UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2007

OR

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

For the transition period from __________ to __________

Commission File Number: 0-21762

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

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

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

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

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

YES X NO ____

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

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

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

PART I - Financial Information

Item 1. Financial Statements.

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

SERIES 7	JUNE 30, 2007 (Unaudited)	MARCH 31, 2007 (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 158,622	$ 179,018
Investments in Securities	288,691	284,519
Total Current Assets	447,313	463,537
Investments in Project Partnerships, Net	435,815	442,787
Total Assets	$ 883,128	$ 906,324
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 55,744	$ 60,257
Total Current Liabilities	55,744	60,257
Long-Term Liabilities:		
Payable to General Partners	751,751	730,352
Partners' Equity (Deficit):		
Limited Partners (10,395 units for Series 7 at June 30, 2007 and March 31, 2007)	166,155	205,836
General Partners	(90,522)	(90,121)
Total Partners' Equity	75,633	115,715
Total Liabilities and Partners' Equity	$ 883,128	$ 906,324

See accompanying notes to financial statements.

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

SERIES 8	JUNE 30, 2007 (Unaudited)	MARCH 31, 2007 (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 106,279	$ 135,130
Investments in Securities	207,867	204,835
Accounts Receivable	24,220	24,220
Total Current Assets	338,366	364,185
Investments in Project Partnerships, Net	377,894	377,733
Total Assets	$ 716,260	$ 741,918
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 46,797	$ 51,149
Total Current Liabilities	46,797	51,149
Long-Term Liabilities:		
Payable to General Partners	795,931	773,676
Partners' Equity (Deficit):		
Limited Partners (9,980 units for Series 8 at June 30, 2007 and March 31, 2007)	(37,578)	5,547
General Partners	(88,890)	(88,454)
Total Partners' Deficit	(126,468)	(82,907)
Total Liabilities and Partners' Deficit	$ 716,260	$ 741,918

See accompanying notes to financial statements.

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

SERIES 9	JUNE 30, 2007 (Unaudited)	MARCH 31, 2007 (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 50,836	$ 70,044
Investments in Securities	172,571	170,233
Total Current Assets	223,407	240,277
Investments in Securities	42,377	41,709
Investments in Project Partnerships, Net	391,772	412,287
Total Assets	$ 657,556	$ 694,273
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 26,715	$ 29,911
Total Current Liabilities	26,715	29,911
Long-Term Liabilities:		
Payable to General Partners	490,158	477,891
Partners' Equity (Deficit):		
Limited Partners (6,254 units for Series 9 at June 30, 2007 and March 31, 2007)	194,112	239,442
General Partners	(53,429)	(52,971)
Total Partners' Equity	140,683	186,471
Total Liabilities and Partners' Equity	$ 657,556	$ 694,273

See accompanying notes to financial statements.

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

SERIES 10	JUNE 30, 2007 (Unaudited)	MARCH 31, 2007 (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 27,573	$ 40,351
Investments in Securities	135,760	133,864
Total Current Assets	163,333	174,215
Investments in Securities	66,084	64,917
Investments in Project Partnerships, Net	1,143,309	1,159,544
Total Assets	$1,372,726	$1,398,676
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 29,256	$ 31,747
Total Current Liabilities	29,256	31,747
Long-Term Liabilities:		
Payable to General Partners	87,151	78,767
Partners' Equity (Deficit):		
Limited Partners (5,043 units for Series 10 at June 30, 2007 and March 31, 2007)	1,287,934	1,319,459
General Partners	(31,615)	(31,297)
Total Partners' Equity (Deficit)	1,256,319	1,288,162
Total Liabilities and Partners' Equity	$1,372,726	$1,398,676

See accompanying notes to financial statements.

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

SERIES 11	JUNE 30, 2007 (Unaudited)	MARCH 31, 2007 (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 43,316	$ 53,170
Investments in Securities	192,989	190,291
Total Current Assets	236,305	243,461
Investments in Securities	73,343	71,973
Investments in Project Partnerships, Net	1,459,367	1,505,978
Total Assets	$1,769,015	$1,821,412
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 38,525	$ 34,115
Total Current Liabilities	38,525	34,115
Partners' Equity (Deficit):		
Limited Partners (5,127 units for Series 11 at June 30, 2007 and March 31, 2007)	1,759,175	1,815,414
General Partners	(28,685)	(28,117)
Total Partners' Equity	1,730,490	1,787,297
Total Liabilities and Partners' Equity	$1,769,015	$1,821,412

See accompanying notes to financial statements.

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

TOTAL SERIES 7 - 11	JUNE 30, 2007 (Unaudited)	MARCH 31, 2007 (Audited)
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 386,626	$ 477,713
Investments in Securities	997,878	983,742
Accounts Receivable	24,220	24,220
Total Current Assets	1,408,724	1,485,675
Investments in Securities	181,804	178,599
Investments in Project Partnerships, Net	3,808,157	3,898,329
Total Assets	$ 5,398,685	$ 5,562,603
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Payable to General Partners	$ 197,037	$ 207,179
Total Current Liabilities	197,037	207,179
Long-Term Liabilities:		
Payable to General Partners	2,124,991	2,060,686
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, 2007 and March 31, 2007)	3,369,798	3,585,698
General Partners	(293,141)	(290,960)
Total Partners' Equity	3,076,657	3,294,738
Total Liabilities and Partners' Equity	$ 5,398,685	$ 5,562,603

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, 2007 and 2006
(Unaudited)

SERIES 7	2007	2006
Revenues:		
Distribution Income	$ 15,500	$ 4,626
Total Revenues	15,500	4,626
Expenses:		
Asset Management Fee-General Partner	21,399	21,509
General and Administrative:		
General Partner	28,957	23,938
Other	4,376	2,883
Amortization	6,535	8,721
Total Expenses	61,267	57,051
Loss Before Equity in Losses of Project Partnerships and Other Income	(45,767)	(52,425)
Equity in Losses of Project Partnerships	(437)	(8,794)
Interest Income	6,122	6,903
Net Loss	$ (40,082)	$ (54,316)
Allocation of Net Loss:		
Limited Partners	$ (39,681)	$ (53,773)
General Partners	(401)	(543)
	$ (40,082)	$ (54,316)
Net Loss Per Number of Limited Partnership Units	$ (3.82)	$ (5.17)
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, 2007 and 2006
(Unaudited)

SERIES 8	2007	2006
Revenues:		
Distribution Income	$ 8,305	$ 7,529
Total Revenues	8,305	7,529
Expenses:		
Asset Management Fee-General Partner	22,255	22,372
General and Administrative:		
General Partner	31,927	26,393
Other	2,357	2,621
Amortization	3,205	3,206
Total Expenses	59,744	54,592
Loss Before Equity in Income of Project Partnerships and Other Income	(51,439)	(47,063)
Equity in Income of Project Partnerships	3,366	7,220
Interest Income	4,512	5,727
Net Loss	$ (43,561)	$ (34,116)
Allocation of Net Loss:		
Limited Partners	$ (43,125)	$ (33,775)
General Partners	(436)	(341)
	$ (43,561)	$ (34,116)
Net Loss Per Number of Limited Partnership Units	$ (4.32)	$ (3.38)
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, 2007 and 2006
(Unaudited)

SERIES 9	2007	2006
Revenues:		
Distribution Income	$ 4,003	$ 4,809
Total Revenues	4,003	4,809
Expenses:		
Asset Management Fee-General Partner	12,267	12,325
General and Administrative:		
General Partner	17,820	14,731
Other	2,934	1,220
Amortization	3,013	3,013
Total Expenses	36,034	31,289
Loss Before Equity in Losses of Project Partnerships and Other Income	(32,031)	(26,480)
Equity in Losses of Project Partnerships	(17,502)	(11,605)
Interest Income	3,745	4,198
Net Loss	$ (45,788)	$ (33,887)
Allocation of Net Loss:		
Limited Partners	$ (45,330)	$ (33,548)
General Partners	(458)	(339)
	$ (45,788)	$ (33,887)
Net Loss Per Number of Limited Partnership Units	$ (7.25)	$ (5.36)
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, 2007 and 2006
(Unaudited)

SERIES 10	2007	2006
Revenues:		
Distribution Income	$ 1,380	$ 1,381
Total Revenues	1,380	1,381
Expenses:		
Asset Management Fee-General Partner	8,384	8,420
General and Administrative:		
General Partner	11,137	9,207
Other	1,705	1,445
Amortization	6,026	6,027
Total Expenses	27,252	25,099
Loss Before Equity in Losses of Project Partnerships and Other Income	(25,872)	(23,718)
Equity in Losses of Project Partnerships	(9,459)	(9,512)
Interest Income	3,488	3,690
Net Loss	$ (31,843)	$ (29,540)
Allocation of Net Loss:		
Limited Partners	$ (31,525)	$ (29,245)
General Partners	(318)	(295)
	$ (31,843)	$ (29,540)
Net Loss Per Number of Limited Partnership Units	$ (6.25)	$ (5.80)
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, 2007 and 2006
(Unaudited)

SERIES 11	2007	2006
Revenues:		
Distribution Income	$ 2,182	$ 0
Total Revenues	2,182	0
Expenses:		
Asset Management Fee-General Partner	6,938	6,938
General and Administrative:		
General Partner	8,910	7,365
Other	1,958	933
Amortization	8,374	8,374
Total Expenses	26,180	23,610
Loss Before Equity in (Losses) Income of Project Partnerships and Other Income	(23,998)	(23,610)
Equity in (Losses) Income of Project Partnerships	(37,437)	15,180
Interest Income	4,628	4,680
Net Loss	$ (56,807)	$ (3,750)
Allocation of Net Loss:		
Limited Partners	$ (56,239)	$ (3,712)
General Partners	(568)	(38)
	$ (56,807)	$ (3,750)
Net Loss Per Number of Limited Partnership Units	$ (10.97)	$ (.72)
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, 2007 and 2006
(Unaudited)

TOTAL SERIES 7 - 11	2007	2006
Revenues:		
Distribution Income	$ 31,370	$ 18,345
Total Revenues	31,370	18,345
Expenses:		
Asset Management Fee-General Partner	71,243	71,564
General and Administrative:		
General Partner	98,751	81,634
Other	13,330	9,102
Amortization	27,153	29,341
Total Expenses	210,477	191,641
Loss Before Equity in Losses of Project Partnerships and Other Income	(179,107)	(173,296)
Equity in Losses of Project Partnerships	(61,469)	(7,511)
Interest Income	22,495	25,198
Net Loss	$ (218,081)	$ (155,609)
Allocation of Net Loss:		
Limited Partners	$ (215,900)	$ (154,053)
General Partners	(2,181)	(1,556)
	$ (218,081)	$ (155,609)

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, 2007 AND 2006:
(Unaudited)

SERIES 7	Limited Partners	General Partners	Total
Balance at March 31, 2006	$ 568,818	$ (86,455)	$ 482,363
Net Loss	(53,773)	(543)	(54,316)
Balance at June 30, 2006	$ 515,045	$ (86,998)	$ 428,047
Balance at March 31, 2007	$ 205,836	$ (90,121)	$ 115,715
Net Loss	(39,681)	(401)	(40,082)
Balance at June 30, 2007	$ 166,155	$ (90,522)	$ 75,633

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, 2007 AND 2006:
(Unaudited)

SERIES 8	Limited Partners	General Partners	Total
Balance at March 31, 2006	$ 243,770	$ (86,048)	$ 157,722
Net Loss	(33,775)	(341)	(34,116)
Balance at June 30, 2006	$ 209,995	$ (86,389)	$ 123,606
Balance at March 31, 2007	$ 5,547	$ (88,454)	$ (82,907)
Net Loss	(43,125)	(436)	(43,561)
Balance at June 30, 2007	$ (37,578)	$ (88,890)	$ (126,468)

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, 2007 AND 2006:
(Unaudited)

SERIES 9	Limited Partners	General Partners	Total
Balance at March 31, 2006	$ 485,089	$ (50,490)	$ 434,599
Net Loss	(33,548)	(339)	(33,887)
Balance at June 30, 2006	$ 451,541	$ (50,829)	$ 400,712
Balance at March 31, 2007	$ 239,442	$ (52,971)	$ 186,471
Net Loss	(45,330)	(458)	(45,788)
Balance at June 30, 2007	$ 194,112	$ (53,429)	$ 140,683

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, 2007 AND 2006:
(Unaudited)

SERIES 10	Limited Partners	General Partners	Total
Balance at March 31, 2006	$ 1,578,554	$ (28,680)	$ 1,549,874
Net Loss	(29,245)	(295)	(29,540)
Balance at June 30, 2006	$ 1,549,309	$ (28,975)	$ 1,520,334
Balance at March 31, 2007	$ 1,319,459	$ (31,297)	$ 1,288,162
Net Loss	(31,525)	(318)	(31,843)
Balance at June 30, 2007	$ 1,287,934	$ (31,615)	$ 1,256,319

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, 2007 AND 2006:
(Unaudited)

SERIES 11	Limited Partners	General Partners	Total
Balance at March 31, 2006	$ 2,281,421	$ (23,410)	$ 2,258,011
Net Loss	(3,712)	(38)	(3,750)
Balance at June 30, 2006	$ 2,277,709	$ (23,448)	$ 2,254,261
Balance March 31, 2007	$ 1,815,414	$ (28,117)	$ 1,787,297
Net Loss	(56,239)	(568)	(56,807)
Balance at June 30, 2007	$1,759,175	$ (28,685)	$ 1,730,490

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, 2007 AND 2006:
(Unaudited)

TOTAL SERIES 7 - 11	Limited Partners	General Partners	Total
Balance at March 31, 2006	$ 5,157,652	$ (275,083)	$ 4,882,569
Net Loss	(154,053)	(1,556)	(155,609)
Balance at June 30, 2006	$ 5,003,599	$ (276,639)	$ 4,726,960
Balance at March 31, 2007	$ 3,585,698	$ (290,960)	$ 3,294,738
Net Loss	(215,900)	(2,181)	(218,081)
Balance at June 30, 2007	$ 3,369,798	$ (293,141)	$ 3,076,657

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, 2007 and 2006
(Unaudited)

SERIES 7	2007	2006
Cash Flows from Operating Activities:		
Net Loss	$ (40,082)	$ (54,316)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	6,535	8,721
Accreted Interest Income on Investments in Securities	(1,516)	(2,821)
Accreted Discount on Investments in Securities	(822)	0
Equity in Losses of Project Partnerships	437	8,794
Distribution Income	(15,500)	(4,626)
Changes in Operating Assets and Liabilities:		
Increase in Interest Receivable	(1,834)	0
Increase in Payable to General Partners	16,886	15,493
Net Cash Used in Operating Activities	(35,896)	(28,755)
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	15,500	8,812
Net Cash Provided by Investing Activities	15,500	8,812
Decrease in Cash and Cash Equivalents	(20,396)	(19,943)
Cash and Cash Equivalents at Beginning of Year	179,018	394,030
Cash and Cash Equivalents at End of Period	$ 158,622	$ 374,087

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, 2007 and 2006
(Unaudited)

SERIES 8	2007	2006
Cash Flows from Operating Activities:		
Net Loss	$ (43,561)	$ (34,116)
Adjustments to Reconcile Net Loss to Net Cash Used In Operating Activities:		
Amortization	3,205	3,206
Accreted Interest Income on Investments in Securities	(1,369)	(2,549)
Accreted Discount on Investment in Securities	(515)	0
Equity in Income of Project Partnerships	(3,366)	(7,220)
Distribution Income	(8,305)	(7,529)
Changes in Operating Assets and Liabilities:		
Increase in Interest Receivable	(1,148)	0
Increase in Payable to General Partners	17,903	15,753
Net Cash Used in Operating Activities	(37,156)	(32,455)
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	8,305	10,487
Net Cash Provided by Investing Activities	8,305	10,487
Decrease in Cash and Cash Equivalents	(28,851)	(21,968)
Cash and Cash Equivalents at Beginning of Year	135,130	309,318
Cash and Cash Equivalents at End of Period	$ 106,279	$ 287,350

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, 2007 and 2006
(Unaudited)

SERIES 9	2007	2006
Cash Flows from Operating Activities:		
Net Loss	$ (45,788)	$ (33,887)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	3,013	3,013
Accreted Interest Income on Investments in Securities	(1,344)	(1,898)
Accreted Discount on Investments in Securities	(514)	0
Equity in Losses of Project Partnerships	17,502	11,605
Distribution Income	(4,003)	(4,809)
Changes in Operating Assets and Liabilities:		
Increase in Interest Receivable	(1,148)	0
Increase in Payable to General Partners	9,071	7,991
Net Cash Used in Operating Activities	(23,211)	(17,985)
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	4,003	5,409
Net Cash Provided by Investing Activities	4,003	5,409
Decrease in Cash and Cash Equivalents	(19,208)	(12,576)
Cash and Cash Equivalents at Beginning of Year	70,044	222,993
Cash and Cash Equivalents at End of Period	$ 50,836	$ 210,417

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, 2007 and 2006
(Unaudited)

SERIES 10	2007	2006
Cash Flows from Operating Activities:		
Net Loss	$ (31,843)	$ (29,540)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	6,026	6,027
Accreted Interest Income on Investments in Securities	(1,741)	(2,156)
Accreted Discount on Investments in Securities	(409)	0
Equity in Losses of Project Partnerships	9,459	9,512
Distribution Income	(1,380)	(1,381)
Changes in Operating Assets and Liabilities:		
Increase in Interest Receivable	(913)	0
Increase in Payable to General Partners	5,893	5,217
Net Cash Used in Operating Activities	(14,908)	(12,321)
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	2,130	8,157
Net Cash Provided by Investing Activities	2,130	8,157
Decrease in Cash and Cash Equivalents	(12,778)	(4,164)
Cash and Cash Equivalents at Beginning of Year	40,351	144,697
Cash and Cash Equivalents at End of Period	$ 27,573	$ 140,533

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, 2007 and 2006
(Unaudited)

SERIES 11	2007	2006
Cash Flows from Operating Activities:		
Net Loss	$ (56,807)	$ (3,750)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	8,374	8,374
Accreted Interest Income on Investments in Securities	(2,079)	(2,595)
Accreted Discount on Investments in Securities	(615)	0
Equity in Losses (Income) of Project Partnerships	37,437	(15,180)
Distribution Income	(2,182)	0
Changes in Operating Assets and Liabilities:		
Increase in Interest Receivable	(1,374)	0
Increase (Decrease) in Payable to General Partners	4,410	(3,288)
Net Cash Used in Operating Activities	(12,836)	(16,439)
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	2,982	1,787
Net Cash Provided by Investing Activities	2,982	1,787
Decrease in Cash and Cash Equivalents	(9,854)	(14,652)
Cash and Cash Equivalents at Beginning of Year	53,170	207,490
Cash and Cash Equivalents at End of Period	$ 43,316	$ 192,838

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, 2007 and 2006
(Unaudited)

TOTAL SERIES 7 - 11	2007	2006
Cash Flows from Operating Activities:		
Net Loss	$ (218,081)	$ (155,609)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Amortization	27,153	29,341
Accreted Interest Income on Investments in Securities	(8,049)	(12,019)
Accreted Discount on Investments in Securities	(2,875)	0
Equity in Losses of Project Partnerships	61,469	7,511
Distribution Income	(31,370)	(18,345)
Changes in Operating Assets and Liabilities:		
Increase in Interest Receivable	(6,417)	0
Increase in Payable to General Partners	54,163	41,166
Net Cash Used in Operating Activities	(124,007)	(107,955)
Cash Flows from Investing Activities:		
Distributions Received from Project Partnerships	32,920	34,652
Net Cash Provided by Investing Activities	32,920	34,652
Decrease in Cash and Cash Equivalents	(91,087)	(73,303)
Cash and Cash Equivalents at Beginning of Year	477,713	1,278,528
Cash and Cash Equivalents at End of Period	$ 386,626	$1,205,225

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007
(Unaudited)

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 ("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 (the "Agreement"). As of June 30, 2007, 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 is 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 are 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 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.

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.

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

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

Gateway reviews its investments in Project Partnerships to determine if there has been any permanent impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If the sum of the expected future cash flows is less than the carrying amount of the investment, Gateway recognizes an impairment loss. No impairment loss has been recognized in the accompanying financial statements for the three-month period ended June 30, 2007. For the fiscal year ended March 31, 2007, impairment expense was recognized in the Statement of Operations in the following Series and in the following amounts: Series 7 - $76,196, Series 10 - $46,129, Series 11 - $345,321. The total impairment expense for all Series in Gateway for fiscal year 2007 was $467,646. Refer to Note 5 – Investment in Project Partnerships for further details regarding the components of the Investment in Project Partnership balance.

Gateway, as a limited partner in the Project Partnerships, is subject to risks inherent in the ownership of property which are beyond its control, such as fluctuations in occupancy rates and operating expenses, variations in rental schedules, proper maintenance and continued eligibility of Tax Credits. If the cost of operating a property exceeds the rental income earned thereon, Gateway may deem it in its best interest to voluntarily provide funds in order to protect its investment. Gateway does not guarantee any of the mortgages or other debt of the Project Partnerships. No such funding to Project Partnerships occurred during the three months ended June 30, 2007.

Cash and Cash Equivalents

Gateway's policy is 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 whose investment advisor 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

Gateway applies Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities ("FAS 115"). Under FAS 115, Gateway is required to categorize its debt securities as held-to-maturity, available-for-sale or trading securities, dependent upon Gateway's intent in holding the securities. Gateway's intent is to hold all of its debt securities, which are comprised of U.S. Government Security Strips and U.S. Treasury Notes (collectively the “Gateway Securities”), until maturity and to use these investments to fund Gateway's ongoing operations. Interest income is recognized ratably on the Gateway Securities using the effective yield to maturity. The Gateway Securities are carried at amortized cost, which approximates market value, and are adjusted for amortization of premiums and accretion of discounts to maturity. Such adjustments are included in interest income.

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.

Variable Interest Entities

In January 2003, the FASB issued FASB Interpretation No. 46 ("FIN46"), "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51" which was subsequently revised in December 2003. Gateway has adopted FIN 46 and applied its requirements to all Project Partnerships in which Gateway holds 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.

Gateway holds variable interests in 128 VIE’s, which consist of Project Partnerships, of which Gateway is not the primary beneficiary. Five of Gateway’s Project Partnership investments were determined not to be VIE’s. Gateway’s maximum exposure to loss as a result of its involvement with unconsolidated VIE’s is limited to Gateway’s recorded investments in and receivables from those VIE’s, which is $3,808,157 at June 30, 2007. 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 Gateway's report on Form 10-K for the year ended March 31, 2007. In the opinion of management these financial statements include adjustments, consisting only of normal recurring adjustments, necessary to fairly summarize Gateway'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, 2007 Balance Sheet includes Gateway Securities at cost, plus accreted interest income or accreted discounts in the case of U.S. Treasury Notes, as applicable, of $61,585 for Series 7, $54,197 for Series 8, $53,813 for Series 9, $64,083 for Series 10 and $75,207 for Series 11. The Gateway Securities are commonly held in a brokerage account maintained at Raymond James and Associates, Inc., an affiliate of the General Partners. A separate accounting is maintained for each Series' share of the investments.

	Estimated Market Value	Cost Plus Accreted Interest and Accreted Discounts	Gross Unrealized Gains and (Losses)
Series 7	$ 286,510	$ 288,691	$ (2,181)
Series 8	206,626	207,867	(1,241)
Series 9	214,195	214,948	(753)
Series 10	202,632	201,844	788
Series 11	268,541	266,332	2,209

As of June 30, 2007, the cost and accreted interest discount of debt securities by contractual maturities is as follows:

	Series 7	Series 8	Series 9
Due within 1 year	$ 288,691	$ 207,867	$ 172,571
After 1 year through 5 years	0	0	42,377
Total Amount Carried on Balance Sheet	$ 288,691	$ 207,867	$ 214,948

	Series 10	Series 11	Total
Due within 1 year	$ 135,760	$ 192,989	$ 997,878
After 1 year through 5 years	66,084	73,343	181,804
Total Amount Carried on Balance Sheet	$ 201,844	$ 266,332	$1,179,682

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, 2007 and 2006, the General Partners and affiliates are entitled to compensation and reimbursement for costs and expenses incurred by Gateway as follows:

NOTE 4 - RELATED PARTY TRANSACTIONS (Continued):

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.

	2007	2006
Series 7	$ 21,399	$ 21,509
Series 8	22,255	22,372
Series 9	12,267	12,325
Series 10	8,384	8,420
Series 11	6,938	6,938
Total	$ 71,243	$ 71,564

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.

	2007	2006
Series 7	$ 28,957	$ 23,938
Series 8	31,927	26,393
Series 9	17,820	14,731
Series 10	11,137	9,207
Series 11	8,910	7,365
Total	$ 98,751	$ 81,634

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

SERIES 7

As of June 30, 2007, Gateway 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 the 39 Project Partnerships as of:

	JUNE 30, 2007	MARCH 31, 2007
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)	(7,303,455)	(7,303,018)
Cumulative distributions received from Project Partnerships	(254,317)	(254,317)
Investment in Project Partnerships before Adjustment	174,317	174,754
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	793,335	793,335
Accumulated amortization of acquisition fees and expenses	(262,446)	(255,911)
Reserve for Impairment of Investment in Project Partnership	(269,391)	(269,391)
Investments in Project Partnerships	$ 435,815	$ 442,787

(1) In accordance with Gateway's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $5,458,284 for the period ended June 30, 2007 and cumulative suspended losses of $5,388,453 for the year ended March 31, 2007 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 8

As of June 30, 2007, Gateway 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 the 43 Project Partnerships as of:

	JUNE 30, 2007	MARCH 31, 2007
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)	(7,427,000)	(7,430,366)
Cumulative distributions received from Project Partnerships	(183,684)	(183,684)
Investment in Project Partnerships before Adjustment	(24,579)	(27,945)
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	549,773	549,773
Accumulated amortization of acquisition fees and expenses	(147,300)	(144,095)
Investments in Project Partnerships	$ 377,894	$ 377,733

(1) In accordance with Gateway's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $6,282,565 for the period ended June 30, 2007 and cumulative suspended losses of $6,190,831 for the year ended March 31, 2007 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 9

As of June 30, 2007, Gateway 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 the 24 Project Partnerships as of:

	JUNE 30, 2007	MARCH 31, 2007
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)	(4,395,493)	(4,377,991)
Cumulative distributions received from Project Partnerships	(156,970)	(156,970)
Investment in Project Partnerships before Adjustment	361,653	379,155
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	244,087	244,087
Accumulated amortization of acquisition fees and expenses	(86,436)	(83,423)
Reserve for Impairment of Investment in Project Partnership	(127,532)	(127,532)
Investments in Project Partnerships	$ 391,772	$ 412,287

(1) In accordance with Gateway's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $2,093,817 for the period ended June 30, 2007 and cumulative suspended losses of $2,054,048 for the year ended March 31, 2007 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 10

As of June 30, 2007, Gateway 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 the 15 Project Partnerships as of:

	JUNE 30, 2007	MARCH 31, 2007
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)	(2,441,726)	(2,432,267)
Cumulative distributions received from Project Partnerships	(210,118)	(209,368)
Investment in Project Partnerships before Adjustment	1,262,828	1,273,037
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	196,738	196,738
Accumulated amortization of acquisition fees and expenses	(113,434)	(107,408)
Reserve for Impairment of Investment in Project Partnership	(202,823)	(202,823)
Investments in Project Partnerships	$ 1,143,309	$ 1,159,544

(1) In accordance with Gateway's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $425,392 for the period ended June 30, 2007 and cumulative suspended losses of $421,709 for the year ended March 31, 2007 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 11

As of June 30, 2007, Gateway 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 the 12 Project Partnerships as of:

	JUNE 30, 2007	MARCH 31, 2007
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)	(1,674,581)	(1,637,144)
Cumulative distributions received from Project Partnerships	(181,937)	(181,137)
Investment in Project Partnerships before Adjustment	2,271,524	2,309,761
Excess of investment cost over the underlying assets acquired:		
Acquisition fees and expenses	290,335	290,335
Accumulated amortization of acquisition fees and expenses	(156,369)	(147,995)
Reserve for Impairment of Investment in Project Partnership	(946,123)	(946,123)
Investments in Project Partnerships	$ 1,459,367	$ 1,505,978

(1) In accordance with Gateway's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $978,453 for the period June 30, 2007 and cumulative suspended losses of $941,227 for the year ended March 31, 2007 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

TOTAL SERIES 7 - 11

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

	JUNE 30, 2007	MARCH 31, 2007
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	(23,242,255)	(23,180,786)
Cumulative distributions received from Project Partnerships	(987,026)	(985,476)
Investment in Project Partnerships before Adjustment	4,045,743	4,108,762
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	(765,985)	(738,832)
Reserve for Impairment of Investment in Project Partnership	(1,545,869)	(1,545,869)
Investments in Project Partnerships	$ 3,808,157	$ 3,898,329

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 7

In accordance with Gateway's policy of presenting the financial information of the Project Partnerships on a three-month lag, below is the summarized balance sheets for the Series' Project Partnerships as of March 31 and the summarized statements of operations for the three months ended March 31 of each year:

	2007	2006
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	$ 4,611,007	$ 4,300,344
Investment properties, net	25,628,761	26,900,820
Other assets	27,854	25,042
Total assets	$30,267,622	$31,226,206
Liabilities and Partners' Deficit:		
Current liabilities	$ 746,549	$ 768,482
Long-term debt	35,419,494	35,642,423
Total liabilities	36,166,043	36,410,905
Partners' deficit		
Limited Partner	(5,488,527)	(4,825,013)
General Partners	(409,894)	(359,686)
Total Partners' deficit	(5,898,421)	(5,184,699)
Total liabilities and partners' deficit	$30,267,622	$31,226,206
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	$ 1,356,343	$ 1,304,172
Expenses:		
Operating expenses	869,287	832,477
Interest expense	189,228	190,539
Depreciation and amortization	368,806	368,230
Total expenses	1,427,321	1,391,246
Net loss	$ (70,978)	$ (87,074)
Other partners' share of net loss	$ (710)	$ (871)
Gateway's share of net loss	$ (70,268)	$ (86,203)
Suspended losses	69,831	77,409
Equity in Losses of Project Partnerships	$ (437)	$ (8,794)

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 8 (1)

In accordance with Gateway's policy of presenting the financial information of the Project Partnerships on a three-month lag, below is the summarized balance sheets for the Series' Project Partnerships as of March 31 and the summarized statements of operations for the three months ended March 31 of each year:

	2007	2006
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	$ 4,528,600	$ 4,183,619
Investment properties, net	26,907,202	28,271,381
Other assets	54,160	23,720
Total assets	$31,489,962	$32,478,720
Liabilities and Partners' Deficit:		
Current liabilities	$ 1,132,902	$ 1,152,589
Long-term debt	37,297,268	37,532,816
Total liabilities	38,430,170	38,685,405
Partners' deficit		
Limited Partner	(6,191,107)	(5,498,091)
General Partners	(749,101)	(708,594)
Total Partners' deficit	(6,940,208)	(6,206,685)
Total liabilities and partners' deficit	$31,489,962	$32,478,720
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	$ 1,348,808	$ 1,319,978
Expenses:		
Operating expenses	856,150	819,121
Interest expense	203,648	207,697
Depreciation and amortization	378,946	371,398
Total expenses	1,438,744	1,398,216
Net loss	$ (89,936)	$ (78,238)
Other partners' share of net loss	$ (1,568)	$ (1,605)
Gateway’s share of net loss	$ (88,368)	$ (76,633)
Suspended losses	91,734	83,853
Equity in Income of Project Partnerships	$ 3,366	$ 7,220

(1) As discussed in Note 4, an affiliate of the General Partner (Value Partners, Inc.) is the operating general partner in one of the Project Partnerships included above (Logan Heights). The Logan Heights Project Partnership is not consolidated in Gateway’s financial statements as Gateway’s investment in Logan Heights is accounted for under the equity method. The information below is included for related party disclosure purposes. The Project Partnership’s financial information for the periods ending March 2007 and March 2006 is as follows:

	March 2007	March 2006
Total Assets	$ 525,316	$ 575,107
Total Liabilities	811,929	821,138
Gateway Deficit	(169,918)	(129,742)
Other Partner’s Deficit	(116,695)	(116,289)
Total Revenue	26,850	28,302
Net Loss	$ (1,369)	$ (3,471)

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 9

In accordance with Gateway's policy of presenting the financial information of the Project Partnerships on a three-month lag, below is the summarized balance sheets for the Series' Project Partnerships as of March 31 and the summarized statements of operations for the three months ended March 31 of each year:

	2007	2006
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	$ 2,304,701	$ 2,212,844
Investment properties, net	15,606,717	16,277,735
Other assets	7,263	4,391
Total assets	$17,918,681	$18,494,970
Liabilities and Partners' Deficit:		
Current liabilities	$ 254,953	$ 279,015
Long-term debt	19,818,860	19,934,839
Total liabilities	20,073,813	20,213,854
Partners' deficit		
Limited Partner	(1,791,080)	(1,385,582)
General Partners	(364,052)	(333,302)
Total Partners' deficit	(2,155,132)	(1,718,884)
Total liabilities and partners' deficit	$17,918,681	$18,494,970
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	$ 681,993	$ 661,177
Expenses:		
Operating expenses	441,464	409,484
Interest expense	119,369	106,263
Depreciation and amortization	193,732	191,966
Total expenses	754,565	707,713
Net loss	$ (72,572)	$ (46,536)
Other partners' share of net loss	$ (15,301)	$ (465)
Gateway’s share of net loss	$ (57,271)	$ (46,071)
Suspended losses	39,769	34,466
Equity in Losses of Project Partnerships	$ (17,502)	$ (11,605)

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 10

In accordance with Gateway's policy of presenting the financial information of the Project Partnerships on a three-month lag, below is the summarized balance sheets for the Series' Project Partnerships as of March 31 and the summarized statements of operations for the three months ended March 31 of each year:

	2007	2006
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	$ 1,925,016	$ 1,848,884
Investment properties, net	11,774,878	12,147,196
Other assets	7,600	4,049
Total assets	$13,707,494	$14,000,129
Liabilities and Partners' Equity:		
Current liabilities	$ 321,519	$ 333,271
Long-term debt	12,982,207	13,054,976
Total liabilities	13,303,726	13,388,247
Partners' equity (deficit)		
Limited Partner	830,704	1,016,372
General Partners	(426,936)	(404,490)
Total Partners' equity	403,768	611,882
Total liabilities and partners' equity	$13,707,494	$14,000,129
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	$ 463,465	$ 436,600
Expenses:		
Operating expenses	303,387	292,519
Interest expense	56,977	57,893
Depreciation and amortization	116,491	116,473
Total expenses	476,855	466,885
Net loss	$ (13,390)	$ (30,285)
Other partners' share of net loss	$ (248)	$ (606)
Gateway's share of net loss	$ (13,142)	$ (29,679)
Suspended losses	3,683	20,167
Equity in Losses of Project Partnerships	$ (9,459)	$ (9,512)

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

SERIES 11

In accordance with Gateway's policy of presenting the financial information of the Project Partnerships on a three-month lag, below is the summarized balance sheets for the Series' Project Partnerships as of March 31 and the summarized statements of operations for the three months ended March 31 of each year:

	2007	2006
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	$ 1,141,608	$ 1,050,607
Investment properties, net	10,184,191	10,221,972
Other assets	269,696	297,731
Total assets	$11,595,495	$11,570,310
Liabilities and Partners' Equity:		
Current liabilities	$ 290,098	$ 212,185
Long-term debt	10,310,418	9,847,071
Total liabilities	10,600,516	10,059,256
Partners' equity (deficit)		
Limited Partner	1,300,507	1,793,468
General Partners	(305,528)	(282,414)
Total Partners' equity	994,979	1,511,054
Total liabilities and partners' equity	$11,595,495	$11,570,310
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	$ 410,166	$ 433,309
Expenses:		
Operating expenses	309,635	271,722
Interest expense	53,194	53,089
Depreciation and amortization	124,385	126,330
Total expenses	487,214	451,141
Net loss	$ (77,048)	$ (17,832)
Other partners' share of net loss	$ (2,385)	$ (1,644)
Gateway’s share of net loss	$ (74,663)	$ (16,188)
Suspended losses	37,226	31,368
Equity in Income (Losses) of Project Partnerships	$ (37,437)	$ 15,180

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

TOTAL SERIES 7 - 11

In accordance with Gateway's policy of presenting the financial information of the Project Partnerships on a three-month lag, below is the summarized balance sheets for the Series' Project Partnerships as of March 31 and the summarized statements of operations for the three months ended March 31 of each year:

	2007	2006
SUMMARIZED BALANCE SHEETS		
Assets:		
Current assets	$ 14,510,932	$ 13,596,298
Investment properties, net	90,101,749	93,819,104
Other assets	366,573	354,933
Total assets	$104,979,254	$107,770,335
Liabilities and Partners' Deficit:		
Current liabilities	$ 2,746,021	$ 2,745,542
Long-term debt	115,828,247	116,012,125
Total liabilities	118,574,268	118,757,667
Partners' deficit		
Limited Partner	(11,339,503)	(8,898,846)
General Partners	(2,255,511)	(2,088,486)
Total Partners' deficit	(13,595,014)	(10,987,332)
Total liabilities and partners' deficit	$104,979,254	$107,770,335
SUMMARIZED STATEMENTS OF OPERATIONS		
Rental and other income	$ 4,260,775	$ 4,155,236
Expenses:		
Operating expenses	2,779,923	2,625,323
Interest expense	622,416	615,481
Depreciation and amortization	1,182,360	1,174,397
Total expenses	4,584,699	4,415,201
Net loss	$ (323,924)	$ (259,965)
Other partners' share of net loss	$ (20,212)	$ (5,191)
Gateway’s share of net loss	$ (303,712)	$ (254,774)
Suspended losses	242,243	247,263
Equity in Losses of Project Partnerships	$ (61,469)	$ (7,511)

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

Results of Operations, Liquidity and Capital Resources

Operations commenced on July 16, 1992 with the admission of the first Limited Partners in Series 7. The proceeds from Limited Partner investors' capital contributions available for investment were used to acquire interests in Project Partnerships.

Gateway – All Series - The following discusses the overall results of operations, liquidity and capital resources for Gateway as a whole. A summary of the activity within each specific Series of Gateway then follows.

Distribution income arises from any cash distributions received from Project Partnerships which have a zero investment balance for financial reporting purposes. Distribution income increased from $18,345 for the three months ended June 30, 2006 to $31,370 for the three months ended June 30, 2007 (an increase of $13,025, or 71%). Distribution income will increase as more Project Partnership investment balances reach zero on Gateway's books. Interest income decreased from $25,198 for the three months ended June 30, 2006 to $22,495 for the three months ended June 30, 2007 (a decrease of $2,703, or 11%). The decrease is a result of the decrease in Cash and Investment in Securities as compared to the prior year quarter. Equity in Losses of Project Partnerships increased from $7,511 for the three months ended June 30, 2006 to $61,469 for the three months ended June 30, 2007. The increase in Equity in Losses of Project Partnerships is a result of a greater increase in operating costs than in rental revenue of the Project Partnerships.

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

Total expenses of Gateway were $210,477 for the three months ended June 30, 2007, an increase of $18,836 as compared to the three months ended June 30, 2006 total expenses of $191,641. The increase for the three months ended June 30, 2007 results from increases in the expense of the General Partner in administering the business of Gateway.

The sources of funds to pay the expenses of Gateway are cash and cash equivalents and short-term investments which are comprised of U.S. Treasury Security Strips ("Zero Coupon Treasuries") and U.S Treasury Notes along with the interest earnings thereon, which were purchased with funds set aside for this purpose, and cash distributed to the Series from the operations of the Project Partnerships. Due to the rent limitations applicable to the Project Partnerships projects as a result of their qualifying for Low-Income Housing Tax Credits, Gateway does not expect there to be a significant increases in future rental income of the Project Partnerships. Therefore, cash distributions from the operations of the Project Partnerships are not expected to increase. Management believes these 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 financial performance of each respective Series is summarized as follows:

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 decreased $8,357 to $437 for the three months ended June 30, 2007, as compared to $8,794 for the three months ended June 30, 2006. 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. (These Project Partnerships reported depreciation and amortization of $368,806 and $368,230 for the three months ended March 31, 2007 and 2006, respectively.) As a result, management expects that this Series, as well as those described below, will report its equity in Project Partnerships as a loss for tax and financial reporting purposes until the year of disposition. Overall, management believes the Project Partnerships are operating as expected and have generated Tax Credits that meet projections.

At June 30, 2007, the Series had $158,622 of short-term investments (Cash and Cash Equivalents). Series 7 also had $82,276 in Zero Coupon Treasuries with annual maturities providing $86,000 in the current fiscal year. In addition, the Series had $206,415 in U.S. Treasury Notes with a maturity value of $203,000 at June 30, 2007. Management believes these 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 $40,082 for the three months ended June 30, 2007. However, after considering the Equity in Losses of Project Partnerships of $437 and the changes in operating assets and liabilities, net cash used in operating activities was $35,896. Cash provided by investing activities totaled $15,500, consisting of cash distributions from the Project Partnerships.

Series 8 - Gateway closed this Series on June 28, 1993 after receiving $9,980,000 from 664 Limited Partner investors. Equity in Income of Project Partnerships decreased $3,854 to $3,366 for the three months ended June 30, 2007, as compared to $7,220 for the three months ended June 30, 2006. 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. (These Project Partnerships reported depreciation and amortization of $378,946 and $371,398 for the three months ended March 31, 2007 and 2006, respectively). Overall, management believes the Project Partnerships are operating as expected and have generated Tax Credits that met projections.

At June 30, 2007, the Series had $106,279 of short-term investments (Cash and Cash Equivalents). Series 8 also had $78,565 in Zero Coupon Treasuries with annual maturities providing $82,000 in the current fiscal year. In addition, the Series had $129,302 in U.S. Treasury Notes with a maturity value of $127,000 at June 30, 2007. Management believes the sources of funds are sufficient to meet the 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 $43,561 for the three months ended June 30, 2007. However, after considering the Equity in Income of Project Partnerships of $3,366 and the changes in operating assets and liabilities, net cash used in operating activities was $37,156. Cash provided by investing activities totaled $8,305, consisting of cash distributions from the Project Partnerships.

Series 9 - Gateway closed this Series on September 30, 1993 after receiving $6,254,000 from 406 Limited Partner investors. Equity in Losses of Project Partnerships increased $5,879 to $17,502 for the three months ended June 30, 2007, as compared to $11,605 for the three months ended June 30, 2006. 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. (These Project Partnerships reported depreciation and amortization of $193,732 and $191,966 for the three months ended March 31, 2007 and 2006, respectively.) Overall, management believes the Project Partnerships are operating as expected and have generated Tax Credits that met projections.

At June 30, 2007, the Series had $50,836 of short-term investments (Cash and Cash Equivalents). Series 9 also had $85,646 in Zero Coupon Treasuries with annual maturities providing $45,000 in the current fiscal year and $47,000 in fiscal year 2009. In addition, the Series had $129,302 in U.S. Treasury Notes with a maturity value of $127,000 at June 30, 2007. Management believes the sources of funds are sufficient to meet the 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 $45,788 for the three months ended June 30, 2007. However, after considering the Equity in Losses of Project Partnerships of $17,502 and the changes in operating assets and liabilities, net cash used in operating activities was $23,211. Cash provided by investing activities totaled $4,003, consisting of cash distributions from the Project Partnerships.

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 decreased $53 to $9,459 for the three months ended June 30, 2007, as compared to $9,512 for the three months ended June 30, 2006. 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. (These Project Partnerships reported depreciation and amortization of $116,491 and $116,473 for the three months ended March 31, 2007 and 2006, respectively.) Overall, management believes the Project Partnerships are operating as expected and have generated Tax Credits that met projections.

At June 30, 2007, the Series had $27,573 of short-term investments (Cash and Cash Equivalents). Series 10 also had $99,013 in Zero Coupon Treasuries with annual maturities providing $34,000 in the current fiscal year, $36,000 in fiscal year 2009, and $40,000 in fiscal year 2010. In addition, the Series had $102,831 in U.S. Treasury Notes with a maturity value of $101,000 at June 30, 2007. Management believes the sources of funds are sufficient to meet the 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 $31,843 for the three months ended June 30, 2007. However, after considering the Equity in Losses of Project Partnerships of $9,459 and the changes in operating assets and liabilities, net cash used in operating activities was $14,908. Cash provided by investing activities totaled $2,130, consisting of cash distributions from the Project Partnerships.

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 increased $52,617 to $37,437 for the three months ended June 30, 2007, as compared to income of $15,180 for the three months ended June 30, 2006. 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. (These Project Partnerships reported depreciation and amortization of $124,385 and $126,330 for the three months ended March 31, 2007 and 2006, respectively.) Overall, management believes the Project Partnerships are operating as expected and have generated Tax Credits that met projections.

At June 30, 2007, the Series had $43,316 of short-term investments (Cash and Cash Equivalents). Series 11 also had $111,577 in Zero Coupon Treasuries with annual maturities providing $40,000 in the current fiscal year, $42,000 in fiscal year 2009, $44,000 in fiscal year 2010. In addition, the Series had $154,755 in U.S. Treasury Notes with a maturity value of $152,000 at June 30, 2007. Management believes the sources of funds are sufficient to meet current and ongoing operating costs for the foreseeable future and to pay part of the Asset Management Fee.

As disclosed on the statement of cash flows, the Series had a net loss of $56,807 for the three months ended June 30, 2007. However, after considering the Equity in Losses of Project Partnerships of $37,437 and the changes in operating assets and liabilities, net cash used in operating activities was $12,836. Cash provided by investing activities totaled $2,982, consisting of cash distributions from Project Partnerships.

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

Exit Strategy Upon Expiration of the Project Partnership Tax Credit Compliance Period

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

As of December 31, 2006, only one of the Project Partnerships had reached the end of its tax credit compliance period. However, all of the other 132 Project Partnerships will reach the end of the tax credit compliance period during one of the years ending December 31, 2007 through December 31, 2010.

When Project Partnerships reach the end of their tax credit compliance period, Gateway initiates a process of disposing of its investment in the Project Partnership, the objective of the process is to sell Gateway’s interest in the properties for fair market value and ultimately, when Gateway’s last Project Partnership Investment is sold, liquidate Gateway.

Item 3. Quantitative and Qualitative Disclosure About Market Risk:

As a small business issuer, no information is required.

Item 4. Controls and Procedures:

Within 90 days prior to the filing of this report, under the supervision and with the participation of Gateway's management, including the Managing General Partner’s chief executive and chief financial officers, an evaluation of the effectiveness of Gateway'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 Gateway'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 Gateway required to be included in this report and Gateway'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 4T. Controls and Procedures:

Not applicable to Gateway.

PART II – Other Information

Item 1. Legal Proceedings:

None.

Item 1A. Risk Factors:

No material changes for those previously reported on Gateway's March 31, 2007 Form 10-K.

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

None.

Item 3. Defaults upon Senior Securities:

None.

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

None.

Item 5. Other Information:

None.

Item 6. Exhibits:

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

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

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

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

Date: August 17, 2007

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

Date: August 17, 2007

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

Date: August 17, 2007

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

EXHIBIT 31.1

CERTIFICATIONS*

I, Ron Diner, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 17, 2007

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

EXHIBIT 31.2

CERTIFICATIONS*

I, Jonathan Oorlog, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: August 17, 2007

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

EXHIBIT 32

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

In connection with the Quarterly Report of Gateway Tax Credit Fund III, Ltd.; (“Gateway”) on Form 10-Q for the period ended June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

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

/s/ Ronald M. Diner
Ronald M. Diner
President
Raymond James Tax Credit Funds, Inc.
(Managing General Partner)
August 17, 2007

/s/ Jonathan Oorlog
Jonathan Oorlog
Vice President and Chief Financial Officer
Raymond James Tax Credit Funds, Inc.
(Managing General Partner)
August 17, 2007