



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

October 28, 2010

Toni S. Matthews
Chief Financial Officer
Gateway Tax Credit Fund III Ltd.
880 Carillon Parkway
St. Petersburg, FL 33716

**Re: Gateway Tax Credit Fund III Ltd.
Form 10-K for Fiscal Year Ended
March 31, 2010
Filed July 1, 2010
File No. 000-21762**

Dear Ms. Matthews:

We have completed our review of your filings and do not have any further comments at this time.

Sincerely,

Kevin Woody
Branch Chief