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IRS Releases Interesting Private Letter Ruling on Build America Bonds.

On January 13, 2017, the Internal Revenue Service released Private Letter Ruling 201702009. The IRS held in this private letter ruling that the existence of unspent "available project proceeds" would not cause an issue of Build America Bonds ("BABs") to lose their status retroactively when they are redeemed with the proceeds of tax-exempt bonds.[1] The IRS further held that the issuer of the BABs would not lose any subsidy paid to it in respect of the BABs for the period that ends on the BABs' redemption date. This private letter ruling is most interesting for an opinion that the IRS expressly said that it was not giving but that is unavoidably implicit in the holding of the private letter ruling.

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By Michael Cullers on January 18, 2017

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