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 December 31, 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:

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GATEWAY TAX CREDIT FUND III LTD.

(A Florida Limited Partnership)

BALANCE SHEETS

	SERIES 7		SERIES 8		SERIES 9	
	December 31, 2007	March 31, 2007	December 31, 2007	March 31, 2007	December 31, 2007	March 31, 2007
ASSETS	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Current Assets:						
Cash and Cash Equivalents	$ 92,078	$ 179,018	$ 82,957	$ 135,130	$ 32,233	$ 70,044
Investments in Securities	285,564	284,519	156,438	204,835	144,736	170,233
Receivable - Other	-	-	-	24,220	-	-
Total Current Assets	377,642	463,537	239,395	364,185	176,969	240,277
Investments in Securities	-	-	-	-	43,746	41,709
Investments in Project Partnerships, net	409,885	442,787	362,519	377,733	345,136	412,287
Total Assets	$ 787,527	$ 906,324	$ 601,914	$ 741,918	$ 565,851	$ 694,273
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Payable to General Partners	$ 56,677	$ 60,257	$ 47,606	$ 51,149	$ 27,306	$ 29,911
Total Current Liabilities	56,677	60,257	47,606	51,149	27,306	29,911
Long-Term Liabilities:						
Payable to General Partners	794,549	730,352	840,441	773,676	514,691	477,891
Partners' Equity (Deficit):						
Limited Partners - 10,395, 9,980, and 6,254 units for Series 7, 8, and 9, respectively, at December 31, 2007 and March 31, 2007	28,216	205,836	(195,647)	5,547	78,451	239,442
General Partners	(91,915)	(90,121)	(90,486)	(88,454)	(54,597)	(52,971)
Total Partners' Equity (Deficit)	(63,699)	115,715	(286,133)	(82,907)	23,854	186,471
Total Liabilities and Partners' Equity	$ 787,527	$ 906,324	$ 601,914	$ 741,918	$ 565,851	$ 694,273

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.

(A Florida Limited Partnership)

BALANCE SHEETS

	SERIES 10		SERIES 11		TOTAL SERIES 7 - 11	
	December 31, 2007	March 31, 2007	December 31, 2007	March 31, 2007	December 31, 2007	March 31, 2007
ASSETS	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Current Assets:						
Cash and Cash Equivalents	$ 54,375	$ 40,351	$ 47,779	$ 53,170	$ 309,422	$ 477,713
Investments in Securities	84,164	133,864	164,798	190,291	835,700	983,742
Receivable - Other	-	-	-	-	-	24,220
Total Current Assets	138,539	174,215	212,577	243,461	1,145,122	1,485,675
Investments in Securities	68,506	64,917	76,162	71,973	188,414	178,599
Investments in Project Partnerships, net	1,090,974	1,159,544	1,416,898	1,505,978	3,625,412	3,898,329
Total Assets	$ 1,298,019	$ 1,398,676	$ 1,705,637	$ 1,821,412	$ 4,958,948	$ 5,562,603
LIABILITIES AND PARTNERS' EQUITY						
Current Liabilities:						
Payable to General Partners	$ 29,869	$ 31,747	$ 53,559	$ 34,115	$ 215,017	$ 207,179
Total Current Liabilities	29,869	31,747	53,559	34,115	215,017	207,179
Long-Term Liabilities:						
Payable to General Partners	103,919	78,767	-	-	2,253,600	2,060,686
Partners' Equity (Deficit):						
Limited Partners - 5,043 and 5,127 units for Series 10 and 11, respectively, at December 31, 2007 and March 31, 2007	1,196,767	1,319,459	1,681,547	1,815,414	2,789,334	3,585,698
General Partners	(32,536)	(31,297)	(29,469)	(28,117)	(299,003)	(290,960)
Total Partners' Equity	1,164,231	1,288,162	1,652,078	1,787,297	2,490,331	3,294,738
Total Liabilities and Partners' Equity	$ 1,298,019	$ 1,398,676	$ 1,705,637	$ 1,821,412	$ 4,958,948	$ 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 DECEMBER 31, 2007 AND 2006

(Unaudited)

	SERIES 7		SERIES 8		SERIES 9	
	2007	2006	2007	2006	2007	2006
Revenues:						
Distribution Income	$ -	$ 1,560	$ 2,617	$ -	$ 600	$ -
Total Revenues	-	1,560	2,617	-	600	-
Expenses:						
Asset Management Fee - General Partner	21,399	21,509	22,255	22,372	12,267	12,325
General and Administrative:						
General Partner	29,677	27,437	32,721	30,250	18,263	16,884
Other	7,433	7,914	7,135	7,855	4,745	4,956
Amortization	6,535	7,651	3,205	3,206	3,013	3,013
Total Expenses	65,044	64,511	65,316	63,683	38,288	37,178
Loss Before Equity in Losses of Project Partnerships and Other Income	(65,044)	(62,951)	(62,699)	(63,683)	(37,688)	(37,178)
Equity in Losses of Project Partnerships	(7,402)	(3,298)	(21,888)	(15,353)	(17,527)	(1,859)
Interest Income	5,243	6,996	3,463	5,404	3,104	4,166
Net Loss	$ (67,203)	$ (59,253)	$ (81,124)	$ (73,632)	$ (52,111)	$ (34,871)
Allocation of Net Loss:						
Limited Partners	$ (66,531)	$ (58,661)	$ (80,313)	$ (72,896)	$ (51,590)	$ (34,523)
General Partners	(672)	(592)	(811)	(736)	(521)	(349)
	$ (67,203)	$ (59,253)	$ (81,124)	$ (73,632)	$ (52,111)	$ (34,872)
Net Loss Per Limited Partnership Unit	$ (6.40)	$ (5.64)	$ (8.05)	$ (7.30)	$ (8.25)	$ (5.52)
Number of Limited Partnership Units Outstanding	10,395	10,395	9,980	9,980	6,254	6,254

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.

(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2007 AND 2006

(Unaudited)

	SERIES 10		SERIES 11		TOTAL SERIES 7 - 11	
	2007	2006	2007	2006	2007	2006
Revenues:						
Distribution Income	$ 749	$ -	$ -	$ 600	$ 3,966	$ 2,160
Total Revenues	749	-	-	600	3,966	2,160
Expenses:						
Asset Management Fee - General Partner	8,384	8,419	7,253	6,938	71,558	71,563
General and Administrative:						
General Partner	11,414	10,552	9,132	8,442	101,207	93,565
Other	3,783	3,716	3,510	4,707	26,606	29,148
Amortization	6,027	6,027	8,374	8,374	27,154	28,271
Total Expenses	29,608	28,714	28,269	28,461	226,525	222,547
Loss Before Equity in (Losses) Income of Project Partnerships and Other Income	(28,859)	(28,714)	(28,269)	(27,861)	(222,559)	(220,387)
Equity in (Losses) Income of Project Partnerships	(20,129)	(7,649)	(597)	4,418	(67,543)	(23,741)
Interest Income	3,071	3,783	4,271	4,920	19,152	25,269
Net Loss	$ (45,917)	$ (32,580)	$ (24,595)	$ (18,523)	$ (270,950)	$ (218,859)
Allocation of Net Loss:						
Limited Partners	$ (45,458)	$ (32,253)	$ (24,349)	$ (18,338)	$ (268,241)	$ (216,671)
General Partners	(459)	(327)	(246)	(185)	(2,709)	(2,188)
	$ (45,917)	$ (32,580)	$ (24,595)	$ (18,523)	$ (270,950)	$ (218,859)
Net Loss Per Limited Partnership Unit	$ (9.01)	$ (6.40)	$ (4.75)	$ (3.58)		
Number of Limited Partnership Units Outstanding	5,043	5,043	5,127	5,127		

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.

(A Florida Limited Partnership)

STATEMENTS OF OPERATIONS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2007 AND 2006

(Unaudited)

	SERIES 7		SERIES 8		SERIES 9	
	2007	2006	2007	2006	2007	2006
Revenues:						
Distribution Income	$ 19,434	$ 17,506	$ 18,224	$ 8,329	$ 4,603	$ 4,809
Total Revenues	19,434	17,506	18,224	8,329	4,603	4,809
Expenses:						
Asset Management Fee - General Partner	64,197	64,527	66,765	67,115	36,801	36,975
General and Administrative:						
General Partner	88,799	82,777	97,906	91,266	54,645	50,940
Other	30,435	32,575	30,624	32,925	20,592	19,685
Amortization	19,605	24,023	9,616	9,618	9,039	9,039
Total Expenses	203,036	203,902	204,911	200,924	121,077	116,639
Loss Before Equity in Losses of Project Partnerships and Other Income	(183,602)	(186,396)	(186,687)	(192,595)	(116,474)	(111,830)
Equity in Losses of Project Partnerships	(13,179)	(25,148)	(28,553)	(14,198)	(56,388)	(46,222)
Interest Income	17,367	21,309	12,014	17,057	10,245	12,815
Net Loss	$ (179,414)	$ (190,235)	$ (203,226)	$ (189,736)	$ (162,617)	$ (145,237)
Allocation of Net Loss:						
Limited Partners	$ (177,620)	$ (188,333)	$ (201,194)	$ (187,839)	$ (160,991)	$ (143,785)
General Partners	(1,794)	(1,902)	(2,032)	(1,897)	(1,626)	(1,452)
	$ (179,414)	$ (190,235)	$ (203,226)	$ (189,736)	$ (162,617)	$ (145,237)
Net Loss Per Limited Partnership Unit	$ (17.09)	$ (18.12)	$ (20.16)	$ (18.82)	$ (25.74)	$ (22.99)
Number of Limited Partnership Units Outstanding	10,395	10,395	9,980	9,980	6,254	6,254

See accompanying notes to financial statements.

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

STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2007 AND 2006
(Unaudited)

	SERIES 10		SERIES 11		TOTAL SERIES 7 - 11	
	2007	2006	2007	2006	2007	2006
Revenues:						
Distribution Income	$ 2,129	$ 1,381	$ 2,182	$ 2,782	$ 46,572	$ 34,807
Total Revenues	2,129	1,381	2,182	2,782	46,572	34,807
Expenses:						
Asset Management Fee - General Partner	25,152	25,259	21,445	20,814	214,360	214,690
General and Administrative:						
General Partner	34,153	31,837	27,323	25,470	302,826	282,290
Other	14,643	15,739	14,634	16,375	110,928	117,299
Amortization	18,080	18,081	25,122	25,122	81,462	85,883
Total Expenses	92,028	90,916	88,524	87,781	709,576	700,162
Loss Before Equity in (Losses) Income of Project Partnerships and Other Income	(89,899)	(89,535)	(86,342)	(84,999)	(663,004)	(665,355)
Equity in (Losses) Income of Project Partnerships	(43,828)	(55,553)	(62,171)	4,645	(204,119)	(136,476)
Interest Income	9,796	11,421	13,294	14,637	62,716	77,239
Net Loss	$ (123,931)	$ (133,667)	$ (135,219)	$ (65,717)	$ (804,407)	$ (724,592)
Allocation of Net Loss:						
Limited Partners	$ (122,692)	$ (132,330)	$ (133,867)	$ (65,060)	$ (796,364)	$ (717,347)
General Partners	(1,239)	(1,337)	(1,352)	(657)	(8,043)	(7,245)
	$ (123,931)	$ (133,667)	$ (135,219)	$ (65,717)	$ (804,407)	$ (724,592)
Net Loss Per Limited Partnership Unit	$ (24.33)	$ (26.24)	$ (26.11)	$ (12.69)		
Number of Limited Partnership Units Outstanding	5,043	5,043	5,127	5,127		

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2007 AND 2006
(Unaudited)

	SERIES 7			SERIES 8		
	Limited Partners	General Partners	Total	Limited Partners	General Partners	Total
Balance at March 31, 2006	$ 568,818	$ (86,455)	$ 482,363	$ 243,770	$ (86,048)	$ 157,722
Net Loss	(188,333)	(1,902)	(190,235)	(187,839)	(1,897)	(189,736)
Balance at December 31, 2006	$ 380,485	$ (88,357)	$ 292,128	$ 55,931	$ (87,945)	$ (32,014)
Balance at March 31, 2007	$ 205,836	$ (90,121)	$ 115,715	$ 5,547	$ (88,454)	$ (82,907)
Net Loss	(177,620)	(1,794)	(179,414)	(201,194)	(2,032)	(203,226)
Balance at December 31, 2007	$ 28,216	$ (91,915)	$ (63,699)	$ (195,647)	$ (90,486)	$ (286,133)

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD

(A Florida Limited Partnership)

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)

FOR THE NINE MONTHS ENDED DECEMBER 31, 2007 AND 2006

(Unaudited)

	SERIES 9			SERIES 10		
	Limited Partners	General Partners	Total	Limited Partners	General Partners	Total
Balance at March 31, 2006	$ 485,089	$ (50,490)	$ 434,599	$ 1,578,554	$ (28,680)	$ 1,549,874
Net Loss	(143,785)	(1,452)	(145,237)	(132,330)	(1,337)	(133,667)
Balance at December 31, 2006	$ 341,304	$ (51,942)	$ 289,362	$ 1,446,224	$ (30,017)	$ 1,416,207
Balance at March 31, 2007	$ 239,442	$ (52,971)	$ 186,471	$ 1,319,459	$ (31,297)	$ 1,288,162
Net Loss	(160,991)	(1,626)	(162,617)	(122,692)	(1,239)	(123,931)
Balance at December 31, 2007	$ 78,451	$ (54,597)	$ 23,854	$ 1,196,767	$ (32,536)	$ 1,164,231

See accompanying notes to financial statements.

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

STATEMENTS OF PARTNERS' EQUITY (DEFICIT)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2007 AND 2006
(Unaudited)

	SERIES 11			TOTAL SERIES 7 - 11		
	Limited Partners	General Partners	Total	Limited Partners	General Partners	Total
Balance at March 31, 2006	$ 2,281,421	$ (23,410)	$ 2,258,011	$ 5,157,652	$ (275,083)	$ 4,882,569
Net Loss	(65,060)	(657)	(65,717)	(717,347)	(7,245)	(724,592)
Balance at December 31, 2006	$ 2,216,361	$ (24,067)	$ 2,192,294	$ 4,440,305	$ (282,328)	$ 4,157,977
Balance at March 31, 2007	$ 1,815,414	$ (28,117)	$ 1,787,297	$ 3,585,698	$ (290,960)	$ 3,294,738
Net Loss	(133,867)	(1,352)	(135,219)	(796,364)	(8,043)	(804,407)
Balance at December 31, 2007	$ 1,681,547	$ (29,469)	$ 1,652,078	$ 2,789,334	$ (299,003)	$ 2,490,331

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.

(A Florida Limited Partnership)

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2007 AND 2006

(Unaudited)

	SERIES 7		SERIES 8	
	2007	2006	2007	2006
Cash Flows from Operating Activities:				
Net Loss	$ (179,414)	$ (190,235)	$ (203,226)	$ (189,736)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:				
Amortization	19,605	24,023	9,616	9,618
Accreted Interest Income on Investments in Securities	(4,635)	(13,472)	(4,179)	(10,814)
Accreted Discount on Investments in Securities	(697)	-	(467)	-
Equity in Losses of Project Partnerships	13,179	25,148	28,553	14,198
Distribution Income	(19,434)	(17,506)	(18,224)	(8,329)
Changes in Operating Assets and Liabilities:				
Decrease in Interest Receivable	1,553	-	1,143	-
Increase in Payable to General Partners	60,617	62,298	63,222	64,591
Net Cash Used In Operating Activities	(109,226)	(109,744)	(123,562)	(120,472)
Cash Flows from Investing Activities:				
Distributions Received from Project Partnerships	19,552	24,643	19,489	12,553
Redemption of Investment Securities	203,000	-	127,000	-
Purchase of Investment Securities	(200,266)	(200,084)	(75,100)	(125,177)
Net Cash Provided by (Used in) Investing Activities	22,286	(175,441)	71,389	(112,624)
Decrease in Cash and Cash Equivalents	(86,940)	(285,185)	(52,173)	(233,096)
Cash and Cash Equivalents at Beginning of Year	179,018	394,030	135,130	309,318
Cash and Cash Equivalents at End of Period	$ 92,078	$ 108,845	$ 82,957	$ 76,222

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.

(A Florida Limited Partnership)

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2007 AND 2006

(Unaudited)

	SERIES 9		SERIES 10	
	2007	2006	2007	2006
Cash Flows from Operating Activities:				
Net Loss	$ (162,617)	$ (145,237)	$ (123,931)	$ (133,667)
Adjustments to Reconcile Net Loss to Net Cash				
Used in Operating Activities:				
Amortization	9,039	9,039	18,080	18,081
Accreted Interest Income on Investments in Securities	(4,096)	(8,817)	(5,355)	(9,044)
Accreted Discount on Investments in Securities	(451)	-	(379)	-
Equity in Losses of Project Partnerships	56,388	46,222	43,828	55,553
Distribution Income	(4,603)	(4,809)	(2,129)	(1,381)
Changes in Operating Assets and Liabilities:				
Decrease in Interest Receivable	1,140	-	911	-
Increase in Payable to General Partners	34,195	34,610	23,274	23,794
Net Cash Used In Operating Activities	(71,005)	(68,992)	(45,701)	(46,664)
Cash Flows from Investing Activities:				
Distributions Received from Project Partnerships	6,327	9,714	8,791	12,889
Redemption of Investment Securities	127,000	-	101,000	-
Purchase of Investment Securities	(100,133)	(125,177)	(50,066)	(99,551)
Net Cash Provided by (Used in) Investing Activities	33,194	(115,463)	59,725	(86,662)
(Decrease) Increase in Cash and Cash Equivalents	(37,811)	(184,455)	14,024	(133,326)
Cash and Cash Equivalents at Beginning of Year	70,044	222,993	40,351	144,697
Cash and Cash Equivalents at End of Period	$ 32,233	$ 38,538	$ 54,375	$ 11,371

See accompanying notes to financial statements.

GATEWAY TAX CREDIT FUND III LTD.

(A Florida Limited Partnership)

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2007 AND 2006

(Unaudited)

	SERIES 11		TOTAL SERIES 7 - 11	
	2007	2006	2007	2006
Cash Flows from Operating Activities:				
Net Loss	$ (135,219)	$ (65,717)	$ (804,407)	$ (724,592)
Adjustments to Reconcile Net Loss to Net Cash				
Used in Operating Activities:				
Amortization	25,122	25,122	81,462	85,883
Accreted Interest Income on Investments in Securities	(6,356)	(11,564)	(24,621)	(53,711)
Accreted Discount on Investments in Securities	(537)	-	(2,531)	-
Equity in Losses (Income) of Project Partnerships	62,171	(4,645)	204,119	136,476
Distribution Income	(2,182)	(2,782)	(46,572)	(34,807)
Changes in Operating Assets and Liabilities:				
Decrease in Interest Receivable	1,363	-	6,110	-
Increase in Payable to General Partners	19,444	12,252	200,752	197,545
Net Cash Used In Operating Activities	(36,194)	(47,334)	(385,688)	(393,206)
Cash Flows from Investing Activities:				
Distributions Received from Project Partnerships	3,969	7,054	58,128	66,853
Redemption of Investment Securities	152,000	-	710,000	-
Purchase of Investment Securities	(125,166)	(149,818)	(550,731)	(699,807)
Net Cash Provided by (Used in) Investing Activities	30,803	(142,764)	217,397	(632,954)
Decrease in Cash and Cash Equivalents	(5,391)	(190,098)	(168,291)	(1,026,160)
Cash and Cash Equivalents at Beginning of Year	53,170	207,490	477,713	1,278,528
Cash and Cash Equivalents at End of Period	$ 47,779	$ 17,392	$ 309,422	$ 252,368

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 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 December 31, 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 specified 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.

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,
3) Decreased for the amortization of the acquisition fees and expenses, and
4) Increased for loans or advances made to the Project Partnerships by Gateway.

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. In accordance with Emerging Issues Task Force (EITF) 98-13, once the net investment in a Project Partnership is reduced to zero, receivables due from the Project Partnership are decreased by Gateway’s share of Project Partnership losses. 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 nine-month period ended December 31, 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 – Investments in Project Partnerships for further details regarding the components of the Investments in Project Partnerships balance.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

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 nine months ended December 31, 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. and U.S. Treasury securities.

Use of Estimates in the Preparation of Financial Statements

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

Investment in Securities

Gateway applies Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities ("FAS 115"). Under FAS 115, Gateway is required to categorize its debt securities as held-to-maturity, available-for-sale or trading securities, dependent upon Gateway's intent in holding the securities. Gateway's intent is to hold all of its debt securities, 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 $3,625,412 at December 31, 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.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued):

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 December 31, 2007 Balance Sheet includes Gateway Securities at cost, plus accreted interest income or unamortized premiums in the case of U.S. Treasury Notes, as applicable, of $58,278 for Series 7, $52,779 for Series 8, $52,358 for Series 9, $64,327 for Series 10 and $74,454 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 Unamortized Premiums	Gross Unrealized Gains
Series 7	$ 287,337	$ 285,564	$ 1,773
Series 8	157,317	156,438	879
Series 9	191,121	188,482	2,639
Series 10	156,635	152,670	3,965
Series 11	247,790	240,960	6,830

As of December 31, 2007, the cost and accreted interest / unamortized premium of debt securities by contractual maturities is as follows:

	Series 7	Series 8	Series 9
Due within 1 year	$ 285,564	$ 156,438	$ 144,736
After 1 year through 5 years	0	0	43,746
Total Amount Carried on Balance Sheet	$ 285,564	$ 156,438	$ 188,482

	Series 10	Series 11	Total
Due within 1 year	$ 84,164	$ 164,798	$ 835,700
After 1 year through 5 years	68,506	76,162	188,414
Total Amount Carried on Balance Sheet	$ 152,670	$ 240,960	$1,024,114

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 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 nine months ended December 31, 2007 and 2006, 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.

	2007	2006
Series 7	$ 64,197	$ 64,527
Series 8	66,765	67,115
Series 9	36,801	36,975
Series 10	25,152	25,529
Series 11	21,445	20,814
Total	$ 214,360	$ 214,690

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	$ 88,799	$ 82,777
Series 8	97,906	91,266
Series 9	54,645	50,940
Series 10	34,153	31,837
Series 11	27,323	25,470
Total	$ 302,826	$ 282,290

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS:

As of December 31, 2007, Gateway had acquired a 99% interest in the profits, losses, and Tax Credits as a limited partner in Project Partnerships (Series 7 - 39, Series 8 - 43, and Series 9 - 24) which own and operate government assisted multi-family housing complexes. Cash flows from operations are allocated according to each Project Partnership agreement. Upon dissolution, proceeds will be distributed according to each Project Partnership agreement.

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

	SERIES 7		SERIES 8		SERIES 9	
	December 31, 2007	March 31, 2007	December 31, 2007	March 31, 2007	December 31, 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	$ 7,586,105	$ 7,586,105	$ 4,914,116	$ 4,914,116
Loan receivable from Project Partnerships	-	-	24,220	-	-	-
Cumulative equity in losses of Project Partnerships (1) (2)	(7,316,197)	(7,303,018)	(7,458,919)	(7,430,366)	(4,434,379)	(4,377,991)
Cumulative distributions received from Project Partnerships	(254,435)	(254,317)	(184,949)	(183,684)	(158,694)	(156,970)
Investment in Project Partnerships before Adjustment	161,457	174,754	(33,543)	(27,945)	321,043	379,155
Excess of investment cost over the underlying assets acquired:						
Acquisition fees and expenses	793,335	793,335	549,773	549,773	244,087	244,087
Accumulated amortization of acquisition fees and expenses	(275,516)	(255,911)	(153,711)	(144,095)	(92,462)	(83,423)
Reserve for Impairment of Investment in Project Partnerships	(269,391)	(269,391)	-	-	(127,532)	(127,532)
Investments in Project Partnerships	$ 409,885	$ 442,787	$ 362,519	$ 377,733	$ 345,136	$ 412,287

(1) In accordance with Gateway's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $5,681,201 in Series 7, $6,407,849 in Series 8, and $2,166,828 in Series 9 for the period ended December 31, 2007; and cumulative suspended losses of $5,388,453 in Series 7, $6,190,831 in Series 8, and $2,054,048 in Series 9 for the year ended March 31, 2007 are not included.
(2) In accordance with Gateway's accounting policy to apply equity in losses of Project Partnerships to receivables from Project Partnerships, $24,220 in losses are included in Series 8 as of December 31, 2007. (See discussion of EITF 98-13 in Note 2 - Significant Accounting Policies.)

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

As of December 31, 2007, Gateway had acquired a 99% interest in the profits, losses, and Tax Credits as a limited partner in Project Partnerships (Series 10 - 15 and Series 11 - 12) which own and operate government assisted multi-family housing complexes. Cash flows from operations are allocated according to each Project Partnership agreement. Upon dissolution, proceeds will be distributed according to each Project Partnership agreement.

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

	SERIES 10		SERIES 11		TOTAL SERIES 7 - 11	
	December 31, 2007	March 31, 2007	December 31, 2007	March 31, 2007	December 31, 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	$ 4,128,042	$ 4,128,042	$ 28,275,024	$ 28,275,024
Loan receivable from Project Partnerships	-	-	-	-	24,220	-
Cumulative equity in losses of Project Partnerships (1)	(2,476,095)	(2,432,267)	(1,699,315)	(1,637,144)	(23,384,905)	(23,180,786)
Cumulative distributions received from Project Partnerships	(216,030)	(209,368)	(182,924)	(181,137)	(997,032)	(985,476)
Investment in Project Partnerships before Adjustment	1,222,547	1,273,037	2,245,803	2,309,761	3,917,307	4,108,762
Excess of investment cost over the underlying assets acquired:						
Acquisition fees and expenses	196,738	196,738	290,335	290,335	2,074,268	2,074,268
Accumulated amortization of acquisition fees and expenses	(125,488)	(107,408)	(173,117)	(147,995)	(820,294)	(738,832)
Reserve for Impairment of Investment in Project Partnerships	(202,823)	(202,823)	(946,123)	(946,123)	(1,545,869)	(1,545,869)
Investments in Project Partnerships	$ 1,090,974	$ 1,159,544	$ 1,416,898	$ 1,505,978	$ 3,625,412	$ 3,898,329

(1) In accordance with Gateway's accounting policy to not carry Investments in Project Partnerships below zero, cumulative suspended losses of $419,286 in Series 10 and $1,011,412 in Series 11 for the period ended December 31, 2007; and cumulative suspended losses of $421,709 in Series 10 and $941,227 in Series 11 for the year ended March 31, 2007 are not included.

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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 Project Partnerships of Series 7 and Series 8 as of September 30 and the respective summarized statements of operations for the nine months ended September 30 of each year:

	SERIES 7		SERIES 8 **(1)**	
	2007	2006	2007	2006
SUMMARIZED BALANCE SHEETS				
Assets:				
Current assets	$ 4,813,755	$ 4,485,287	$ 4,921,112	$ 4,381,778
Investment properties, net	24,891,149	26,164,360	26,149,940	27,528,755
Other assets	37,862	59,398	66,176	75,730
Total assets	$ 29,742,766	$ 30,709,045	$ 31,137,228	$ 31,986,263
Liabilities and Partners' Deficit:				
Current liabilities	$ 469,241	$ 537,138	$ 938,778	$ 907,204
Long-term debt	35,409,985	35,642,424	37,297,268	37,532,816
Total liabilities	35,879,226	36,179,562	38,236,046	38,440,020
Partners' deficit				
Limited Partner	(5,724,185)	(5,106,661)	(6,348,310)	(5,738,760)
General Partners	(412,275)	(363,856)	(750,508)	(714,997)
Total partners' deficit	(6,136,460)	(5,470,517)	(7,098,818)	(6,453,757)
Total liabilities and partners' deficit	$ 29,742,766	$ 30,709,045	$ 31,137,228	$ 31,986,263
SUMMARIZED STATEMENTS OF OPERATIONS				
Rental and other income	$ 4,025,469	$ 3,898,737	$ 4,094,808	$ 3,934,633
Expenses:				
Operating expenses	2,660,382	2,588,646	2,596,395	2,510,967
Interest expense	567,685	571,617	610,654	623,092
Depreciation and amortization	1,106,418	1,104,690	1,136,208	1,113,939
Total expenses	4,334,485	4,264,953	4,343,257	4,247,998
Net loss	$ (309,016)	$ (366,216)	$ (248,449)	$ (313,365)
Other partners' share of net loss	$ (3,089)	$ (3,662)	$ (2,878)	$ (4,972)
Gateway's share of net loss	$ (305,927)	$ (362,554)	$ (245,571)	$ (308,393)
Suspended losses	292,748	337,406	217,018	294,195
Equity in Losses of Project Partnerships	$ (13,179)	$ (25,148)	$ (28,553)	$ (14,198)

(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 in Series 8 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 September 2007 and September 2006 is as follows:

	September 2007	September 2006
Total Assets	$ 513,414	$ 569,456
Total Liabilities	806,826	816,901
Gateway Deficit	(176,649)	(131,142)
Other Partner's Deficit	(116,763)	(116,303)
Total Revenue	84,287	81,245
Net Loss	$ (8,168)	$ (4,886)

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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 Project Partnerships of Series 9 and Series 10 as of September 30 and the respective summarized statements of operations for the nine months ended September 30 of each year:

	SERIES 9		SERIES 10	
	2007	2006	2007	2006
SUMMARIZED BALANCE SHEETS				
Assets:				
Current assets	$ 2,402,583	$ 2,313,427	$ 2,032,086	$ 1,892,404
Investment properties, net	15,219,253	15,893,803	11,541,980	11,914,334
Other assets	22,886	4,801	13,381	4,455
Total assets	$ 17,644,722	$ 18,212,031	$ 13,587,447	$ 13,811,193
Liabilities and Partners' Equity (Deficit):				
Current liabilities	$ 94,021	$ 178,076	$ 230,389	$ 215,271
Long-term debt	19,818,860	19,934,839	12,982,207	13,054,976
Total liabilities	19,912,881	20,112,915	13,212,596	13,270,247
Partners' equity (deficit)				
Limited Partner	(1,902,977)	(1,562,844)	802,441	947,250
General Partners	(365,182)	(338,040)	(427,590)	(406,304)
Total partners' equity (deficit)	(2,268,159)	(1,900,884)	374,851	540,946
Total liabilities and partners' equity (deficit)	$ 17,644,722	$ 18,212,031	$ 13,587,447	$ 13,811,193
SUMMARIZED STATEMENTS OF OPERATIONS				
Rental and other income	$ 2,072,220	$ 1,952,232	$ 1,402,835	$ 1,314,464
Expenses:				
Operating expenses	1,350,412	1,278,850	924,779	881,245
Interest expense	311,489	318,788	170,932	177,147
Depreciation and amortization	581,196	575,898	349,431	349,419
Total expenses	2,243,097	2,173,536	1,445,142	1,407,811
Net loss	$ (170,877)	$ (221,304)	$ (42,307)	$ (93,347)
Other partners' share of net loss	$ (1,709)	$ (2,213)	$ (902)	$ (2,420)
Gateway's share of net loss	$ (169,168)	$ (219,091)	$ (41,405)	$ (90,927)
Suspended (unsuspended) losses	112,780	172,869	(2,423)	35,374
Equity in Losses of Project Partnerships	$ (56,388)	$ (46,222)	$ (43,828)	$ (55,553)

NOTE 5 - INVESTMENTS IN PROJECT PARTNERSHIPS (continued):

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 Project Partnerships of Series 11 and Total Series 7 - 11 as of September 30 and the respective summarized statements of operations for the nine months ended September 30 of each year:

	SERIES 11		TOTAL SERIES 7 - 11	
	2007	2006	2007	2006
SUMMARIZED BALANCE SHEETS				
Assets:				
Current assets	$ 1,175,479	$ 1,144,502	$ 15,345,015	$ 14,217,398
Investment properties, net	9,935,511	9,969,312	87,737,833	91,470,564
Other assets	272,127	266,167	412,432	410,551
Total assets	$ 11,383,117	$ 11,379,981	$ 103,495,280	$ 106,098,513
Liabilities and Partners' Equity (Deficit):				
Current liabilities	$ 148,332	$ 135,433	$ 1,880,761	$ 1,973,122
Long-term debt	10,300,844	9,807,256	115,809,164	115,972,311
Total liabilities	10,449,176	9,942,689	117,689,925	117,945,433
Partners' equity (deficit)				
Limited Partner	1,242,814	1,722,224	(11,930,217)	(9,738,791)
General Partners	(308,873)	(284,932)	(2,264,428)	(2,108,129)
Total partners' equity (deficit)	933,941	1,437,292	(14,194,645)	(11,846,920)
Total liabilities and partners' equity (deficit)	$ 11,383,117	$ 11,379,981	$ 103,495,280	$ 106,098,513
SUMMARIZED STATEMENTS OF OPERATIONS				
Rental and other income	$ 1,266,752	$ 1,247,792	$ 12,862,084	$ 12,347,858
Expenses:				
Operating expenses	872,192	800,328	8,404,160	8,060,036
Interest expense	159,581	159,267	1,820,341	1,849,911
Depreciation and amortization	373,065	378,990	3,546,318	3,522,936
Total expenses	1,404,838	1,338,585	13,770,819	13,432,883
Net loss	$ (138,086)	$ (90,793)	$ (908,735)	$ (1,085,025)
Other partners' share of net loss	$ (5,730)	$ (4,162)	$ (14,308)	$ (17,429)
Gateway's share of net loss	$ (132,356)	$ (86,631)	$ (894,427)	$ (1,067,596)
Suspended losses	70,185	91,276	690,308	931,120
Equity in (Losses) Income of Project Partnerships	$ (62,171)	$ 4,645	$ (204,119)	$ (136,476)

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 $34,807 for the nine months ended December 31, 2006 to $46,572 for the nine months ended December 31, 2007 (an increase of $11,765, or 34%). Distribution income will increase as more Project Partnership investment balances reach zero on Gateway's books. Interest income decreased from $77,239 for the nine months ended December 31, 2006 to $62,716 for the nine months ended December 31, 2007 (a decrease of $14,523, or 19%). 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 $136,476 for the nine months ended December 31, 2006 to $204,119 for the nine months ended December 31, 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 $709,576 for the nine months ended December 31, 2007, an increase of $9,414 as compared to the nine months ended December 31, 2006 total expenses of $700,162. The increase for the nine months ended December 31, 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 $11,969 to $13,179 for the nine months ended December 31, 2007, as compared to $25,148 for the nine months ended December 31, 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 $1,106,418 and $1,104,690 for the nine months ended September 30, 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 December 31, 2007, the Series had $92,078 of short-term investments (Cash and Cash Equivalents). Series 7 also had $85,395 in Zero Coupon Treasuries with annual maturities providing $86,000 in the current fiscal year. In addition, the Series had $200,169 in U.S. Treasury Notes with a maturity value of $200,000 at June 30, 2008. 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 $179,414 for the nine months ended December 31, 2007. However, after considering the Equity in Losses of Project Partnerships of $13,179 and the changes in operating assets and liabilities, net cash used in operating activities was $109,226. Cash provided by investing activities totaled $22,286 consisting of $19,552 in cash distributions from the Project Partnerships and $203,000 from matured U.S. Treasury Notes, offset by $200,266 used to purchase U.S. Treasury Notes in July 2007.

Series 8 - Gateway closed this Series on June 28, 1993 after receiving $9,980,000 from 664 Limited Partner investors. Equity in Losses of Project Partnerships increased $14,355 to $28,553 for the nine months ended December 31, 2007, as compared to $14,198 for the nine months ended December 31, 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 $1,136,208 and $1,113,939 for the nine months ended September 30, 2007 and 2006, respectively). Overall, management believes the Project Partnerships are operating as expected and have generated Tax Credits that met projections.

At December 31, 2007, the Series had $82,957 of short-term investments (Cash and Cash Equivalents). Series 8 also had $81,375 in Zero Coupon Treasuries with annual maturities providing $82,000 in the current fiscal year. In addition, the Series had $75,063 in U.S. Treasury Notes with a maturity value of $75,000 at June 30, 2008. 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 $203,226 for the nine months ended December 31, 2007. However, after considering the Equity in Losses of Project Partnerships of $28,553 and the changes in operating assets and liabilities, net cash used in operating activities was $123,562. Cash provided by investing activities totaled $71,389 consisting of $19,489 in cash distributions from the Project Partnerships and $127,000 from matured U.S. Treasury Notes, offset by $75,100 used to purchase U.S. Treasury Notes in July 2007.

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 $10,166 to $56,388 for the nine months ended December 31, 2007, as compared to $46,222 for the nine months ended December 31, 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 $581,196 and $575,898 for the nine months ended September 30, 2007 and 2006, respectively.) Overall, management believes the Project Partnerships are operating as expected and have generated Tax Credits that met projections.

At December 31, 2007, the Series had $32,233 of short-term investments (Cash and Cash Equivalents). Series 9 also had $88,398 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 $100,084 in U.S. Treasury Notes with a maturity value of $100,000 at June 30, 2008. 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 $162,617 for the nine months ended December 31, 2007. However, after considering the Equity in Losses of Project Partnerships of $56,388 and the changes in operating assets and liabilities, net cash used in operating activities was $71,005. Cash provided by investing activities totaled $33,194 consisting of $6,327 in cash distributions from the Project Partnerships and $127,000 from matured U.S. Treasury Notes, offset by $100,133 used to purchase U.S. Treasury Notes in July 2007.

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 $11,725 to $43,828 for the nine months ended December 31, 2007, as compared to $55,553 for the nine months ended December 31, 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 $349,431 and $349,419 for the nine months ended September 30, 2007 and 2006, respectively.) Overall, management believes the Project Partnerships are operating as expected and have generated Tax Credits that met projections.

At December 31, 2007, the Series had $54,375 of short-term investments (Cash and Cash Equivalents). Series 10 also had $102,628 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 $50,042 in U.S. Treasury Notes with a maturity value of $50,000 at June 30, 2008. 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 $123,931 for the nine months ended December 31, 2007. However, after considering the Equity in Losses of Project Partnerships of $43,828 and the changes in operating assets and liabilities, net cash used in operating activities was $45,701. Cash provided by investing activities totaled $59,725 consisting of $8,791 in cash distributions from the Project Partnerships and $101,000 from matured U.S. Treasury Notes, offset by $50,066 used to purchase U.S. Treasury Notes in July 2007.

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 $66,816 to $62,171 for the nine months ended December 31, 2007, as compared to income of $4,645 for the nine months ended December 31, 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 $373,065 and $378,990 for the nine months ended September 30, 2007 and 2006, respectively.) Overall, management believes the Project Partnerships are operating as expected and have generated Tax Credits that met projections.

At December 31, 2007, the Series had $47,779 of short-term investments (Cash and Cash Equivalents). Series 11 also had $115,854 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 $125,106 in U.S. Treasury Notes with a maturity value of $125,000 at June 30, 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 $135,219 for the nine months ended December 31, 2007. However, after considering the Equity in Losses of Project Partnerships of $62,171 and the changes in operating assets and liabilities, net cash used in operating activities was $36,194. Cash provided by investing activities totaled $30,803 consisting of $3,969 in cash distributions from Project Partnerships and $152,000 from matured U.S. Treasury Notes, offset by $125,166 used to purchase U.S. Treasury Notes in July 2007.

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 fifteen years from occupancy following construction or rehabilitation completion. 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. Gateway's objective is to sell Gateway's interest in such assets for fair market value and ultimately, to liquidate the Project Partnerships. Generally, the market for Project Partnerships is limited. Some of the factors which negatively impact the marketability of these projects include (1) requirements by government agencies or the project's debt holder to continue to maintain the property in the low-income housing program, and (2) the mortgage balance of the property is very near the initial balance as a result of the heavily subsidized debt of the Project Partnerships and lengthy (usually 50 year) amortization periods.

As of December 31, 2007, thirty-nine of the Project Partnerships have reached the end of the Tax Credit compliance period. However, all of the other ninety-four Project Partnerships will reach the end of the Tax Credit compliance period during one of the years ending December 31, 2008 through December 31, 2010.

Status Update on Unsold Project Partnerships:

The following summarizes the most recent status of the sale/disposal process for the remaining Project Partnership investments held as of December 31, 2007:

Gateway has approved the sale to the general partner of the Project Partnership or a third party:

Series 8

Morningside Villa Apartments

This approval is subject to a number of contingencies, the outcome of which cannot be predicted with certainty. However, utilizing the sales amount as approved by Gateway, should the transaction close without modification, the estimated net proceeds to Gateway from the sale of this Project Partnership is estimated to be $67,000, or $6.71 per limited partnership unit which would be available for distribution to the Series 8 Limited Partners subsequent to the closing of this sales transaction which would most likely occur within the next 18-month period.

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

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

Series 7

Pioneer Village Apartments

Should this option be exercised, the estimated net sales proceeds to Gateway from the sales transaction are estimated to be $157,000, or $15.10 per limited partnership unit potentially available for distribution to the Series 7 Limited Partners over the next 18 months. This option to purchase could expire without being exercised which would result in no sales proceeds and remarketing of the Project Partnership, the results of which are undeterminable.

Item 3. Quantitative and Qualitative Disclosure About Market Risk:

As a small business issuer, no information is required.

Item 4. Controls and Procedures:

As of the end of the period covered by this report, under the supervision and with the participation of Gateway's management, including the General Managing Partnership'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 Gateway'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 this report.

PART II – Other Information

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: February 14, 2008	By:/s/ Ronald M. Diner Ronald M. Diner President, Director
Date: February 14, 2008	By:/s/ Jonathan Oorlog Jonathan Oorlog Vice President and Chief Financial Officer
Date: February 14, 2008	By:/s/ Sandra C. Humphreys Sandra C. Humphreys Secretary and Treasurer

EXHIBIT 31.1

Rule 13a-14(a)/15d-14(a) Certification

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 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 operations 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: February 14, 2008

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

EXHIBIT 31.2

Rule 13a-14(a)/15d-14(a) Certification

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 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 operations 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: February 14, 2008

By:/s/ Jonathan Oorlog
Vice President and Chief Financial Officer
Raymond James Tax Credit Funds, Inc.
(the 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 December 31, 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 Gateway.

/s/ Ronald M. Diner
Ronald M. Diner
President
Raymond James Tax Credit Funds, Inc.
(Managing General Partner)
February 14, 2008

/s/ Jonathan Oorlog
Jonathan Oorlog
Vice President and Chief Financial Officer
Raymond James Tax Credit Funds, Inc.
(Managing General Partner)
February 14, 2008