,953	$15,162,695
Liabilities and Partners' Equity:		
Current liabilities	$ 331,584	$ 292,238
Long-term debt	21,307,645	21,412,108
Total liabilities	21,639,229	21,704,346
Partners' equity (deficit)		
Limited Partner	(7,415,672)	(6,894,233)
General Partners	325,396	352,582
Total Partners' equity (deficit)	(7,090,276)	(6,541,651)
Total liabilities and partners' equity	$14,548,953	$15,162,695
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	$ 1,545,386	$ 1,448,986
Expenses:		
Operating expenses	976,061	960,675
Interest expense	221,844	226,850
Depreciation and amortization	479,179	482,927
Total expenses	1,677,084	1,670,452
Net loss	$ (131,698)	$ (221,466)
Other partners' share of net loss	$ (2,363)	$ (3,398)
Partnerships' share of net loss	$ (129,335)	$ (218,068)
Suspended losses	129,335	218,068
Equity in Losses of Project Partnerships	$ 0	$ 0

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

In accordance with the Partnership's policy of presenting the financial information of the Project Partnerships on a three month lag, below is the summarized financial information for the Series' Project Partnerships as of June 30, of each year:

SERIES 4	2006	2005
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	$ 2,571,246	$ 2,432,873
Investment properties, net	18,646,911	19,533,486
Other assets	37,301	37,300
Total assets	$21,255,458	$22,003,659
Liabilities and Partners' Equity:		
Current liabilities	$ 875,931	$ 805,078
Long-term debt	26,080,239	26,191,312
Total liabilities	26,956,170	26,996,390
Partners' equity (deficit)		
Limited Partner	(6,364,568)	(5,716,335)
General Partners	663,856	723,604
Total Partners' equity (deficit)	(5,700,712)	(4,992,731)
Total liabilities and partners' equity	$21,255,458	$22,003,659
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	$ 1,796,635	$ 1,741,802
Expenses:		
Operating expenses	1,208,559	1,216,587
Interest expense	293,178	293,627
Depreciation and amortization	522,094	516,596
Total expenses	2,023,831	2,026,810
Net loss	$ (227,196)	$ (285,008)
Other partners' share of net loss	$ (2,740)	$ (3,693)
Partnerships' share of net loss	$ (224,456)	$ (281,315)
Suspended losses	224,456	281,315
Equity in Losses of Project Partnerships	$ 0	$ 0

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

In accordance with the Partnership's policy of presenting the financial information of the Project Partnerships on a three month lag, below is the summarized financial information for the Series' Project Partnerships as of June 30, of each year:

SERIES 5	2006	2005
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	$ 3,461,936	$ 3,284,921
Investment properties, net	21,102,539	22,136,780
Other assets	9,294	59,568
Total assets	$24,573,769	$25,481,269
Liabilities and Partners' Equity:		
Current liabilities	$ 618,857	$ 663,562
Long-term debt	31,256,580	31,392,413
Total liabilities	31,875,437	32,055,975
Partners' equity (deficit)		
Limited Partner	(6,938,259)	(6,250,476)
General Partners	(363,409)	(324,230)
Total Partners' equity (deficit)	(7,301,668)	(6,574,706)
Total liabilities and partners' equity	$24,573,769	$25,481,269
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	$ 2,190,256	$ 2,093,203
Expenses:		
Operating expenses	1,502,566	1,454,380
Interest expense	345,488	349,562
Depreciation and amortization	601,764	612,593
Total expenses	2,449,818	2,416,535
Net loss	$ (259,562)	$ (323,332)
Other partners' share of net loss	$ (2,595)	$ (3,233)
Partnerships' share of net loss	$ (256,967)	$ (320,099)
Suspended losses	254,430	318,751
Equity in Losses of Project Partnerships	$ (2,537)	$ (1,348)

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

In accordance with the Partnership's policy of presenting the financial information of the Project Partnerships on a three month lag, below is the summarized financial information for the Series' Project Partnerships as of June 30, of each year:

SERIES 6	2006	2005
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	$ 4,478,713	$ 4,316,656
Investment properties, net	24,696,733	26,393,149
Other assets	44,228	8,279
Total assets	$29,219,674	$30,718,084
Liabilities and Partners' Equity:		
Current liabilities	$ 613,117	$ 553,790
Long-term debt	33,537,501	34,688,448
Total liabilities	34,150,618	35,242,238
Partners' equity (deficit)		
Limited Partner	(4,417,609)	(4,034,234)
General Partners	(513,335)	(489,920)
Total Partners' equity (deficit)	(4,930,944)	(4,524,154)
Total liabilities and partners' equity	$29,219,674	$30,718,084
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	$ 2,362,528	$ 2,417,948
Expenses:		
Operating expenses	1,542,217	1,578,752
Interest expense	371,229	387,018
Depreciation and amortization	646,609	689,524
Total expenses	2,560,055	2,655,294
Net loss	$ (197,527)	$ (237,346)
Other partners' share of net loss	$ (2,436)	$ (2,588)
Partnerships' share of net loss	$ (195,091)	$ (234,758)
Suspended losses	207,832	234,652
Equity in Income (Losses) of Project Partnerships	$ 12,741	$ (106)

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

In accordance with the Partnership's policy of presenting the financial information of the Project Partnerships on a three month lag, below is the summarized financial information for the Series' Project Partnerships as of June 30, of each year:

TOTAL SERIES 2- 6	2006	2005
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	$ 15,558,499	$ 14,682,228
Investment properties, net	90,561,209	95,799,067
Other assets	254,019	283,656
Total assets	$106,373,727	$110,764,951
Liabilities and Partners' Equity:		
Current liabilities	$ 2,871,959	$ 2,688,694
Long-term debt	134,835,202	136,430,803
Total liabilities	137,707,161	139,119,497
Partners' equity (deficit)		
Limited Partner	(31,301,130)	(28,488,304)
General Partners	(32,304)	133,758
Total Partners' equity (deficit)	(31,333,434)	(28,354,546)
Total liabilities and partners' equity	$106,373,727	$110,764,951
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	$ 9,413,456	$ 9,146,528
Expenses:		
Operating expenses	6,217,257	6,199,613
Interest expense	1,492,064	1,518,787
Depreciation and amortization	2,687,384	2,736,495
Total expenses	10,396,705	10,454,895
Net loss	$ (983,249)	$ (1,308,367)
Other partners' share of net loss	$ (11,807)	$ (15,324)
Partnerships' share of net loss	$ (971,442)	$ (1,293,043)
Suspended losses	981,646	1,278,477
Equity in Income (Losses) of Project Partnerships	$ 10,204	$ (14,566)

NOTE 6 - SALE OF PROJECT PARTNERSHIPS:

Gateway is currently in the process of disposing of its investments in Project Partnerships which have reached the end of their fifteen year tax-credit compliance period. This process may take a number of years to complete. Gateway's objective is to maximize the investor's return wherever possible and ultimately, to liquidate the Project Partnerships. Gateway has not classified the Project Partnerships as held for sale in the accompanying financial statements because Gateway believes they do not meet all of the criteria required by SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".

Generally, the market for Project Partnerships is limited. Some of the factors which negatively impact the marketability of these projects include 1) requirements by government agencies or the projects debt holder to continue to maintain the property in the low-income housing program, and 2) the mortgage balance of the property is very near the initial balance as a result of the heavily subsidized debt of the Project Partnerships which offered extremely low interest rates to the borrower and lengthy (usually 50 year) amortization periods.

The following summarizes the most recent status of the Project Partnership sale/disposal process:

Series 2

Gateway has consented to the general partner granting an option for either the general partner or a third-party to purchase the Partnership Interest:

Brookhaven Apartments	Lewiston Country Estates
Lakeshore Apartments	Rolling Oaks II Apartments

Should all these options be exercised, the estimated net sales proceeds to Gateway from the sales transactions are estimated to be $445,000, or $72.52 per limited partnership unit potentially available for distribution to the Limited Partners over the next 24 months. These options to purchase could expire without being exercised which would result in no sales proceeds and remarketing of the Project Partnerships, the results of which are undeterminable.

Series 3

Project Partnerships currently listed for sale on a commercial real estate for sale website:

Logansport Seniors Apartments	Southwood Apartments
Mill Run Apartments	

Gateway has consented to the general partner granting an option for either the general partner or a third-party to purchase the Partnership Interest:

Birchwood Apartments	Countrywood Apartments

Should all these options be exercised, the estimated net sales proceeds to Gateway from the sales transactions are estimated to be $175,000, or $32.07 per limited partnership unit potentially available for distribution to the Limited Partners over the next 24 months. These options to purchase could expire without being exercised which would result in no sales proceeds and remarketing of the Project Partnerships, the results of which are undeterminable.

Gateway has approved the sale to the general partner of the Project Partnerships:

Brubaker Square Apartments	Villa Allegra Apartments
Plaza Senior Village Apartments	

The estimated net proceeds to Gateway from the sales of these Project Partnerships are estimated to be $255,000, or $46.74 per limited partnership unit, which would be available for distribution to the Limited Partners subsequent to the closing of the sales transactions.

NOTE 6 - SALE OF PROJECT PARTNERSHIPS (Continued):

Series 4

Project Partnerships currently listed for sale on a commercial real estate for sale website:

Alsace Village Apartments	Oaks Apartments
Ashland Estates	Ozona Seniors Apartments
Brackettville Seniors Apartments	Sonora Seniors Apartments
Chestnut Apartments	Tarpon Heights Apartments
Fredericksburg Seniors Apartments	Village Apartments of St. Joseph II
Greenbriar Apartments	

Series 5

Project Partnerships currently listed for sale on a commercial real estate for sale website:

Fox Ridge Apartments	Village Apartments of Effingham
Redmont II Apartments	Village Apartments of Seymour II

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations:

Results of Operations, Liquidity and Capital Resources

Operations commenced on September 14, 1990, with the first admission of Assignees in Series 2. The proceeds from Assignees' capital contributions available for investment were used to acquire interests in Project Partnerships.

As disclosed on the statement of operations for each Series, interest income is comparable for the six months ended September 30, 2006 and September 30, 2005. The General and Administrative expenses - General Partner and General and Administrative expenses – Other for the six months ended September 30, 2006, as compared to the six months ended September 30, 2005, have increased due to higher administrative costs arising from the process of evaluating potential dispositions of Project Partnerships.

The capital resources of each Series are used to pay General and Administrative operating costs including personnel, supplies, data processing, travel and legal and accounting associated with the administration and monitoring of Gateway and the Project Partnerships. The capital resources are also used to pay the Asset Management Fee due the Managing General Partner, but only to the extent that Gateway's remaining resources are sufficient to fund Gateway's ongoing needs. (Payment of any Asset Management Fee unpaid at the time Gateway sells its interests in the Project Partnerships is subordinated to the return of the investors' original capital contributions).

The sources of funds to pay the operating costs of each Series are cash and cash equivalents, short-term investments and interest earned thereon, the maturity of U.S. Treasury Security Strips ("Zero Coupon Treasuries") and U.S. Treasury Notes (purchased in July 2006), which were purchased with funds set aside for this purpose and cash distributed to the Series from the operations of the Project Partnerships.

From inception of Gateway to-date, two Series have paid distributions upon sale of Project Partnerships. A distribution of $157,126 related to the sale of Highland View, LP, in Series 5 was made during the quarter ended September 30, 2005, and a distribution of $224,074 related to the sale of Mountain Crest, LP, in Series 6 was made during the quarter ended December 31, 2005. Future distributions may be made for any particular Series as a result of the sale of other Project Partnerships.

Series 2 - Gateway closed this series on September 14, 1990 after receiving $6,136,000 from 375 Assignees. Equity in Losses of Project Partnerships for the six months ended September 30, 2006 decreased from $13,112 for the six months ended September 30, 2005 to $0 as a result of the suspension of losses in this Series so that the Investment in Project Partnerships does not fall below zero. (These Project Partnerships reported depreciation and amortization of $434,855 and $437,738 for the six months ended June 30, 2005 and 2006, respectively.) As a result, management expects that this Series, as well as those described below, will report its equity in Project Partnerships as a loss for tax and financial reporting purposes. Overall, management believes the Project Partnerships are operating as expected and have generated tax credits which met projections.

At September 30, 2006, the Series had $151,735 of short-term investments (Cash and Cash Equivalents). It also had $126,583 in U.S. Treasury Notes with a maturity value of $127,000 at June 30, 2007. Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net loss of $64,997 for the six months ended September 30, 2006. However, after adjusting for the changes in operating assets and liabilities, net cash used in operating activities was $43,686. Cash used in investing activities totaled $55,108, consisting of cash distributions from the Project Partnerships and proceeds from the redemption of securities, offset by the purchase of U.S. Treasury Notes in July 2006.

Series 3 - Gateway closed this series on December 13, 1990 after receiving $5,456,000 from 398 Assignees. Equity in Losses of Project Partnerships for the six months ended September 30, 2006 and 2005 was $0 as a result of the suspension of losses in this Series so that the Investment in Project Partnerships does not fall below zero. (These Project Partnerships reported depreciation and amortization of $482,927 and $479,179 for the six months ended June 30, 2005 and 2006, respectively.) Overall, management believes the Project Partnerships are operating as expected and have generated tax credits which met projections.

At September 30, 2006, the Series had $134,240 of short-term investments (Cash and Cash Equivalents). It also had $126,583 in U.S. Treasury Notes with a maturity value of $127,000 at June 30, 2007. Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net loss of $57,145 for the six months ended September 30, 2006. However, after adjusting for the changes in operating assets and liabilities, net cash used in operating activities was $47,384. Cash used in investing activities totaled $54,411, consisting of cash distributions from the Project Partnerships and proceeds from the redemption of securities, offset by the purchase of U.S. Treasury Notes in July 2006.

Subsequent to September 30, 2006, Gateway sold its Project Partnership investment in Birchwood Apartments. The sale of this Project Partnerships' assets will be reflected in the financial statements for the quarter ended December 31, 2006. Gateway received net proceeds from the sale of this Project Partnership of approximately $100,000.

Series 4 - Gateway closed this series on May 31, 1991 after receiving $6,915,000 from 465 Assignees. Equity in Losses of Project Partnerships for the six months ended September 30, 2006 and 2005 was $0 as a result of the suspension of all losses in this Series so that the Investment in Project Partnerships does not fall below zero. (These Project Partnerships reported depreciation and amortization of $516,596 and $522,094 for the six months ended June 30, 2005 and 2006, respectively.) Overall, management believes the Project Partnerships are operating as expected and have generated tax credits which met projections.

At September 30, 2006, the Series had $177,519 of short-term investments (Cash and Cash Equivalents). It also had $177,414 in U.S. Treasury Notes with a maturity value of $178,000 at June 30, 2007. Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net loss of $71,264 for the six months ended September 30, 2006. However, after adjusting for the changes in operating assets and liabilities, net cash used in operating activities was $57,273. Cash used in investing activities totaled $87,412, consisting of cash distributions from the Project Partnership and proceeds from the redemption of securities, offset by the purchase of U.S. Treasury Notes in July 2006.

Series 5 - Gateway closed this series on October 11, 1991 after receiving $8,616,000 from 535 Assignees. Equity in Losses of Project Partnerships for the six months ended September 30, 2006 increased from $1,348 for the six months ended September 30, 2005 to $2,537 as a result of a lesser proportion of the Partnerships' share of net loss being suspended. Suspended losses are a direct result of the Investment balance in Project Partnership reaching a zero balance of individual Project Partnerships. Since more Project Partnerships have accumulated enough losses to warrant a zero balance, additional losses are suspended since the Partnership's accounting policy is to not carry Investments in Project Partnerships below zero. (These Project Partnerships reported depreciation and amortization of $612,593 and $601,764 for the six months ended June 30, 2005 and 2006, respectively.) Overall, management believes the Project Partnerships are operating as expected and have generated tax credits which met projections.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued):

At September 30, 2006, the Series had $215,980 of short-term investments (Cash and Cash Equivalents). It also had $100,669 in U.S. Treasury Notes with a maturity value of $101,000 at June 30, 2007. Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net loss of $92,766 for the six months ended September 30, 2006. However, after adjusting for Equity in Losses of Project Partnerships of $2,537 and the changes in operating assets and liabilities, net cash used in operating activities was $60,764. Cash provided by investing activities totaled $14,305, consisting of cash distributions from the Project Partnerships and proceeds from the redemption of securities, offset by the purchase of U.S. Treasury Notes in July 2006.

Series 6 - Gateway closed this series on March 11, 1992 after receiving $10,105,000 from 625 Assignees. Equity in Losses of Project Partnerships for the six months ended September 30, 2006 decreased from a loss of $106 for the six months ended September 30, 2005 to income of $12,741 due to a decrease in total expenses of the Project Partnership. (These Project Partnerships reported depreciation and amortization of $689,524 and $646,609 for the six months ended June 30, 2005 and 2006, respectively.) Overall, management believes the Project Partnerships are operating as expected and are generating tax credits which meet projections.

At September 30, 2006, the Series had $150,270 of short-term investments (Cash and Cash Equivalents). It also had $81,327 in Zero Coupon Treasuries with maturities providing $83,000 in fiscal year 2007. In addition, the series had $278,079 in U.S. Treasury Notes with a maturity value of $279,000 at June 30, 2007. Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future, and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net loss of $90,906 for the six months ended September 30, 2006. However, after adjusting for Equity in Income of Project Partnerships of $12,741 and the changes in operating assets and liabilities, net cash used in operating activities was $62,295. Cash used in investing activities totaled $251,015, consisting of cash distributions from the Project Partnerships, offset by the purchase of U.S. Treasury Notes in July 2006.

Exit Strategy

The IRS compliance period for low-income housing tax credit properties is generally 15 years from occupancy following construction or rehabilitation completion.

Many of the Project Partnerships have reached the end of their tax-credit compliance period and those Project Partnerships that have yet to reach the end of their tax-credit compliance period will do so within the next three years. To-date, two of the Project Partnerships have been sold and, in accordance with the Gateway partnership agreement, the entire net proceeds received from these sales have been disbursed to the Limited Partners of those series of Gateway.

Gateway is presently evaluating the potential disposition of each of the Project Partnerships which have reached the end of their tax-credit compliance period and as opportunities arise, will endeavor to sell Gateway's interest in those Project Partnerships. The Partnerships objective is to maximize the investor's return wherever possible and ultimately, to liquidate the Project Partnerships that no longer provide tax benefits to investors. Refer to Note 6 – Sale of Project Partnerships for discussion of the process.

Gateway has no direct employees. The General Partners have full and exclusive discretion in management and control of Gateway.

Item 3. Quantitative and Qualitative Disclosure About Market Risk:

As a small business issuer, no information is required.

Item 4. Controls and Procedures:

Within 90 days prior to the filing of this report, under the supervision and with the participation of the Partnership's management, including the General Managing Partnership's chief executive and chief financial officers, an evaluation of the effectiveness of the Partnership's disclosure controls and procedures (as defined in Rule 13a-14(c) under the Securities Exchange Act of 1934) was performed. Based on this evaluation, such officers have concluded that the Partnership's disclosure controls and procedures were effective as of the date of that evaluation in alerting them in a timely manner to material information relating to the Partnership required to be included in this report and the Partnership's other reports that it files or submits under the Securities Exchange Act of 1934. There were no significant changes in the Partnership's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

PART II – Other Information

Item 1. Legal Proceedings:

None.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds:

None.

Item 3. Defaults upon Senior Securities:

None.

Item 4. Submission of Matters to a Vote of Security Holders:

None.

Item 5. Other Information:

None.

Item 6. Exhibits:

31.1 Principal Executive Officer Certification as required by Rule 13a-14(a)/15d-14(a), filed herewith.

31.2 Principal Financial Officer Certification as required by Rule 13a-14(a)/15d-14(a), filed herewith.

32. Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

GATEWAY TAX CREDIT FUND II, LTD.
(A Florida Limited Partnership)
By: Raymond James Tax Credit Funds, Inc.
(Managing General Partner)

Date: November 15, 2006

By:/s/ Ronald M. Diner
Ronald M. Diner
President

Date: November 15, 2006

By:/s/ Jonathan Oorlog
Jonathan Oorlog
Vice President and Chief Financial Officer

Date: November 15, 2006

By:/s/ Sandra C. Humphreys
Sandra C. Humphreys
Secretary and Treasurer

EXHIBIT 31.1

CERTIFICATIONS*

I, Ron Diner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gateway Tax Credit Fund, II, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2006

By: /s/ Ronald M. Diner
Ronald M. Diner
President
Raymond James Tax Credit Funds, Inc.
(Managing General Partner)

EXHIBIT 31.2

CERTIFICATIONS*

I, Jonathan Oorlog, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gateway Tax Credit Fund, II, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2006

By:/s/ Jonathan Oorlog
Jonathan Oorlog
Vice President and Chief Financial Officer
Raymond James Tax Credit Funds, Inc.
(Managing General Partner)

EXHIBIT 32

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Gateway Tax Credit Fund II, Ltd.; (the “Partnership”) on Form 10-Q for the period ended September 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Ronald M. Diner
Ronald M. Diner
President
Raymond James Tax Credit Funds, Inc.
(Managing General Partner)
November 15, 2006

/s/ Jonathan Oorlog
Jonathan Oorlog
Vice President and Chief Financial Officer
Raymond James Tax Credit Funds, Inc.
(Managing General Partner)
November 15, 2006