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BDA Submits Comment Letter: Urges the Secretary of the Treasury to Withdraw the Proposed IRS Political Subdivision Rule.

BDA Comment Letter: BDA Urges Withdrawal of IRS Political Subdivision Rule

- Please review the BDA's comment letter, which urges the Secretary of the Treasury to recommend to the President, per the process required by Executive Order 13789 (outlined below), that the IRS proposed political subdivision rule be rescinded.
- BDA reiterates the arguments it made in previous comment letters, including that the rule is a burdensome and inappropriate "one-size-fits-all" federal standard.
- Additionally, the proposed rule's definitions would add unnecessary complexity to tax law and hamper economic growth by denying many communities of the ability to issue tax-exempt bonds to finance beneficial public projects.

Proposed Political Subdivision Rule Targeted for Potential Modification or Withdrawal

Treasury has released a report focused on implementing Executive Order 13789 (Identifying and Reducing Tax Regulatory Burdens) that directed Treasury to review temporary, proposed, or final IRS regulations issued between January 1, 2016 and April 21, 2017 (the date of the executive order). (Please see the Bond Buyer story here.)

Specifically, Treasury was directed to identify regulations that:

- Impose an undue financial burden on U.S. taxpayers
- Add undue complexity to the Federal tax law
- Exceed the statutory authority of the IRS

The Executive Order instructs the Treasury to submit a report to the President by September 18, 2017 recommending specific actions to mitigate the burden imposed by the regulations identified.

Political Subdivision Proposed Rule Targeted

- The political subdivision proposed rule was one of eight regulatory actions identified as burdensome, complex, or outside the statutory authority of the IRS to be reviewed further

Bond Dealers of America

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