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## **Audits Of Multifamily Housing Bonds Triggered By Failure To File Form 8703: Orrick**

IRC Section 142(d) requires operators of qualified residential rental properties to file [Form 8703, Annual Certification of a Residential Rental Project](#) annually. A number of recent audits of multifamily housing bonds appear to have been triggered by missing or incorrectly filed Form 8703s.

In discussions regarding those audits, the IRS has highlighted the importance of filing Form 8703 to demonstrate that the project continues to meet the qualified residential rental project requirements. While the statutory penalty for non-filing is only \$100, the real cost may be much greater in the event of an audit triggered by failure to make timely, complete and accurate filings. Borrowers are therefore encouraged to take special care in preparing and filing Form 8703 as required by the Code.

Last Updated: July 24 2017

Article by Justin S. Cooper and Richard J. Moore

### **Orrick**

*The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.*

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