

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 June 30, 2005

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 (IRS 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           

<u>Title of Each Class</u>	<u>Number of Units</u> <u>June 30, 2005</u>
Units of Limited Partnership	
Interest: \$1,000 per unit	33,799

DOCUMENTS INCORPORATED BY REFERENCE

Parts I and II, 2005 Form 10-K, filed with the  
Securities and Exchange Commission on July 13, 2005  
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 SHEET

SERIES 7	JUNE 30, 2005 ----- (Unaudited)	MARCH 31, 2005 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 368,651	\$ 383,342
Investments in Securities	73,773	72,445
	-----	-----
Total Current Assets	442,424	455,787
Investments in Securities	142,947	140,326
Investments in Project Partnerships, Net	935,303	965,655
	-----	-----
Total Assets	\$1,520,674	\$1,561,768
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 54,404	\$ 53,630
	-----	-----
Total Current Liabilities	54,404	53,630
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	579,591	557,979
	-----	-----
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 June 30, 2005 and March 31, 2005)	969,091	1,031,936
General Partners	(82,412)	(81,777)
	-----	-----
Total Partners' Equity	886,679	950,159
	-----	-----
Total Liabilities and Partners' Equity	\$ 1,520,674	\$1,561,768
	=====	=====

See accompanying notes to financial statements.

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

SERIES 8	JUNE 30, 2005 ----- (Unaudited)	MARCH 31, 2005 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 311,377	\$ 325,662
Investments in Securities	69,097	67,927
Accounts Receivable	24,220	24,220
	-----	-----
Total Current Assets	404,694	417,809
Investments in Securities	137,124	134,748
Investments in Project Partnerships, Net	465,277	461,161
	-----	-----
Total Assets	\$1,007,095	\$1,013,718
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 45,226	\$ 45,110
	-----	-----
Total Current Liabilities	45,226	45,110
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	616,875	594,397
	-----	-----
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 June 30, 2005 and March 31, 2005)	429,169	458,094
General Partners	(84,175)	(83,883)
	-----	-----
Total Partners' Equity	344,994	374,211
	-----	-----
Total Liabilities and Partners' Equity	\$1,007,095	\$1,013,718
	=====	=====

See accompanying notes to financial statements.

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

SERIES 9	JUNE 30, 2005 ----- (Unaudited)	MARCH 31, 2005 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 218,180	\$ 229,897
Investments in Securities	39,489	38,890
Accounts Receivable	0	0
	-----	-----
Total Current Assets	257,669	268,787
Investments in Securities	114,361	112,579
Investments in Project Partnerships, Net	775,050	798,862
	-----	-----
Total Assets	\$1,147,080	\$1,180,228
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 24,606	\$ 25,407
	-----	-----
Total Current Liabilities	24,606	25,407
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	391,517	379,140
	-----	-----
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 June 30, 2005 and March 31, 2005)	778,483	822,760
General Partners	(47,526)	(47,079)
	-----	-----
Total Partners' Equity	730,957	775,681
	-----	-----
Total Liabilities and Partners' Equity	\$1,147,080	\$1,180,228
	=====	=====

See accompanying notes to financial statements.

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

SERIES 10	JUNE 30, 2005 ----- (Unaudited)	MARCH 31, 2005 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 138,819	\$ 142,638
Investments in Securities	29,992	29,480
	-----	-----
Total Current Assets	168,811	172,118
Investments in Securities	114,729	112,721
Investments in Project Partnerships, Net	1,636,604	1,661,049
	-----	-----
Total Assets	\$1,920,144	\$1,945,888
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 28,648	\$ 28,777
	-----	-----
Total Current Liabilities	28,648	28,777
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	19,760	11,305
	-----	-----
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 June 30, 2005 and March 31, 2005)	1,897,198	1,930,927
General Partners	(25,462)	(25,121)
	-----	-----
Total Partners' Equity	1,871,736	1,905,806
	-----	-----
Total Liabilities and Partners' Equity	\$1,920,144	\$1,945,888
	=====	=====

See accompanying notes to financial statements.

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

SERIES 11	JUNE 30, 2005 ----- (Unaudited)	MARCH 31, 2005 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 194,929	\$ 199,931
Investments in Securities	34,463	33,838
Receivable from General Partner	1,671	8,291
	-----	-----
Total Current Assets	231,063	242,060
Investments in Securities	129,744	127,336
Investments in Project Partnerships, Net	2,638,279	2,664,780
	-----	-----
Total Assets	\$2,999,086	\$3,034,176
	=====	=====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 0	\$ 0
	-----	-----
Total Current Liabilities	0	0
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	0	0
	-----	-----
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 June 30, 2005 and March 31, 2005)	3,015,086	3,049,825
General Partners	(16,000)	(15,649)
	-----	-----
Total Partners' Equity	2,999,086	3,034,176
	-----	-----
Total Liabilities and Partners' Equity	\$2,999,086	\$3,034,176
	=====	=====

See accompanying notes to financial statements.

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

TOTAL SERIES 7 - 11	JUNE 30, 2005 ----- (Unaudited)	MARCH 31, 2005 ----- (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,231,956	\$ 1,281,470
Investments in Securities	246,814	242,580
Accounts Receivable	24,220	24,220
Receivable from General Partner	1,671	8,291
	-----	-----
Total Current Assets	1,504,661	1,556,561
Investments in Securities	638,905	627,710
Investments in Project Partnerships, Net	6,450,513	6,551,507
	-----	-----
Total Assets	\$ 8,594,079 =====	\$ 8,735,778 =====
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	\$ 152,884	\$ 152,924
	-----	-----
Total Current Liabilities	152,884	152,924
	-----	-----
Long-Term Liabilities:		
Payable to General Partners	1,607,743	1,542,821
	-----	-----
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 June 30, 2005 and March 31, 2005)	7,089,027	7,293,542
General Partners	(255,575)	(253,509)
	-----	-----
Total Partners' Equity	6,833,452	7,040,033
	-----	-----
Total Liabilities and Partners' Equity	\$ 8,594,079 =====	\$ 8,735,778 =====

See accompanying notes to financial statements.

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

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

SERIES 7	2005	2004
	----	----
Revenues:		
Distribution Income	\$ 4,363	\$ 3,413
	-----	-----
Total Revenues	4,363	3,413
	-----	-----
Expenses:		
Asset Management Fee-General Partner	21,612	21,687
General and Administrative:		
General Partner	17,902	12,538
Other	5,561	2,043
Amortization	1,553	1,661
	-----	-----
Total Expenses	46,628	37,929
	-----	-----
Loss Before Equity in Losses of Project Partnerships and Other Income	(42,265)	(34,516)
Equity in Losses of Project Partnerships	(27,286)	(41,397)
Interest Income	6,071	5,201
	-----	-----
Net Loss	\$ (63,480)	\$ (70,712)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (62,845)	\$ (70,005)
General Partners	(635)	(707)
	-----	-----
	\$ (63,480)	\$ (70,712)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (6.05)	\$ (6.73)
	=====	=====
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 JUNE 30,  
(Unaudited)

SERIES 8	2005	2004
	----	----
Revenues:		
Distribution Income	\$ 9,521	\$ 4,521
	-----	-----
Total Revenues	9,521	4,521
	-----	-----
Expenses:		
Asset Management Fee-General Partner	22,477	22,578
General and Administrative:		
General Partner	19,738	13,824
Other	5,998	1,656
Amortization	567	768
	-----	-----
Total Expenses	48,780	38,826
	-----	-----
Loss Before Equity in Losses of Project Partnerships and Other Income	(39,259)	(34,305)
Equity in Income (Losses) of Project Partnerships	4,683	(16,434)
Interest Income	5,359	4,718
	-----	-----
Net Loss	\$ (29,217)	\$ (46,021)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (28,925)	\$ (45,561)
General Partners	(292)	(460)
	-----	-----
	\$ (29,217)	\$ (46,021)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (2.90)	\$ (4.57)
	=====	=====
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 JUNE 30,  
(Unaudited)

SERIES 9	2005	2004
	----	----
Revenues:		
Distribution Income	\$ 3,042	\$ 2,438
	-----	-----
Total Revenues	3,042	2,438
	-----	-----
Expenses:		
Asset Management Fee-General Partner	12,377	12,428
General and Administrative:		
General Partner	11,017	7,716
Other	4,211	1,032
Amortization	594	771
	-----	-----
Total Expenses	28,199	21,947
	-----	-----
Loss Before Equity in Losses of Project Partnerships and Other Income	(25,157)	(19,509)
Equity in Losses of Project Partnerships	(23,218)	(50,811)
Interest Income	3,651	3,027
	-----	-----
Net Loss	\$ (44,724)	\$ (67,293)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (44,277)	\$ (66,620)
General Partners	(447)	(673)
	-----	-----
	\$ (44,724)	\$ (67,293)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (7.08)	\$ (10.65)
	=====	=====
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 JUNE 30,  
(Unaudited)

SERIES 10	2005	2004
	----	----
Revenues:		
Distribution Income	\$ 1,380	\$ 1,380
	-----	-----
Total Revenues	1,380	1,380
	-----	-----
Expenses:		
Asset Management Fee-General Partner	8,455	8,472
General and Administrative:		
General Partner	6,886	4,822
Other	2,179	880
Amortization	1,191	1,145
	-----	-----
Total Expenses	18,711	15,319
	-----	-----
Loss Before Equity in Losses of Project Partnerships and Other Income	(17,331)	(13,939)
Equity in Losses of Project Partnerships	(20,054)	(39,274)
Interest Income	3,315	3,048
	-----	-----
Net Loss	\$ (34,070)	\$ (50,165)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (33,729)	\$ (49,663)
General Partners	(341)	(502)
	-----	-----
	\$ (34,070)	\$ (50,165)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (6.69)	\$ (9.85)
	=====	=====
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 JUNE 30,  
(Unaudited)

SERIES 11	2005	2004
	----	----
Revenues:		
Distribution Income	\$ 987	\$ 0
	-----	-----
Total Revenues	987	0
	-----	-----
Expenses:		
Asset Management Fee-General Partner	7,005	7,063
General and Administrative:		
General Partner	5,508	3,858
Other	2,010	790
Amortization	1,477	1,683
	-----	-----
Total Expenses	16,000	13,394
	-----	-----
Loss Before Equity in Losses of Project Partnerships and Other Income	(15,013)	(13,394)
Equity in Losses of Project Partnerships	(24,224)	(38,922)
Interest Income	4,147	3,625
	-----	-----
Net Loss	\$ (35,090)	\$ (48,691)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (34,739)	\$ (48,204)
General Partners	(351)	(487)
	-----	-----
	\$ (35,090)	\$ (48,691)
	=====	=====
Net Loss Per Number of Limited Partnership Units	\$ (6.78)	\$ (9.40)
	=====	=====
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 JUNE 30,  
(Unaudited)

TOTAL SERIES 7 - 11	2005	2004
	----	----
Revenues:		
Distribution Income	\$ 19,293	\$ 11,752
	-----	-----
Total Revenues	19,293	11,752
	-----	-----
Expenses:		
Asset Management Fee-General Partner	71,926	72,228
General and Administrative:		
General Partner	61,051	42,758
Other	19,959	6,401
Amortization	5,382	6,028
	-----	-----
Total Expenses	158,318	127,415
	-----	-----
Loss Before Equity in Losses of Project Partnerships and Other Income	(139,025)	(115,663)
Equity in Losses of Project Partnerships	(90,099)	(186,838)
Interest Income	22,543	19,619
	-----	-----
Net Loss	\$ (206,581)	\$ (282,882)
	=====	=====
Allocation of Net Loss:		
Limited Partners	\$ (204,515)	\$ (280,053)
General Partners	(2,066)	(2,829)
	-----	-----
	\$ (206,581)	\$ (282,882)
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004:

SERIES 7	Limited Partners -----	General Partners -----	Total -----
Balance at March 31, 2004	\$ 1,290,808	\$ (79,162)	\$ 1,211,646
Net Loss	(70,005) -----	(707) -----	(70,712) -----
Balance at June 30, 2004	\$ 1,220,803 =====	\$ (79,869) =====	\$ 1,140,934 =====
Balance at March 31, 2005	\$ 1,031,936	\$ (81,777)	\$ 950,159
Net Loss	(62,845) -----	(635) -----	(63,480) -----
Balance at June 30, 2005	\$ 969,091 =====	\$ (82,412) =====	\$ 886,679 =====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004:

SERIES 8	Limited Partners -----	General Partners -----	Total -----
Balance at March 31, 2004	\$ 635,468	\$ (82,091)	\$ 553,377
Net Loss	(45,561) -----	(460) -----	(46,021) -----
Balance at June 30, 2004	\$ 589,907 =====	\$ (82,551) =====	\$ 507,356 =====
Balance at March 31, 2005	\$ 458,094	\$ (83,883)	\$ 374,211
Net Loss	(28,925) -----	(292) -----	(29,217) -----
Balance at June 30, 2005	\$ 429,169 =====	\$ (84,175) =====	\$ 344,994 =====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004:

SERIES 9	Limited Partners -----	General Partners -----	Total -----
Balance at March 31, 2004	\$ 1,055,258	\$ (44,731)	\$1,010,527
Net Loss	(66,620) -----	(673) -----	(67,293) -----
Balance at June 30, 2004	\$ 988,638 =====	\$ (45,404) =====	\$ 943,234 =====
Balance at March 31, 2005	\$ 822,760	\$ (47,079)	\$ 775,681
Net Loss	(44,277) -----	(447) -----	(44,724) -----
Balance at June 30, 2005	\$ 778,483 =====	\$ (47,526) =====	\$ 730,957 =====

See accompanying notes to financial statements.



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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004:

SERIES 10	Limited Partners -----	General Partners -----	Total -----
Balance at March 31, 2004	\$ 2,115,390	\$ (23,258)	\$ 2,092,132
Net Loss	(49,663) -----	(502) -----	(50,165) -----
Balance at June 30, 2004	\$ 2,065,727 =====	\$ (23,760) =====	\$ 2,041,967 =====
Balance at March 31, 2005	\$ 1,930,927	\$ (25,121)	\$ 1,905,806
Net Loss	(33,729) -----	(341) -----	(34,070) -----
Balance at June 30, 2005	\$ 1,897,198 =====	\$ (25,462) =====	\$ 1,871,736 =====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004:

SERIES 11	Limited Partners -----	General Partners -----	Total -----
Balance at March 31, 2004	\$ 3,202,252	\$ (14,109)	\$ 3,188,143
Net Loss	(48,204) -----	(487) -----	(48,691) -----
Balance at June 30, 2004	\$ 3,154,048 =====	\$ (14,596) =====	\$ 3,139,452 =====
Balance at March 31, 2005	\$ 3,049,825	\$ (15,649)	\$ 3,034,176
Net Loss	(34,739) -----	(351) -----	(35,090) -----
Balance at June 30, 2005	\$ 3,015,086 =====	\$ (16,000) =====	\$ 2,999,086 =====

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE THREE MONTHS ENDED JUNE 30, 2005 AND 2004:

TOTAL SERIES 7 - 11	Limited Partners -----	General Partners -----	Total -----
Balance at March 31, 2004	\$ 8,299,176	\$ (243,351)	\$ 8,055,825
Net Loss	(280,053) -----	(2,829) -----	(282,882) -----
Balance at June 30, 2004	\$ 8,019,123 =====	\$ (246,180) =====	\$ 7,772,943 =====
Balance at March 31, 2005	\$ 7,293,542	\$ (253,509)	\$ 7,040,033
Net Loss	(204,515) -----	(2,066) -----	(206,581) -----
Balance at June 30, 2005	\$ 7,089,027 =====	\$ (255,575) =====	\$ 6,833,452 =====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED JUNE 30,  
(Unaudited)

SERIES 7	2005	2004
-----	----	----
Cash Flows from Operating Activities:		
Net Loss	\$ (63,480)	\$ (70,712)
Adjustments to Reconcile Net Loss to Net		
Cash Used in Operating Activities:		
Amortization	1,553	1,661
Accreted Interest Income on Investments		
in Securities	(3,949)	(4,888)
Equity in Losses of Project Partnerships	27,286	41,397
Distribution Included in Other Income	(4,363)	(3,163)
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	22,386	24,952
	-----	-----
Net Cash Used in Operating Activities	(20,567)	(10,753)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	5,876	7,586
	-----	-----
Net Cash Provided by Investing		
Activities	5,876	7,586
	-----	-----
Decrease in Cash and Cash Equivalents	(14,691)	(3,167)
Cash and Cash Equivalents at Beginning of		
Period	383,342	343,873
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 368,651	\$ 340,706
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED JUNE 30,  
(Unaudited)

SERIES 8	2005	2004
-----	----	----
Cash Flows from Operating Activities:		
Net Loss	\$ (29,217)	\$ (46,021)
Adjustments to Reconcile Net Loss to Net		
Cash Used In Operating Activities:		
Amortization	567	768
Accreted Interest Income on Investments		
in Securities	(3,546)	(4,379)
Equity in (Income) Losses of Project		
Partnerships	(4,683)	16,434
Distribution Included In Other Income	(9,521)	(4,521)
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	22,594	25,853
	-----	-----
Net Cash Used in Operating Activities	(23,806)	(11,866)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	9,521	4,521
	-----	-----
Net Cash Provided by Investing		
Activities	9,521	4,521
	-----	-----
Decrease in Cash and Cash Equivalents	(14,285)	(7,345)
Cash and Cash Equivalents at Beginning of		
Period	325,662	373,899
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 311,377	\$ 366,554
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED JUNE 30,  
(Unaudited)

SERIES 9 -----	2005 ----	2004 ----
Cash Flows from Operating Activities:		
Net Loss	\$ (44,724)	\$ (67,293)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	594	771
Accreted Interest Income on Investments in Securities	(2,381)	(2,801)
Equity in Losses of Project Partnerships	23,218	50,811
Distribution Included in Other Income	(3,042)	(2,438)
Changes in Operating Assets and Liabilities:		
Decrease in Accounts Receivable	0	600
Increase in Payable to General Partners	11,576	14,445
	-----	-----
Net Cash Used in Operating Activities	(14,759)	(5,905)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	3,042	2,438
	-----	-----
Net Cash Provided by Investing Activities	3,042	2,438
	-----	-----
Decrease in Cash and Cash Equivalents	(11,717)	(3,467)
	-----	-----
Cash and Cash Equivalents at Beginning of Period	229,897	248,902
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 218,180	\$ 245,435
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED JUNE 30,  
(Unaudited)

SERIES 10	2005	2004
-----	----	----
Cash Flows from Operating Activities:		
Net Loss	\$ (34,070)	\$ (50,165)
Adjustments to Reconcile Net Loss to Net		
Cash Used in Operating Activities:		
Amortization	1,191	1,145
Accreted Interest Income on Investments		
in Securities	(2,520)	(2,820)
Equity in Losses of Project Partnerships	20,054	39,274
Distribution Included in Other Income	(1,380)	(1,380)
Changes in Operating Assets and Liabilities:		
Increase in Payable to General Partners	8,326	9,698
	-----	-----
Net Cash Used in Operating Activities	(8,399)	(4,248)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	4,580	2,130
	-----	-----
Net Cash Provided by Investing		
Activities	4,580	2,130
	-----	-----
Decrease in Cash and Cash Equivalents	(3,819)	(2,118)
Cash and Cash Equivalents at Beginning of		
Period	142,638	247,847
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 138,819	\$ 245,729
	=====	=====

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED JUNE 30,  
(Unaudited)

SERIES 11	2005	2004
-----	----	----
Cash Flows from Operating Activities:		
Net Loss	\$ (35,090)	\$ (48,691)
Adjustments to Reconcile Net Loss to Net		
Cash Used in Operating Activities:		
Amortization	1,477	1,683
Accreted Interest Income on Investments		
in Securities	(3,033)	(3,400)
Equity in Losses of Project Partnerships	24,224	38,922
Distributions Included in Other Income	(987)	0
Changes in Operating Assets and Liabilities:		
Decrease in Accounts Receivable	6,620	0
Increase in Payable to General Partners	0	7,746
	-----	-----
Net Cash Used in Operating Activities	(6,789)	(3,740)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	1,787	802
	-----	-----
Net Cash Provided by Investing		
Activities	1,787	802
	-----	-----
Decrease in Cash and Cash Equivalents	(5,002)	(2,938)
Cash and Cash Equivalents at Beginning of		
Period	199,931	247,638
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 194,929	\$ 244,700
	=====	=====

See accompanying notes to financial statements.



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

STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED JUNE 30,  
(Unaudited)

TOTAL SERIES 7 - 11	2005	2004
-----	----	----
Cash Flows from Operating Activities:		
Net Loss	\$ (206,581)	\$ (282,882)
Adjustments to Reconcile Net Loss to Net		
Cash Used in Operating Activities:		
Amortization	5,382	6,028
Accreted Interest Income on Investments		
in Securities	(15,429)	(18,288)
Equity in Losses of Project Partnerships	90,099	186,838
Distribution Included in Other Income	(19,293)	(11,502)
Changes in Operating Assets and Liabilities:		
Decrease in Accounts Receivable	6,620	600
Increase in Payable to General Partners	64,882	82,694
	-----	-----
Net Cash Used in Operating Activities	(74,320)	(36,512)
	-----	-----
Cash Flows from Investing Activities:		
Distributions Received from Project		
Partnerships	24,806	17,477
	-----	-----
Net Cash Provided by Investing		
Activities	24,806	17,477
	-----	-----
Decrease in Cash and Cash Equivalents	(49,514)	(19,035)
	-----	-----
Cash and Cash Equivalents at Beginning of		
Period	1,281,470	1,462,159
	-----	-----
Cash and Cash Equivalents at End of Period	\$1,231,956	\$1,443,124
	=====	=====

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2005

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 June 30, 2005, 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.

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 selecting properties for acquisition, and
- 3) Acquisition expenses including legal fees, travel and other miscellaneous costs relating to acquiring properties.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

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.

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 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.

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.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

### 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.

### Reclassifications

For comparability, certain 2004 figures have been reclassified, where appropriate, to conform with the financial statement presentation used in 2005.

### 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." 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 a 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.

As of June 30, 2005, Gateway determined that it held variable interests in 128 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' is limited to Gateway's recorded investments in and receivables from those VIE's, which is approximately \$5,429,363 at June 30, 2005. 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 Form 10-K for the year ended March 31, 2005. 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 June 30, 2005 Balance Sheets include Investment in Securities consisting of U.S. Treasury Security Strips which represents their cost, plus accreted interest income of \$156,363 for Series 7, \$139,122 for Series 8, \$87,973 for Series 9, \$83,914 for Series 10 and \$97,833 for Series 11.

	Estimated Market Value	Cost Plus Accreted Interest	Gross Unrealized Gains and (Losses)
	-----	-----	-----
Series 7	\$ 230,187	\$ 216,720	\$ 13,467
Series 8	217,871	206,221	11,650
Series 9	162,907	153,850	9,057
Series 10	156,838	144,721	12,117
Series 11	181,497	164,207	17,290

As of June 30, 2005, the cost and accreted interest of debt securities by contractual maturities is as follows:

	Series 7	Series 8	Series 9
	-----	-----	-----
Due within 1 year	\$ 73,773	\$ 69,097	\$ 39,489
After 1 year through 5 years	142,947	137,124	114,361
	-----	-----	-----
Total Amount Carried on Balance Sheet	\$ 216,720	\$ 206,221	\$ 153,850
	=====	=====	=====
	Series 10	Series 11	Total
	-----	-----	-----
Due within 1 year	\$ 29,992	\$ 34,463	\$ 246,814
After 1 year through 5 years	114,729	129,744	638,905
	-----	-----	-----
Total Amount Carried on Balance Sheet	\$ 144,721	\$ 164,207	\$ 885,719
	=====	=====	=====

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.

Value Partners, Inc., an affiliate of Gateway, acquired the general partner interest in Logan Heights, one of the Project Partnerships in Series 8, in 2003.

For the three months ended June 30, 2005 and 2004, 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.

	2005	2004
	-----	-----
Series 7	\$ 21,612	\$ 21,687
Series 8	22,477	22,578
Series 9	12,377	12,428
Series 10	8,455	8,472
Series 11	7,005	7,063
	-----	-----
Total	\$ 71,926	\$ 72,228

=====

=====

NOTE 4 - RELATED PARTY TRANSACTIONS (Continued):

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	\$ 17,902	\$ 12,538
Series 8	19,738	13,824
Series 9	11,017	7,716
Series 10	6,886	4,822
Series 11	5,508	3,858
	-----	-----
Total	\$ 61,051	\$ 42,758
	=====	=====

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

As of June 30, 2005, 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	JUNE 30, 2005	MARCH 31, 2005
	-----	-----
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)	(7,159,405)	(7,132,119)
Cumulative distributions received from Project Partnerships	(235,528)	(234,015)
	-----	-----
Investment in Project Partnerships before adjustment	337,156	365,955
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	793,335	793,335
Accumulated amortization of acquisition fees and expenses	(195,188)	(193,635)
	-----	-----
Investments in Project Partnerships	\$ 935,303	\$ 965,655
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$4,270,374 for the period ended June 30, 2005 and cumulative suspended losses of \$4,140,409 for the year ended March 31, 2005 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of June 30, 2005, 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	JUNE 30, 2005	MARCH 31, 2005
	-----	-----
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)	(7,380,072)	(7,384,755)
Cumulative distributions received from Project Partnerships	(171,513)	(171,513)
	-----	-----
Investment in Project Partnerships before adjustment	34,520	29,837
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	549,773	549,773
Accumulated amortization of acquisition fees and expenses	(119,016)	(118,449)
	-----	-----
Investments in Project Partnerships	\$ 465,277	\$ 461,161
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$4,993,032 for the period ended June 30, 2005 and cumulative suspended losses of \$4,846,424 for the year ended March 31, 2005 are not included.



NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of June 30, 2005, 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	JUNE 30, 2005	MARCH 31, 2005
	-----	-----
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)	(4,181,590)	(4,158,372)
Cumulative distributions received from Project Partnerships	(141,793)	(141,793)
	-----	-----
Investment in Project Partnerships before adjustment	590,733	613,951
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	244,087	244,087
Accumulated amortization of acquisition fees and expenses	(59,770)	(59,176)
	-----	-----
Investments in Project Partnerships	\$ 775,050	\$ 798,862
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$1,572,972 for the period ended June 30, 2005 and cumulative suspended losses of \$1,528,748 for the year ended March 31, 2005 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of June 30, 2005, 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	JUNE 30, 2005	MARCH 31, 2005
	-----	-----
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)	(2,227,421)	(2,207,367)
Cumulative distributions received from Project Partnerships	(187,592)	(184,392)
	-----	-----
Investment in Project Partnerships before adjustment	1,499,659	1,522,913
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	196,738	196,738
Accumulated amortization of acquisition fees and expenses	(59,793)	(58,602)
	-----	-----
Investments in Project Partnerships	\$ 1,636,604	\$ 1,661,049
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$214,921 for the period ended June 30, 2005 and cumulative suspended losses of \$205,788 for the year ended March 31, 2005 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of June 30, 2005, 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	JUNE 30, 2005	MARCH 31, 2005
	-----	-----
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)	(1,531,825)	(1,507,601)
Cumulative distributions received from Project Partnerships	(165,793)	(164,993)
	-----	-----
Investment in Project Partnerships before adjustment	2,430,424	2,455,448
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	290,335	290,335
Accumulated amortization of acquisition fees and expenses	(82,480)	(81,003)
	-----	-----
Investments in Project Partnerships	\$ 2,638,279	\$ 2,664,780
	=====	=====

(1) In accordance with the Partnership's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of \$423,108 for the period June 30, 2005 and cumulative suspended losses of \$372,590 for the year ended March 31, 2005 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	JUNE 30, 2005 -----	MARCH 31, 2005 -----
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 (1)	(22,480,313)	(22,390,214)
Cumulative distributions received from Project Partnerships	(902,219)	(896,706)
Investment in Project Partnerships before adjustment	4,892,492	4,988,104
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	(516,247)	(510,865)
Investments in Project Partnerships	\$ 6,450,513 =====	\$ 6,551,507 =====

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 March 31, of each year:

	2005	2004
	----	----
SERIES 7		
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 3,956,965	\$ 3,802,904
Investment properties, net	28,256,793	29,561,940
Other assets	34,628	14,257
	-----	-----
Total assets	\$32,248,386	\$33,379,102
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 792,471	\$ 849,233
Long-term debt	35,849,766	36,002,235
	-----	-----
Total liabilities	36,642,237	36,851,469
	-----	-----
Partners' equity		
Limited Partner	(4,086,257)	(3,215,908)
General Partners	(307,594)	(256,459)
	-----	-----
Total Partners' equity	(4,393,851)	(3,472,367)
	-----	-----
Total liabilities and partners' equity	\$32,248,386	\$33,379,102
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 1,235,354	\$ 1,195,047
Expenses:	-----	-----
Operating expenses	828,857	765,694
Interest expense	191,406	202,064
Depreciation and amortization	373,930	366,647
	-----	-----
Total expenses	1,394,193	1,334,405
	-----	-----
Net loss	\$ (158,839)	\$ (139,358)
	=====	=====
Other partners' share of net loss	\$ (1,588)	\$ (1,393)
	=====	=====
Partnerships' share of net loss	\$ (157,251)	\$ (137,965)
Suspended losses	129,965	96,568
	-----	-----
Equity in Losses of Project Partnerships	\$ (27,286)	\$ (41,397)
	=====	=====

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 March 31, of each year:

	2005	2004
	----	----
SERIES 8		
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 3,800,475	\$ 3,529,896
Investment properties, net	29,521,019	30,938,418
Other assets	88,819	55,210
	-----	-----
Total assets	\$33,410,313	\$34,523,524
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 1,112,389	\$ 1,169,197
Long-term debt	37,745,148	37,949,865
	-----	-----
Total liabilities	38,857,537	39,119,062
	-----	-----
Partners' equity		
Limited Partner	(4,806,849)	(3,945,106)
General Partners	(640,375)	(650,433)
	-----	-----
Total Partners' equity	(5,447,224)	(4,595,539)
	-----	-----
Total liabilities and partners' equity	\$33,410,313	\$34,523,524
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 1,234,172	\$ 1,183,272
Expenses:		
Operating expenses	790,119	757,957
Interest expense	210,203	216,245
Depreciation and amortization	377,958	394,506
	-----	-----
Total expenses	1,378,280	1,368,708
	-----	-----
Net loss	\$ (144,108)	\$ (185,436)
	=====	=====
Other partners' share of net loss	\$ (2,183)	\$ (2,597)
	=====	=====
Partnerships' share of net loss	\$ (141,925)	\$ (182,839)
Suspended losses	146,608	166,405
	-----	-----
Equity in Losses of Project Partnerships	\$ 4,683	\$ (16,434)
	=====	=====

(1) An affiliate of the General Partner is the operating general partner in one of the Project Partnerships included above. The Project Partnership's financial information for the periods ending March 2005 and March 2004 is as follows:

	<u>March 2005</u>	<u>March 2004</u>
Total Assets	\$ 570,237	\$ 600,120
Total Liabilities	820,792	900,721
Gateway Equity	(134,220)	(112,858)
Other Partner's Equity	(116,334)	(116,118)
Total Revenue	23,346	16,545
Net Loss	\$ (5,637)	\$ (7,587)

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 March 31, of each year:

	2005	2004
	----	----
SERIES 9		
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 2,008,144	\$ 1,871,020
Investment properties, net	16,968,061	17,724,136
Other assets	5,364	4,293
	-----	-----
Total assets	\$18,981,569	\$19,599,440
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 275,176	\$ 314,404
Long-term debt	20,040,773	20,142,793
	-----	-----
Total liabilities	20,315,949	20,457,197
	-----	-----
Partners' equity		
Limited Partner	(1,027,919)	(582,886)
General Partners	(306,461)	(274,862)
	-----	-----
Total Partners' equity	(1,334,380)	(857,748)
	-----	-----
Total liabilities and partners' equity	\$18,981,569	\$19,599,449
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 644,163	\$ 607,307
Expenses:	-----	-----
Operating expenses	407,800	383,475
Interest expense	107,979	114,389
Depreciation and amortization	196,508	208,085
	-----	-----
Total expenses	712,287	705,949
	-----	-----
Net loss	\$ (68,124)	\$ (98,642)
	=====	=====
Other partners' share of net loss	\$ (681)	\$ (987)
	=====	=====
Partnerships' share of net loss	\$ (67,443)	\$ (97,655)
Suspended losses	44,224	46,844
	-----	-----
Equity in Losses of Project Partnerships	\$ (23,219)	\$ (50,811)
	=====	=====

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 March 31, of each year:

	2005	2004
	----	----
SERIES 10		
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 1,810,400	\$ 1,697,171
Investment properties, net	12,535,693	12,912,666
Other assets	3,124	5,952
	-----	-----
Total assets	\$14,349,217	\$14,615,789
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 319,417	\$ 294,247
Long-term debt	13,126,101	13,161,837
	-----	-----
Total liabilities	13,445,518	13,456,084
	-----	-----
Partners' equity		
Limited Partner	1,282,408	1,495,837
General Partners	(378,709)	(336,132)
	-----	-----
Total Partners' equity	903,699	1,159,705
	-----	-----
Total liabilities and partners' equity	\$14,349,217	\$14,615,789
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 437,557	\$ 413,022
Expenses:	-----	-----
Operating expenses	288,186	268,134
Interest expense	61,355	63,450
Depreciation and amortization	117,538	124,109
	-----	-----
Total expenses	467,079	455,693
	-----	-----
Net loss	\$ (29,522)	\$ (42,671)
	=====	=====
Other partners' share of net loss	\$ (335)	\$ (449)
	=====	=====
Partnerships' share of net loss	\$ (29,187)	\$ (42,222)
Suspended losses	9,133	2,948
	-----	-----
Equity in Losses of Project Partnerships	\$ (20,054)	\$ (39,274)
	=====	=====



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 March 31, of each year:

	2005	2004
	----	----
SERIES 11		
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 967,377	\$ 1,249,823
Investment properties, net	10,666,726	11,140,677
Other assets	322,719	60,575
	-----	-----
Total assets	\$11,956,822	\$12,451,075
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 237,856	\$ 252,045
Long-term debt	9,982,493	10,099,725
	-----	-----
Total liabilities	10,220,349	10,351,770
	-----	-----
Partners' equity		
Limited Partner	2,015,913	2,329,175
General Partners	(279,440)	(229,871)
	-----	-----
Total Partners' equity	1,736,473	2,099,305
	-----	-----
Total liabilities and partners' equity	\$11,956,822	\$12,451,075
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 402,131	\$ 389,383
Expenses:		
Operating expenses	300,798	261,796
Interest expense	54,443	57,783
Depreciation and amortization	127,645	128,838
	-----	-----
Total expenses	482,886	448,417
	-----	-----
Net loss	\$ (80,755)	\$ (59,034)
	=====	=====
Other partners' share of net loss	\$ (6,013)	\$ (3,224)
	=====	=====
Partnerships' share of net loss	\$ (74,742)	\$ (55,810)
Suspended losses	50,518	16,888
	-----	-----
Equity in Losses of Project Partnerships	\$ (24,224)	\$ (38,922)
	=====	=====

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 March 31, of each year:

	2005	2004
	----	----
TOTAL SERIES 7 - 11		
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	\$ 12,543,361	\$ 12,150,814
Investment properties, net	97,948,292	102,277,836
Other assets	454,654	140,287
	-----	-----
Total assets	\$110,946,307	\$114,568,937
	=====	=====
Liabilities and Partners' Equity:		
Current liabilities	\$ 2,737,309	\$ 2,879,126
Long-term debt	116,744,281	117,356,455
	-----	-----
Total liabilities	119,481,590	120,235,581
	-----	-----
Partners' equity		
Limited Partner	(6,622,704)	(3,918,887)
General Partners	(1,912,579)	(1,747,757)
	-----	-----
Total Partners' equity	(8,535,283)	(5,666,644)
	-----	-----
Total liabilities and partners' equity	\$110,946,307	\$114,568,937
	=====	=====
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	\$ 3,953,376	\$ 3,788,031
Expenses:		
Operating expenses	2,615,759	2,437,056
Interest expense	625,386	653,931
Depreciation and amortization	1,193,578	1,222,185
	-----	-----
Total expenses	4,434,723	4,313,172
	-----	-----
Net loss	\$ (481,347)	\$ (525,141)
	=====	=====
Other partners' share of net loss	\$ (10,800)	\$ (8,650)
	=====	=====
Partnerships' share of net loss	\$ (470,547)	\$ (516,491)
Suspended losses	380,448	329,653
	-----	-----
Equity in Losses of Project Partnerships	\$ (90,099)	\$ (186,838)
	=====	=====

#### 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 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, interest income is comparable for the three months ended June 30, 2005 and June 30, 2004. Equity in Losses of Project Partnerships for the three months ended June 30, 2005 decreased from \$186,838 for the three months ended June 30, 2004 to \$90,099 as a result of an increase in suspended losses. The General and Administrative Expenses - Other increased from \$6,401 for the three months ended June 30, 2004 to \$19,958. This is a result of timing differences of recording various expenses. However, the General and Administrative Expenses - General Partner was significantly higher. This increase was due to higher administrative costs. Except as described above, there were no unusual variations in the operating results between these two periods.

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 three months ended June 30, 2005 decreased from \$41,397 for the three months ended June 30, 2004 to \$27,286 due to an increase in suspended 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 June 30, 2005, the Series had \$368,651 of short-term investments (Cash and Cash Equivalents). It also had \$216,721 in Zero Coupon Treasuries with annual maturities providing \$77,000 in fiscal year 2006 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 \$63,480 for the three months ended June 30, 2005. However, after adjusting for Equity in Losses of Project Partnerships of \$27,286 and the changes in operating assets and liabilities, net cash used in operating activities was \$20,567. Cash provided by investing activities totaled \$5,876, consisting of cash distributions from the Project Partnerships.

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 three months ended June 30, 2005 decreased from \$16,434 for the three months ended June 30, 2004 to income of \$4,683 as a result of an increase in rental revenue. At June 30, 2005, the Series had \$311,377 of short-term investments (Cash and Cash Equivalents). It also had \$206,221 in Zero Coupon Treasuries with annual maturities providing \$72,000 in fiscal year 2006 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.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued):

As disclosed on the statement of cash flows, the Series had a net loss of \$29,217 for the three months ended June 30, 2005. However, after adjusting for Equity in Income of Project Partnerships of \$4,683 and the changes in operating assets and liabilities, net cash used in operating activities was \$23,806. Cash provided by investing activities totaled \$9,521, 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 three months ended June 30, 2005 decreased from \$50,811 for the three months ended June 30, 2004 to \$23,218 as a result of an increase in rental and other income. At June 30, 2005, the Series had \$218,180 of short-term investments (Cash and Cash Equivalents). It also had \$153,851 in Zero Coupon Treasuries with annual maturities providing \$41,000 in fiscal year 2006 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 \$44,724 for the three months ended June 30, 2005. However, after adjusting for Equity in Losses of Project Partnerships of \$23,218 and the changes in operating assets and liabilities, net cash used in operating activities was \$14,759. Cash provided by investing activities totaled \$3,042, 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 three months ended June 30, 2005 decreased from \$39,274 for the three months ended June 30, 2004 to \$20,054 as a result of an increase in rental and other income. At June 30, 2005, the Series had \$138,819 of short-term investments (Cash and Cash Equivalents). It also had \$144,721 in Zero Coupon Treasuries with annual maturities providing \$31,000 in fiscal year 2006 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 \$34,070 for the three months ended June 30, 2005. However, after adjusting for Equity in Losses of Project Partnerships of \$20,054 and the changes in operating assets and liabilities, net cash used in operating activities was \$8,399. Cash provided by investing activities totaled \$4,580, 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 three months ended June 30, 2005 decreased from \$38,922 for the three months ended June 30, 2004 to \$24,224 as a result of more suspended losses. At June 30, 2005, the Series had \$194,929 of short-term investments (Cash and Cash Equivalents). It also had \$164,209 in Zero Coupon Treasuries with annual maturities providing \$36,000 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.

As disclosed on the statement of cash flows, the Series had a net loss of \$35,090 for the three months ended June 30, 2005. However, after adjusting for Equity in Losses of Project Partnerships of \$24,224 and the changes in operating assets and liabilities, net cash used in operating activities was \$6,789. Cash provided by investing activities totaled \$1,787, consisting of cash distributions from Project Partnerships. There were no unusual events or trends to describe.

Exit Strategy

The IRS compliance period for low-income housing tax credit properties is generally 15 years from occupancy following construction or rehabilitation completion. With that in mind, the Partnership is continuing to review the Partnership's holdings, with special emphasis on the properties that are at or very near the satisfaction of the IRS compliance period requirements. The Partnership's review considers many factors including extended use low-income housing regulation requirements on the property (such as those due to mortgage restrictions or state compliance agreements), the condition of the property, and the tax consequences to the investors from the sale of the property.

Upon identifying those properties with the highest potential for a successful sale, refinancing or syndication, the Partnership expects to proceed with efforts to liquidate those properties. The Partnership's objective is to maximize the investors' return wherever possible and, ultimately, to wind down those funds that no longer provide tax benefits to investors.

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



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: August 12, 2005

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

Date: August 12, 2005

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

Date: August 12, 2005

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

**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 include 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: August 12, 2005

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

I, Jonathan Oorlog, 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 include 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: August 12, 2005

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