

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For The Quarterly Period Ended DECEMBER 31, 2004

Commission File Number 0-21762

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

Florida 59-3090386
(State or other jurisdiction of (I.R.S. Employer No.)
incorporation or organization)

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

Registrant's Telephone Number, Including Area Code: (727) 567-4830

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

Title of Each Class	Number of Units December 31, 2004
Units of Limited Partnership	
Interest: \$1,000 per unit	36,799

DOCUMENTS INCORPORATED BY REFERENCE

Parts I and II, 2004 Form 10-K, filed with the
Securities and Exchange Commission on July 13, 2004
Parts III and IV - Form S-11 Registration Statement
and all amendments and supplements thereto
File No. 33-44238

PART I - Financial Information
Item 1. Financial Statements

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

SERIES 7	DECEMBER 31, 2004 ----- (Unaudited)	MARCH 31, 2004 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 311,596	\$ 343,873
Investments in Securities	71,558	67,834
	-----	-----
Total Current Assets	383,154	411,707
Investments in Securities	208,895	197,682
Investments in Project Partnerships, Net	1,014,127	1,127,941
	-----	-----
Total Assets	\$ 1,606,176	\$ 1,737,330
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 51,381	\$ 72,070
	-----	-----
Total Current Liabilities	51,381	72,070
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	536,593	453,614
	-----	-----
Partners' Equity (Deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at December 31, 2004 and March 31, 2004)	1,099,298	1,290,808
General Partners	(81,096)	(79,162)
	-----	-----
Total Partners' Equity	1,018,202	1,211,646
	-----	-----
Total Liabilities and Partners' Equity	\$ 1,606,176	\$ 1,737,330
	=====	=====

See accompanying notes to financial statements.

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

SERIES 8	DECEMBER 31, 2004 ----- (Unaudited)	MARCH 31, 2004 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 265,524	\$ 373,899
Investments in Securities	66,556	63,292
Accounts Receivable	24,220	24,220
	-----	-----
Total Current Assets	356,300	461,411
Investments in Securities	199,190	189,089
Investments in Project Partnerships, Net	466,859	512,795
	-----	-----
Total Assets	\$ 1,022,349	\$ 1,163,295
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 41,966	\$ 56,210
	-----	-----
Total Current Liabilities	41,966	56,210
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	572,223	553,708
	-----	-----
Partners' Equity (Deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at December 31, 2004 and March 31, 2004)	491,703	635,468
General Partners	(83,543)	(82,091)
	-----	-----
Total Partners' Equity	408,160	553,377
	-----	-----
Total Liabilities and Partners' Equity	\$ 1,022,349	\$ 1,163,295
	=====	=====

See accompanying notes to financial statements.

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

SERIES 9	DECEMBER 31, 2004 ----- (Unaudited)	MARCH 31, 2004 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 193,844	\$ 248,902
Investments in Securities	38,743	37,028
Accounts Receivable	0	600
	-----	-----
Total Current Assets	232,587	286,530
Investments in Securities	149,125	142,308
Investments in Project Partnerships, Net	869,119	967,040
	-----	-----
Total Assets	\$ 1,250,831 =====	\$ 1,395,878 =====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 24,047	\$ 24,890
	-----	-----
Total Current Liabilities	24,047	24,890
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	366,914	360,461
	-----	-----
Partners' Equity (Deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at December 31, 2004 and March 31, 2004)	906,108	1,055,258
General Partners	(46,238)	(44,731)
	-----	-----
Total Partners' Equity	859,870	1,010,527
	-----	-----
Total Liabilities and Partners' Equity	\$ 1,250,831 =====	\$ 1,395,878 =====

See accompanying notes to financial statements.

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

SERIES 10	DECEMBER 31, 2004 ----- (Unaudited)	MARCH 31, 2004 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 114,734	\$ 247,847
Investments in Securities	29,027	27,571
	-----	-----
Total Current Assets	143,761	275,418
Investments in Securities	139,724	132,500
Investments in Project Partnerships, Net	1,674,951	1,815,475
	-----	-----
Total Assets	\$ 1,958,436	\$ 2,223,393
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 27,610	\$ 34,508
	-----	-----
Total Current Liabilities	27,610	34,508
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	2,902	96,753
	-----	-----
Partners' Equity (Deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at December 31, 2004 and March 31, 2004)	1,952,824	2,115,390
General Partners	(24,900)	(23,258)
	-----	-----
Total Partners' Equity	1,927,924	2,092,132
	-----	-----
Total Liabilities and Partners' Equity	\$ 1,958,436	\$ 2,223,393
	=====	=====

See accompanying notes to financial statements.

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

SERIES 11	DECEMBER 31, 2004 ----- (Unaudited)	MARCH 31, 2004 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 80,491	\$ 247,638
Investments in Securities	33,773	31,987
Accounts Receivable	136,000	0
	-----	-----
Total Current Assets	250,264	279,625
Investments in Securities	158,197	149,592
Investments in Project Partnerships, Net	2,708,992	2,799,412
	-----	-----
Total Assets	\$ 3,117,453	\$ 3,228,629
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 25,326	\$ 39,680
	-----	-----
Total Current Liabilities	25,326	39,680
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	7,233	806
	-----	-----
Partners' Equity (Deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at December 31, 2004 and March 31, 2004)	3,100,035	3,202,252
General Partners	(15,141)	(14,109)
	-----	-----
Total Partners' Equity	3,084,894	3,188,143
	-----	-----
Total Liabilities and Partners' Equity	\$ 3,117,453	\$ 3,228,629
	=====	=====

See accompanying notes to financial statements.

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

TOTAL SERIES 7 - 11	DECEMBER 31, 2004 ----- (Unaudited)	MARCH 31, 2004 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 966,189	\$ 1,462,159
Investments in Securities	239,657	227,712
Accounts Receivable	160,220	24,820
	-----	-----
Total Current Assets	1,366,066	1,714,691
Investments in Securities	855,131	811,171
Investments in Project Partnerships, Net	6,734,048	7,222,663
	-----	-----
Total Assets	\$ 8,955,245 =====	\$ 9,748,525 =====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 170,330	\$ 227,358
	-----	-----
Total Current Liabilities	170,330	227,358
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	1,485,865	1,465,342
	-----	-----
Partners' Equity (Deficit):		
Limited Partners (10,395 units for Series 7, 9,980 for Series 8, 6,254 for Series 9, 5,043 for Series 10 and 5,127 for Series 11 at December 31, 2004 and March 31, 2004)	7,549,968	8,299,176
General Partners	(250,918)	(243,351)
	-----	-----
Total Partners' Equity	7,299,050	8,055,825
	-----	-----
Total Liabilities and Partners' Equity	\$ 8,955,245 =====	\$ 9,748,525 =====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 7	2004	2003
	----	----
Revenues:		
Interest Income	\$ 6,089	\$ 6,180
Other Income	3,553	7,315
	-----	-----
Total Revenue	9,642	13,495
Expenses:		
Asset Management Fee-General Partner	21,687	21,771
General and Administrative:		
General Partner	14,678	12,472
Other	1,796	2,413
Amortization	1,661	1,661
	-----	-----
Total Expenses	39,822	38,317
	-----	-----
Loss Before Equity in Losses of		
Project Partnerships	(30,180)	(24,822)
Equity in Losses of Project Partnerships	(34,994)	(60,089)
	-----	-----
Net Loss	\$ (65,174)	\$ (84,911)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (64,522)	\$ (84,062)
General Partners	(652)	(849)
	-----	-----
	\$ (65,174)	\$ (84,911)
	=====	=====
Net Loss Per Number of Limited		
Partnership Units	\$ (6.21)	\$ (8.09)
	=====	=====
Number of Limited Partnership Units		
Outstanding	10,395	10,395
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 8	2004	2003
	----	----
Revenues:		
Interest Income	\$ 5,455	\$ 5,589
Other Income	6,701	10,693
	-----	-----
Total Revenue	12,156	16,282
	-----	-----
Expenses:		
Asset Management Fee-General Partner	22,578	22,682
General and Administrative:		
General Partner	16,184	13,751
Other	1,937	2,946
Amortization	768	768
	-----	-----
Total Expenses	41,467	40,147
	-----	-----
Loss Before Equity in Losses of		
Project Partnerships	(29,311)	(23,865)
Equity in Losses of Project Partnerships	(17,775)	(29,609)
	-----	-----
Net Loss	\$ (47,086)	\$ (53,474)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (46,615)	\$ (52,939)
General Partners	(471)	(535)
	-----	-----
	\$ (47,086)	\$ (53,474)
	=====	=====
Net Loss Per Number of Limited		
Partnership Units	\$ (4.67)	\$ (5.30)
	=====	=====
Number of Limited Partnership Units		
Outstanding	9,980	9,980
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 9	2004	2003
	----	----
Revenues:		
Interest Income	\$ 3,543	\$ 3,477
Other Income	2,975	600
	-----	-----
Total Revenue	6,518	4,077
	-----	-----
Expenses:		
Asset Management Fee-General Partner	12,428	12,466
General and Administrative:		
General Partner	9,033	7,676
Other	1,224	1,160
Amortization	771	771
	-----	-----
Total Expenses	23,456	22,073
	-----	-----
Loss Before Equity in Losses of Project Partnerships	(16,938)	(17,996)
Equity in Income (Losses) of Project Partnerships	2,395	(51,476)
	-----	-----
Net Loss	\$ (14,543)	\$ (69,472)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (14,398)	\$ (68,777)
General Partners	(145)	(695)
	-----	-----
	\$ (14,543)	\$ (69,472)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (2.30)	\$ (11.00)
	=====	=====
Number of Limited Partnership Units Outstanding	6,254	6,254
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 10	2004	2003
	----	----
Revenues:		
Interest Income	\$ 3,427	\$ 3,446
Other Income	750	1,500
	-----	-----
Total Revenue	4,177	4,946
	-----	-----
Expenses:		
Asset Management Fee-General Partner	8,472	8,503
General and Administrative:		
General Partner	5,646	4,796
Other	884	859
Amortization	1,145	1,145
	-----	-----
Total Expenses	16,147	15,303
	-----	-----
Loss Before Equity in Losses of		
Project Partnerships	(11,970)	(10,357)
Equity in Losses of Project Partnerships	(51,815)	(54,629)
	-----	-----
Net Loss	\$ (63,785)	\$ (64,986)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (63,147)	\$ (64,336)
General Partners	(638)	(650)
	-----	-----
	\$ (63,785)	\$ (64,986)
	=====	=====
Net Loss Per Number of Limited		
Partnership Units	\$ (12.52)	\$ (12.76)
	=====	=====
Number of Limited Partnership Units		
Outstanding	5,043	5,043
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 11	2004	2003
	----	----
Revenues:		
Interest Income	\$ 3,915	\$ 4,059
Other Income	0	985
	-----	-----
Total Revenue	3,915	5,044
	-----	-----
Expenses:		
Asset Management Fee-General Partner	7,063	7,130
General and Administrative:		
General Partner	4,517	3,837
Other	921	1,199
Amortization	1,683	1,683
	-----	-----
Total Expenses	14,184	13,849
	-----	-----
Loss Before Equity in Losses of		
Project Partnerships	(10,269)	(8,805)
Equity in Losses of Project Partnerships	(24,973)	(6,953)
	-----	-----
Net Loss	\$ (35,242)	\$ (15,758)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (34,890)	\$ (15,600)
General Partners	(352)	(158)
	-----	-----
	\$ (35,242)	\$ (15,758)
	=====	=====
Net Loss Per Number of Limited		
Partnership Units	\$ (6.81)	\$ (3.04)
	=====	=====
Number of Limited Partnership Units		
Outstanding	5,127	5,127
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED DECEMBER 31,
(Unaudited)

TOTAL SERIES 7 - 11	2004	2003
	----	----
Revenues:		
Interest Income	\$ 22,429	\$ 22,751
Other Income	13,979	21,093
	-----	-----
Total Revenue	36,408	43,844
	-----	-----
Expenses:		
Asset Management Fee-General Partner	72,228	72,552
General and Administrative:		
General Partner	50,058	42,532
Other	6,762	8,577
Amortization	6,028	6,028
	-----	-----
Total Expenses	135,076	129,689
	-----	-----
Loss Before Equity in Losses of		
Project Partnerships	(98,668)	(85,845)
Equity in Losses of Project Partnerships	(127,162)	(202,756)
	-----	-----
Net Loss	\$ (225,830)	\$ (288,601)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (223,572)	\$ (285,714)
General Partners	(2,258)	(2,887)
	-----	-----
	\$ (225,830)	\$ (288,601)
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 7	2004	2003
	----	----
Revenues:		
Interest Income	\$ 16,843	\$ 18,489
Other Income	16,981	9,061
	-----	-----
Total Revenue	33,824	27,550
	-----	-----
Expenses:		
Asset Management Fee-General Partner	65,061	65,313
General and Administrative:		
General Partner	41,794	44,683
Other	13,851	12,676
Amortization	4,983	4,983
	-----	-----
Total Expenses	125,689	127,655
	-----	-----
Loss Before Equity in Losses of		
Project Partnerships	(91,865)	(100,105)
Equity in Losses of Project Partnerships	(101,579)	(89,180)
	-----	-----
Net Loss	\$ (193,444)	\$ (189,285)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (191,510)	\$ (187,392)
General Partners	(1,934)	(1,893)
	-----	-----
	\$ (193,444)	\$ (189,285)
	=====	=====
Net Loss Per Number of Limited		
Partnership Units	\$ (18.42)	\$ (18.03)
	=====	=====
Number of Limited Partnership		
Units Outstanding	10,395	10,395
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 8	2004	2003
	----	----
Revenues:		
Interest Income	\$ 15,237	\$ 16,789
Other Income	13,540	12,073
	-----	-----
Total Revenue	28,777	28,862
	-----	-----
Expenses:		
Asset Management Fee-General Partner	67,734	68,046
General and Administrative:		
General Partner	46,081	49,265
Other	14,690	15,480
Amortization	2,304	2,304
	-----	-----
Total Expenses	130,809	135,095
	-----	-----
Loss Before Equity in Losses of		
Project Partnerships	(102,032)	(106,233)
Equity in Losses of Project Partnerships	(43,185)	(56,867)
	-----	-----
Net Loss	\$ (145,217)	\$ (163,100)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (143,765)	\$ (161,469)
General Partners	(1,452)	(1,631)
	-----	-----
	\$ (145,217)	\$ (163,100)
	=====	=====
Net Loss Per Number of Limited		
Partnership Units	\$ (14.41)	\$ (16.18)
	=====	=====
Number of Limited Partnership		
Units Outstanding	9,980	9,980
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 9	2004	2003
	----	----
Revenues:		
Interest Income	\$ 9,822	\$ 10,413
Other Income	5,413	3,038
	-----	-----
Total Revenue	15,235	13,451
	-----	-----
Expenses:		
Asset Management Fee-General Partner	37,284	37,398
General and Administrative:		
General Partner	25,720	27,497
Other	8,472	7,434
Amortization	2,313	2,313
	-----	-----
Total Expenses	73,789	74,642
	-----	-----
Loss Before Equity in Losses of		
Project Partnership	(58,554)	(61,191)
Equity in Losses of Project Partnerships	(92,103)	(156,308)
	-----	-----
Net Loss	\$ (150,657)	\$ (217,499)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (149,150)	\$ (215,324)
General Partners	(1,507)	(2,175)
	-----	-----
	\$ (150,657)	\$ (217,499)
	=====	=====
Net Loss Per Number of Limited		
Partnership Units	\$ (23.85)	\$ (34.43)
	=====	=====
Number of Limited Partnership Units		
Outstanding	6,254	6,254
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 10	2004	2003
	----	----
Revenues:		
Interest Income	\$ 9,801	\$ 10,275
Other Income	2,830	1,500
	-----	-----
Total Revenue	12,631	11,775
	-----	-----
Expenses:		
Asset Management Fee-General Partner	25,416	25,509
General and Administrative:		
General Partner	16,075	17,186
Other	5,975	5,043
Amortization	3,435	3,435
	-----	-----
Total Expenses	50,901	51,173
	-----	-----
Loss Before Equity in Losses of		
Project Partnerships	(38,270)	(39,398)
Equity in Losses of Project Partnerships	(125,938)	(140,085)
	-----	-----
Net Loss	\$ (164,208)	\$ (179,483)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (162,566)	\$ (177,688)
General Partners	(1,642)	(1,795)
	-----	-----
	\$ (164,208)	\$ (179,483)
	=====	=====
Net Loss Per Number of Limited		
Partnership Units	\$ (32.24)	\$ (35.23)
	=====	=====
Number of Limited Partnership		
Units Outstanding	5,043	5,043
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 11	2004	2003
	----	----
Revenues:		
Interest Income	\$ 11,427	\$ 12,122
Other Income	2,782	3,167
	-----	-----
Total Revenue	14,209	15,289
	-----	-----
Expenses:		
Asset Management Fee-General Partner	21,189	21,390
General and Administrative:		
General Partner	12,860	13,749
Other	5,273	4,892
Amortization	5,049	5,049
	-----	-----
Total Expenses	44,371	45,080
	-----	-----
Loss Before Equity in Losses of		
Project Partnerships	(30,162)	(29,791)
Equity in Losses of Project Partnerships	(73,087)	(74,393)
	-----	-----
Net Loss	\$ (103,249)	\$ (104,184)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (102,217)	\$ (103,142)
General Partners	(1,032)	(1,042)
	-----	-----
	\$ (103,249)	\$ (104,184)
	=====	=====
Net Loss Per Number of Limited		
Partnership Units	\$ (19.94)	\$ (20.12)
	=====	=====
Number of Limited Partnership		
Units Outstanding	5,127	5,127
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED DECEMBER 31,
(Unaudited)

TOTAL SERIES 7 - 11	2004	2003
	----	----
Revenues:		
Interest Income	\$ 63,130	\$ 68,088
Other Income	41,546	28,839
	-----	-----
Total Revenue	104,676	96,927
	-----	-----
Expenses:		
Asset Management Fee-General Partner	216,684	217,656
General and Administrative:		
General Partner	142,530	152,380
Other	48,261	45,525
Amortization	18,084	18,084
	-----	-----
Total Expenses	425,559	433,645
	-----	-----
Loss Before Equity in Losses of		
Project Partnerships	(320,883)	(336,718)
Equity in Losses of Project Partnerships	(435,892)	(516,833)
	-----	-----
Net Loss	\$ (756,775)	\$ (853,551)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (749,208)	\$ (845,015)
General Partners	(7,567)	(8,536)
	-----	-----
	\$ (756,775)	\$ (853,551)
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF PARTNERS' EQUITY (Deficit)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2004 AND 2003:
(Unaudited)

SERIES 7	Limited Partners -----	General Partners (Deficit) -----	Total -----
Balance at March 31, 2003	\$ 1,549,556	\$ (76,548)	\$ 1,473,008
Net Loss	(187,392) -----	(1,893) -----	(189,285) -----
Balance at December 31, 2003	\$ 1,362,164 =====	\$ (78,441) =====	\$ 1,283,723 =====
Balance at March 31, 2004	\$ 1,290,808	\$ (79,162)	\$ 1,211,646
Net Loss	(191,510) -----	(1,934) -----	(193,444) -----
Balance at December 31, 2004	\$ 1,099,298 =====	\$ (81,096) =====	\$ 1,018,202 =====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF PARTNERS' EQUITY (Deficit)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2004 AND 2003:
(Unaudited)

SERIES 8	Limited Partners -----	General Partners (Deficit) -----	Total -----
Balance at March 31, 2003	\$ 810,146	\$ (80,327)	\$ 729,819
Net Loss	(161,469) -----	(1,631) -----	(163,100) -----
Balance at December 31, 2003	\$ 648,677 =====	\$ (81,958) =====	\$ 566,719 =====
Balance at March 31, 2004	\$ 635,468	\$ (82,091)	\$ 553,377
Net Loss	(143,765) -----	(1,452) -----	(145,217) -----
Balance at December 31, 2004	\$ 491,703 =====	\$ (83,543) =====	\$ 408,160 =====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF PARTNERS' EQUITY (Deficit)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2004 AND 2003:
(Unaudited)

SERIES 9	Limited Partners -----	General Partners (Deficit) -----	Total -----
Balance at March 31, 2003	\$ 1,364,080	\$ (41,612)	\$ 1,322,468
Net Loss	(215,324) -----	(2,175) -----	(217,499) -----
Balance at December 31, 2003	\$ 1,148,756 =====	\$ (43,787) =====	\$ 1,104,969 =====
Balance at March 31, 2004	\$ 1,055,258	\$ (44,731)	\$ 1,010,527
Net Loss	(149,150) -----	(1,507) -----	(150,657) -----
Balance at December 31, 2004	\$ 906,108 =====	\$ (46,238) =====	\$ 859,870 =====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF PARTNERS' EQUITY (Deficit)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2004 AND 2003:
(Unaudited)

SERIES 10	Limited Partners -----	General Partners (Deficit) -----	Total -----
Balance at March 31, 2003	\$ 2,341,846	\$ (20,971)	\$ 2,320,875
Net Loss	(177,688) -----	(1,795) -----	(179,483) -----
Balance at December 31, 2003	\$ 2,164,158 =====	\$ (22,766) =====	\$ 2,141,392 =====
Balance at March 31, 2004	\$ 2,115,390	\$ (23,258)	\$ 2,092,132
Net Loss	(162,566) -----	(1,642) -----	(164,208) -----
Balance at December 31, 2004	\$ 1,952,824 =====	\$ (24,900) =====	\$ 1,927,924 =====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF PARTNERS' EQUITY (Deficit)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2004 AND 2003:
(Unaudited)

SERIES 11	Limited Partners -----	General Partners (Deficit) -----	Total -----
Balance at March 31, 2003	\$ 3,344,393	\$ (12,673)	\$ 3,331,720
Net Loss	(103,142) -----	(1,042) -----	(104,184) -----
Balance at December 31, 2003	\$ 3,241,251 =====	\$ (13,715) =====	\$ 3,227,536 =====
Balance at March 31, 2004	\$ 3,202,252	\$ (14,109)	\$ 3,188,143
Net Loss	(102,217) -----	(1,032) -----	(103,249) -----
Balance at December 31, 2004	\$ 3,100,035 =====	\$ (15,141) =====	\$ 3,084,894 =====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF PARTNERS' EQUITY (Deficit)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2004 AND 2003:
(Unaudited)

TOTAL SERIES 7 - 11

	Limited Partners -----	General Partners (Deficit) -----	Total -----
Balance at March 31, 2003	\$ 9,410,021	\$ (232,131)	\$ 9,177,890
Net Loss	(845,015) -----	(8,536) -----	(853,551) -----
Balance at December 31, 2003	\$ 8,565,006 =====	\$ (240,667) =====	\$ 8,324,339 =====
Balance at March 31, 2004	\$ 8,299,176	\$ (243,351)	\$ 8,055,825
Net Loss	(749,208) -----	(7,567) -----	(756,775) -----
Balance at December 31, 2004	\$ 7,549,968 =====	\$ (250,918) =====	\$ 7,299,050 =====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 7 -----	2004 ----	2003 ----
Cash Flows from Operating Activities:		
Net Loss	\$ (193,444)	\$ (189,285)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	4,983	4,983
Accreted Interest Income on Investments in Securities	(14,937)	(17,334)
Equity in Losses of Project Partnerships	101,579	89,180
Distributions Included in Other Income	(16,731)	(9,061)
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	62,290	9,435
Net Cash Used in Operating Activities	(56,260)	(112,082)
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	23,983	16,354
Net Cash Provided by Investing Activities	23,983	16,354
Decrease in Cash and Cash Equivalents	(32,277)	(95,728)
Cash and Cash Equivalents at Beginning of Period	343,873	390,008
Cash and Cash Equivalents at End of Period	\$ 311,596	\$ 294,280
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 8 -----	2004 ----	2003 ----
Cash Flows from Operating Activities:		
Net Loss	\$ (145,217)	\$ (163,100)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	2,304	2,304
Accreted Interest Income on Investments in Securities	(13,364)	(15,498)
Equity in Losses of Project Partnership	43,185	56,867
Distributions Included in Other Income	(13,540)	(12,073)
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	4,271	24,579
Increase in Accounts Receivable	0	(24,220)
	-----	-----
Net Cash Used in Operating Activities	(122,361)	(131,141)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	13,986	13,102
	-----	-----
Net Cash Provided by Investing Activities	13,986	13,102
	-----	-----
Decrease in Cash and Cash Equivalents	(108,375)	(118,039)
Cash and Cash Equivalents at Beginning of Period	373,899	450,206
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 265,524	\$ 332,167
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 9 -----	2004 ----	2003 ----
Cash Flows from Operating Activities:		
Net Loss	\$ (150,657)	\$ (217,499)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	2,313	2,313
Accreted Interest Income on Investments in Securities	(8,532)	(9,613)
Equity in Losses of Project Partnerships	92,103	156,308
Distributions Included in Other Income	(5,413)	(3,038)
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	5,610	26,723
Decrease in Accounts Receivable	600	0
	-----	-----
Net Cash Used in Operating Activities	(63,976)	(44,806)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	8,918	8,441
	-----	-----
Net Cash Provided by Investing Activities	8,918	8,441
	-----	-----
Decrease in Cash and Cash Equivalents	(55,058)	(36,365)
Cash and Cash Equivalents at Beginning of Period	248,902	260,485
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 193,844	\$ 224,120
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 10 -----	2004 ----	2003 ----
Cash Flows from Operating Activities:		
Net Loss	\$ (164,208)	\$ (179,483)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	3,435	3,435
Accreted Interest Income on Investments in Securities	(8,678)	(9,472)
Equity in Losses of Project Partnerships	125,938	140,085
Distributions Included in Other Income	(2,830)	(1,500)
Changes in Operating Assets and Liabilities: (Decrease) in Payable to General Partners	(100,749)	5,791
Net Cash Used in Operating Activities	(147,092)	(41,144)
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	13,979	14,652
Net Cash Provided by Investing Activities	13,979	14,652
Decrease in Cash and Cash Equivalents	(133,113)	(26,492)
Cash and Cash Equivalents at Beginning of Period	247,847	251,941
Cash and Cash Equivalents at End of Period	\$ 114,734	\$ 225,449
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED DECEMBER 31,
(Unaudited)

SERIES 11 -----	2004 ----	2003 ----
Cash Flows from Operating Activities:		
Net Loss	\$ (103,249)	\$ (104,184)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	5,049	5,049
Accreted Interest Income on Investments in Securities	(10,391)	(11,315)
Equity in Losses of Project Partnerships	73,087	74,393
Distributions Included in Other Income	(2,782)	(3,167)
Changes in Operating Assets and Liabilities:		
Decrease in Payable to General Partners	(7,927)	(7,856)
Increase in Accounts Receivable	(136,000)	0
	-----	-----
Net Cash Used in Operating Activities	(182,213)	(47,080)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	15,066	5,554
	-----	-----
Net Cash Provided by Investing Activities	15,066	5,554
	-----	-----
Decrease in Cash and Cash Equivalents	(167,147)	(41,526)
Cash and Cash Equivalents at Beginning of Period	247,638	264,198
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 80,491	\$ 222,672
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED DECEMBER 31,
(Unaudited)

TOTAL SERIES 7 - 11	2004	2003
-----	----	----
Cash Flows from Operating Activities:		
Net Loss	\$ (756,775)	\$ (853,551)
Adjustments to Reconcile Net Loss to		
Net Cash Used in Operating		
Activities:		
Amortization	18,084	18,084
Accreted Interest Income on Investments		
in Securities	(55,902)	(63,232)
Equity in Losses of Project Partnerships	435,892	516,833
Distributions Included in Other Income	(41,296)	(28,839)
Changes in Operating Assets and Liabilities:		
(Decrease) in Payable to General Partners	(36,505)	58,672
Increase in Accounts Receivable	(135,400)	(24,220)
	-----	-----
Net Cash Used in Operating Activities	(571,902)	(376,253)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	75,932	58,103
	-----	-----
Net Cash Provided by Investing Activities	75,932	58,103
	-----	-----
Decrease in Cash and Cash Equivalents	(495,970)	(318,150)
Cash and Cash Equivalents at Beginning		
of Period	1,462,159	1,616,838
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 966,189	\$ 1,298,688
	=====	=====

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.
(A Florida Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE 1 - ORGANIZATION:

Gateway Tax Credit Fund III Ltd. ("Gateway"), a Florida Limited Partnership, was formed October 17, 1991 under the laws of Florida. Gateway offered its limited partnership interests in Series. The first Series for Gateway is Series 7. Operations commenced on July 16, 1992 for Series 7, January 4, 1993 for Series 8, September 30, 1993 for Series 9, January 21, 1994 for Series 10 and April 29, 1994 for Series 11. Each Series invests, as a limited partner, in other limited partnerships ("Project Partnerships"), each of which owns and operates apartment complexes eligible for Low-Income Housing Tax Credits ("Tax Credits"), provided for in Section 42 of the Internal Revenue Code of 1986. Gateway will terminate on December 31, 2040 or sooner, in accordance with the terms of the Limited Partnership Agreement. As of December 31, 2004, Gateway had received capital contributions of \$1,000 from the General Partners and \$36,799,000 from the investor Limited Partners.

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

Gateway received capital contributions of \$10,395,000, \$9,980,000, \$6,254,000, \$5,043,000 and \$5,127,000 from the investor Limited Partners in Series 7, 8, 9, 10 and 11, respectively. Each Series will be treated as though it were a separate partnership, investing in a separate and distinct pool of Project Partnerships. Income or loss and all tax items from the Project Partnerships acquired by each Series will be specifically allocated among the limited partners of such Series.

Operating profits and losses, cash distributions from operations and Tax Credits from each Series are generally allocated 99% to the Limited Partners in that Series and 1% to the General Partners. Profit or loss and cash distributions from sales of property by each Series are allocated as formulated in the Limited Partnership Agreement.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

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

Gateway accounts for its investments as the 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 Statement of Operations.

Under the equity method, the Investments in Project Partnerships initially include:

- 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.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued):

Amortization is calculated on a straight-line basis over 35 years, as this is the average estimated useful life of the underlying assets. The amortization is shown as amortization expense 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.

Gateway reviews its investment in the 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.

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.

Concentrations 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 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

Effective April 1, 1994, Gateway adopted 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. Treasury Security Strips) until maturity and to use these reserves to fund Gateway's ongoing operations. Interest income is recognized ratably on the U.S. Treasury Strips 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.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued):

Reclassifications

For comparability, the 2002 and 2003 figures have been reclassified, where appropriate, to conform with the financial statement presentation used in 2004.

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 Form 10-K for the year ended March 31, 2004. 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.

Recent Accounting Pronouncements

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN46"), "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51." FIN46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN46 is effective for all new variable interest entities created or acquired after January 31, 2003. For variable interest entities created or acquired prior to February 1, 2003, the provisions of FIN46 must be applied for the first interim or annual period ending after December 15, 2004. Gateway has evaluated the effect of the adoption of FIN46 and has determined that consolidation is not required.

NOTE 3 - INVESTMENT IN SECURITIES:

The December 31, 2004 Balance Sheet includes Investment in Securities consisting of U.S. Treasury Security Strips which represents their cost, plus accreted interest income of \$166,412 for Series 7, \$148,108 for Series 8, \$93,703 for Series 9, \$89,772 for Series 10 and \$104,825 for Series 11.

	Estimated Market Value	Cost Plus Accreted Interest	Gross Unrealized Gains and (Losses)
	-----	-----	-----
Series 7	\$ 300,206	\$ 280,453	\$ 19,753
Series 8	283,002	265,746	17,256
Series 9	200,384	187,868	12,516
Series 10	184,047	168,751	15,296
Series 11	213,445	191,970	21,475

As of December 31, 2004, the cost and accreted interest of debt securities by contractual maturities is as follows:

NOTE 3 - INVESTMENT IN SECURITIES (Continued):

	Series 7	Series 8	Series 9
	-----	-----	-----
Due within 1 year	\$ 71,558	\$ 66,556	\$ 38,743
After 1 year through 5 years	208,895	199,190	149,125
	-----	-----	-----
Total Amount Carried on Balance Sheet	\$ 280,453	\$ 265,746	\$ 187,868
	=====	=====	=====
	Series 10	Series 11	Total
	-----	-----	-----
Due within 1 year	\$ 29,027	\$ 33,773	\$ 239,657
After 1 year through 5 years	139,724	158,197	855,131
	-----	-----	-----
Total Amount Carried on Balance Sheet	\$ 168,751	\$ 191,970	\$1,094,788
	=====	=====	=====

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 nine months ended December 31, 2004 and 2003 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 receive an annual asset management fee equal to the greater of (i) \$2,000 for each limited partnership in which Gateway invests, or (ii) 0.275% of Gateway's gross proceeds from the sale of limited partnership interests. In either event (i) or (ii), the maximum amount may not exceed 0.2% of the aggregate cost (Gateway's capital contribution plus Gateway's share of the Properties' mortgage) of Gateway's interest in properties 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 Statement of Operations.

	2004	2003
	-----	-----
Series 7	\$ 65,061	\$ 65,313
Series 8	67,734	68,046
Series 9	37,284	37,398
Series 10	25,416	25,509
Series 11	21,189	21,390
	-----	-----
Total	\$216,684	\$217,656
	=====	=====

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 Statement of Operations.

Series 7	\$ 41,794	\$ 44,683
Series 8	46,081	49,265
Series 9	25,720	27,497
Series 10	16,075	17,186
Series 11	12,860	13,749
	-----	-----
Total	\$ 142,530	\$ 152,380
	=====	=====

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

As of December 31, 2004, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 39 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 7	DECEMBER 31, 2004 -----	MARCH 31, 2004 -----
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	\$ 7,732,089	\$ 7,732,089
Cumulative equity in losses of Project Partnerships (1)	(7,094,099)	(6,992,520)
Cumulative distributions received from Project Partnerships	(225,669) -----	(218,417) -----
Investment in Project Partnerships before adjustment	412,321	521,152
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	793,335	793,335
Accumulated amortization of acquisition fees and expenses	(191,529) -----	(186,546) -----
Investments in Project Partnerships	\$ 1,014,127 =====	\$ 1,127,941 =====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$3,873,348 for the period ended December 31, 2004 and cumulative suspended losses of \$3,469,144 for the year ended March 31, 2004 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of December 31, 2004, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 43 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 8	DECEMBER 31, 2004 -----	MARCH 31, 2004 -----
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	\$ 7,586,105	\$ 7,586,105
Cumulative equity in losses of Project Partnerships (1)	(7,386,545)	(7,343,360)
Cumulative distributions received from Project Partnerships	(164,274)	(163,828)
	-----	-----
Investment in Project Partnerships before adjustment	35,286	78,917
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	549,773	549,773
Accumulated amortization of acquisition fees and expenses	(118,200)	(115,895)
	-----	-----
Investments in Project Partnerships	\$ 466,859 =====	\$ 512,795 =====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$4,504,741 for the period ended December 31, 2004 and cumulative suspended losses of \$4,002,763 for the year ended March 31, 2004 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of December 31, 2004, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 24 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 9	DECEMBER 31, 2004 -----	MARCH 31, 2004 -----
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	\$ 4,914,116	\$ 4,914,116
Cumulative equity in losses of Project Partnerships (1)	(4,092,791)	(4,000,688)
Cumulative distributions received from Project Partnerships	(137,181) -----	(133,676) -----
Investment in Project Partnerships before adjustment	684,144	779,752
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	244,087	244,087
Accumulated amortization of acquisition fees and expenses	(59,112) -----	(56,799) -----
Investments in Project Partnerships	\$ 869,119 =====	\$ 967,040 =====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$1,404,176 for the period ended December 31, 2004 and cumulative suspended losses of \$1,226,519 for the year ended March 31, 2004 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of December 31, 2004, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 15 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 10	DECEMBER 31, 2004 -----	MARCH 31, 2004 -----
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	\$ 3,914,672	\$ 3,914,672
Cumulative equity in losses of Project Partnerships (1)	(2,199,708)	(2,073,769)
Cumulative distributions received from Project Partnerships	(178,855)	(167,705)
	-----	-----
Investment in Project Partnerships before adjustment	1,536,109	1,673,198
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	196,738	196,738
Accumulated amortization of acquisition fees and expenses	(57,896)	(54,461)
	-----	-----
Investments in Project Partnerships	\$ 1,674,951 =====	\$ 1,815,475 =====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$158,400 for the period ended December 31, 2004 and cumulative suspended losses of \$132,431 for the year ended March 31, 2004 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of December 31, 2004, the Partnership had acquired a 99% interest in the profits, losses and tax credits as a limited partner in 12 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 11	DECEMBER 31, 2004	MARCH 31, 2004
	-----	-----
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	\$ 4,128,042	\$ 4,128,042
Cumulative equity in losses of Project Partnerships	(1,468,082)	(1,394,995)
Cumulative distributions received from Project Partnerships	(161,594)	(149,310)
	-----	-----
Investment in Project Partnerships before adjustment	2,498,366	2,583,737
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	290,335	290,335
Accumulated amortization of acquisition fees and expenses	(79,709)	(74,660)
	-----	-----
Investments in Project Partnerships	\$ 2,708,992	\$ 2,799,412
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$300,773 for the period ended December 31, 2004 and cumulative suspended losses of \$208,165 for the year ended March 31, 2004 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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

TOTAL SERIES 7 - 11	DECEMBER 31, 2004 -----	MARCH 31, 2004 -----
Capital Contributions to Project Partnerships and purchase price paid for limited partner interests in Project Partnerships	\$28,275,024	\$28,275,024
Cumulative equity in losses of Project Partnerships	(22,241,225)	(21,805,332)
Cumulative distributions received from Project Partnerships	(867,573)	(832,936)
	-----	-----
Investment in Project Partnerships before adjustment	5,166,226	5,636,756
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	2,074,268	2,074,268
Accumulated amortization of acquisition fees and expenses	(506,446)	(488,361)
	-----	-----
Investments in Project Partnerships	\$ 6,734,048 =====	\$ 7,222,663 =====

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 September 30, of each year:

SERIES 7	2004	2003
	----	----
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 3,935,960	\$ 3,851,489
Investment properties, net	28,828,646	30,086,385
Other assets	19,448	19,599
	-----	-----
Total assets	\$32,784,054	\$33,957,473
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 625,720	\$ 814,567
Long-term debt	36,002,235	36,063,490
	-----	-----
Total liabilities	36,627,955	36,878,057
	-----	-----
Partners' equity (deficit)		
Limited Partner	(3,583,727)	(2,704,179)
General Partners	(260,174)	(216,405)
	-----	-----
Total Partners' equity	(3,843,901)	(2,920,584)
	-----	-----
Total liabilities and partners' equity	\$32,784,054	\$33,957,473
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 3,632,467	\$ 3,485,254
Expenses:	-----	-----
Operating expenses	2,437,225	2,375,028
Interest expense	606,192	616,538
Depreciation and amortization	1,099,942	1,099,942
	-----	-----
Total expenses	4,143,359	4,091,508
	-----	-----
Net loss	\$ (510,892)	\$ (606,254)
	=====	=====
Other partners' share of net loss	\$ (5,109)	\$ (6,063)
	=====	=====
Partnerships' share of net loss	\$ (505,783)	\$ (600,191)
Suspended losses	404,204	511,011
	-----	-----
Equity in Losses of Project Partnerships	\$ (101,579)	\$ (89,180)
	=====	=====

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 September 30, of each year:

SERIES 8	2004	2003
	----	----
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 3,780,670	\$ 3,509,600
Investment properties, net	30,149,404	31,663,436
Other assets	49,357	75,307
	-----	-----
Total assets	\$33,979,431	\$35,248,343
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 991,808	\$ 1,061,467
Long-term debt	37,949,865	38,086,148
	-----	-----
Total liabilities	38,941,673	39,147,615
	-----	-----
Partners' equity (deficit)		
Limited Partner	(4,307,429)	(3,380,219)
General Partners	(654,813)	(519,053)
	-----	-----
Total Partners' equity (deficit)	(4,962,242)	(3,899,272)
	-----	-----
Total liabilities and partners' equity	\$33,979,431	\$35,248,343
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 3,618,208	\$ 3,446,687
Expenses:		
Operating expenses	2,338,094	2,232,870
Interest expense	648,733	658,793
Depreciation and amortization	1,183,519	1,183,569
	-----	-----
Total expenses	4,170,346	4,075,232
	-----	-----
Net loss	\$ (552,138)	\$ (628,545)
	=====	=====
Other partners' share of net loss	\$ (6,975)	\$ (8,382)
	=====	=====
Partnerships' share of net loss	\$ (545,163)	\$ (620,163)
Suspended losses	501,978	563,296
	-----	-----
Equity in Losses of Project Partnerships	\$ (43,185)	\$ (56,867)
	=====	=====

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 September 30, of each year:

SERIES 9	2004	2003
	----	----
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 1,993,172	\$ 1,827,766
Investment properties, net	17,307,966	18,096,688
Other assets	3,774	3,573
	-----	-----
Total assets	\$19,304,912	\$19,928,027
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 193,710	\$ 270,446
Long-term debt	20,142,793	20,187,089
	-----	-----
Total liabilities	20,336,503	20,457,535
	-----	-----
Partners' equity (deficit)		
Limited Partner	(754,990)	(285,411)
General Partners	(276,601)	(244,097)
	-----	-----
Total Partners' equity	(1,031,591)	(529,508)
	-----	-----
Total liabilities and partners' equity	\$19,304,912	\$19,928,027
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 1,896,337	\$ 1,762,155
Expenses:		
Operating expenses	1,201,257	1,140,548
Interest expense	343,166	346,043
Depreciation and amortization	624,399	624,500
	-----	-----
Total expenses	2,168,822	2,111,091
	-----	-----
Net loss	\$ (272,485)	\$ (348,936)
	=====	=====
Other partners' share of net loss	\$ (2,725)	\$ (3,490)
	=====	=====
Partnerships' share of net loss	\$ (269,760)	\$ (345,446)
Suspended losses	177,657	189,138
	-----	-----
Equity in Losses of Project Partnerships	\$ (92,103)	\$ (156,308)
	=====	=====

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 September 30, of each year:

SERIES 10	2004	2003
	----	----
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 1,760,688	\$ 1,691,260
Investment properties, net	12,664,446	13,105,539
Other assets	1,938	9,112
	-----	-----
Total assets	\$14,427,072	\$14,805,911
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 217,644	\$ 288,543
Long-term debt	13,161,837	13,195,207
	-----	-----
Total liabilities	13,379,481	13,483,750
	-----	-----
Partners' equity (deficit)		
Limited Partner	1,386,151	1,613,946
General Partners	(338,560)	(291,785)
	-----	-----
Total Partners' equity	1,047,591	1,322,161
	-----	-----
Total liabilities and partners' equity	\$14,427,072	\$14,805,911
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 1,232,023	\$ 1,183,271
Expenses:		
Operating expenses	824,003	779,271
Interest expense	190,350	193,146
Depreciation and amortization	372,455	372,329
	-----	-----
Total expenses	1,386,808	1,344,746
	-----	-----
Net loss	\$ (154,785)	\$ (161,475)
	=====	=====
Other partners' share of net loss	\$ (2,878)	\$ (2,679)
	=====	=====
Partnerships' share of net loss	\$ (151,907)	\$ (158,796)
Suspended losses	25,969	18,711
	-----	-----
Equity in Losses of Project Partnerships	\$ (125,938)	\$ (140,085)
	=====	=====

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 September 30, of each year:

SERIES 11	2004	2003
	----	----
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 1,180,607	\$ 1,287,516
Investment properties, net	10,883,001	11,322,260
Other assets	190,875	0
	-----	-----
Total assets	\$12,254,483	\$12,609,776
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 173,542	\$ 205,295
Long-term debt	10,099,725	10,128,122
	-----	-----
Total liabilities	10,273,267	10,333,417
	-----	-----
Partners' equity (deficit)		
Limited Partner	2,219,290	2,485,750
General Partners	(238,074)	(209,391)
	-----	-----
Total Partners' equity	1,981,216	2,276,359
	-----	-----
Total liabilities and partners' equity	\$12,254,483	\$12,609,776
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 1,160,682	\$ 1,122,516
Expenses:		
Operating expenses	777,941	750,730
Interest expense	173,350	175,354
Depreciation and amortization	386,514	386,514
	-----	-----
Total expenses	1,337,805	1,312,598
	-----	-----
Net loss	\$ (177,123)	\$ (190,082)
	=====	=====
Other partners' share of net loss	\$ (11,428)	\$ (11,363)
	=====	=====
Partnerships' share of net loss	\$ (165,695)	\$ (178,719)
Suspended losses	92,608	104,326
	-----	-----
Equity in Losses of Project Partnerships	\$ (73,087)	\$ (74,393)
	=====	=====

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 September 30, of each year:

TOTAL SERIES 7 - 11	2004	2003
	----	----
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 12,651,097	\$ 12,167,631
Investment properties, net	99,833,463	104,274,308
Other assets	265,392	107,591
	-----	-----
Total assets	\$112,749,952	\$116,549,530
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 2,202,424	\$ 2,640,318
Long-term debt	117,356,455	117,660,056
	-----	-----
Total liabilities	119,558,879	120,300,374
	-----	-----
Partners' equity (deficit)		
Limited Partner	(5,040,705)	(2,270,113)
General Partners	(1,768,222)	(1,480,731)
	-----	-----
Total Partners' equity (deficit)	(6,808,927)	(3,750,844)
	-----	-----
Total liabilities and partners' equity	\$112,749,952	\$116,549,530
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 11,539,717	\$ 10,999,883
Expenses:	-----	-----
Operating expenses	7,578,520	7,278,447
Interest expense	1,961,791	1,989,874
Depreciation and amortization	3,666,829	3,666,854
	-----	-----
Total expenses	13,207,140	12,935,175
	-----	-----
Net loss	\$ (1,667,423)	\$ (1,935,292)
	=====	=====
Other partners' share of net loss	\$ (29,115)	\$ (31,977)
	=====	=====
Partnerships' share of net loss	\$ (1,638,308)	\$ (1,903,315)
Suspended losses	1,202,416	1,386,482
	-----	-----
Equity in Losses of Project Partnerships	\$ (435,892)	\$ (516,833)
	=====	=====

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 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 and 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.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations, Liquidity and Capital Resources

The proceeds from Limited Partner investors' capital contributions available for investment are used to acquire interests in Project Partnerships.

As disclosed on the statement of operations for each Series, except as described below, interest income is comparable for the nine and three months ended December 31, 2004 and December 31, 2003. The General and Administrative expenses - General Partner is also comparable for the nine months and three months ended December 31, 2004 and December 31, 2003.

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 investors' return of their original capital contribution.)

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

Series 7 - Gateway closed this series on October 16, 1992 after receiving \$10,395,000 from 635 Limited Partner investors. Equity in Losses of Project Partnerships for the nine months ended December 31, 2004 increased from \$89,180 for the nine months ended December 31, 2003 to \$101,579 primarily due to a decrease in losses. In general, it is common in the real estate industry to experience losses for financial and tax reporting purposes because of the non-cash expenses of depreciation and amortization. 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 are generating tax credits which meet projections.

At December 31, 2004, the Series had \$311,596 of short-term investments (Cash and Cash Equivalents). It also had \$280,453 in Zero Coupon Treasuries with annual maturities providing \$72,000 in fiscal year 2005 increasing to \$86,000 in fiscal year 2008. 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 \$193,444 for the nine months ended December 31, 2004. However, after adjusting for Equity in Losses of Project Partnerships of \$101,579 and the changes in operating assets and liabilities, net cash used in operating activities was \$56,260. Cash provided by investing activities totaled \$23,983 consisting of cash distributions from the Project Partnerships. There were no unusual events or trends to describe.

Series 8 - Gateway closed this Series on September 28, 1993 after receiving \$9,980,000 from 664 Limited Partner investors. Equity in Losses of Project Partnerships for the nine months ended December 31, 2004 decreased from \$56,867 for the nine months ended December 31, 2003 to \$43,185.

At December 31, 2004, the Series had \$265,524 of short-term investments (Cash and Cash Equivalents). It also had \$265,746 in Zero Coupon Treasuries with annual maturities providing \$67,000 in fiscal year 2005 increasing to \$82,000 in fiscal year 2008. 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 \$145,217 for the nine months ended December 31, 2004. However, after adjusting for Equity in Losses of Project Partnerships of \$43,185 and the changes in operating assets and liabilities, net cash used in operating activities was \$122,361. Cash provided by investing activities totaled \$13,986, consisting of cash distributions from the Project Partnerships. There were no unusual events or trends to describe.

Series 9 - Gateway closed this Series on December 31, 1993 after receiving \$6,254,000 from 406 Limited Partner investors. Equity in Losses of Project Partnerships for the nine months ended December 31, 2004 decreased from \$156,308 for the nine months ended December 31, 2003 to \$92,103 primarily as a result of an increase in rental revenue.

At December 31, 2004, the Series had \$193,844 of short-term investments (Cash and Cash Equivalents). It also had \$187,868 in Zero Coupon Treasuries with annual maturities providing \$39,000 in fiscal year 2005 increasing to \$47,000 in fiscal year 2009. 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 \$150,657 for the nine months ended December 31, 2004. However, after adjusting for Equity in Losses of Project Partnerships of \$92,103 and the changes in operating assets and liabilities, net cash used in operating activities was \$63,976. Cash provided by investing activities totaled \$8,918, consisting of cash distributions from the Project Partnerships. There were no unusual events or trends to describe.

Series 10 - Gateway closed this Series on January 21, 1994 after receiving \$5,043,000 from 325 Limited Partner investors. Equity in Losses of Project Partnerships for the nine months ended December 31, 2004 decreased from \$140,085 for the nine months ended December 31, 2003 to \$125,938 primarily due to an increase in rental revenue.

At December 31, 2004, the Series had \$114,734 of short-term investments (Cash and Cash Equivalents). It also had \$168,751 in Zero Coupon Treasuries with annual maturities providing \$28,000 in fiscal year 2005 increasing to \$40,000 in fiscal year 2010. 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 \$164,208 for the nine months ended December 31, 2004. However, after adjusting for Equity in Losses of Project Partnerships of \$125,938 and the changes in operating assets and liabilities, net cash used in operating activities was \$147,092. Cash provided by investing activities totaled \$13,979, consisting of cash distributions from the Project Partnerships. There were no unusual events or trends to describe.

Series 11 - Gateway closed this Series on April 29, 1994 after receiving \$5,127,000 from 330 Limited investors. Equity in losses of Project Partnerships for the nine months ended December 31, 2004 decreased slightly from \$74,393 for the nine months ended December 31, 2003 to \$73,087.

At December 31, 2004, the Series had \$80,491 of short-term investments (Cash and Cash Equivalents). It also had \$191,970 in Zero Coupon Treasuries with annual maturities providing \$34,000 in fiscal year 2005 increasing to \$44,000 in fiscal year 2010. 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.

The Series also had \$136,000 in Accounts Receivable attributable to an inadvertent over-payment of asset management fees, which has since been repaid to the Series, and will be reflected as such on the financial statements for the year ended March 31, 2005.

As disclosed on the statement of cash flows, the Series had a net loss of \$103,249 for the nine months ended December 31, 2004. However, after adjusting for Equity in Losses of Project Partnerships of \$73,087 and the changes in operating assets and liabilities, net cash used in operating activities, exclusive of the \$136,000 overpayment of asset management fees, was \$46,213. Cash provided by investing activities totaled \$15,066, consisting of cash distributions from the Project Partnerships.

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 III, LTD.
(A Florida Limited Partnership)
By: Raymond James Tax Credit Funds, Inc.

Date: February 11, 2005

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

Date: February 11, 2005

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

Date: February 11, 2005

By: /s/ Carol Georges
Carol Georges
Vice President and Director of Accounting

CERTIFICATIONS*

I, Ron Diner, certify that:

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

2. Based on my knowledge, this quarterly 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 quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: February 11, 2005

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

I, Carol Georges, certify that:

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

2. Based on my knowledge, this quarterly 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 quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: February 11, 2005

By: /s/ Carol Georges
Carol Georges
Vice President and Director of Accounting
Secretary and Treasurer