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The Proposed Reissuance Regulations: The Thirty Years' War Continues - Squire Patton Boggs

Johnny Hutchinson could tell you, from memory, that the Defenestration of Prague occurred on May 23, 1618, and it precipitated the Thirty Years' War, which ended on May 15, 1648 upon the ratification of the first of a series of peace treaties that comprised the Peace of Westphalia.

In 1988, 370 years after the Defenestration of Prague, the IRS began its campaign of guidance regarding the reissuance for federal tax purposes of tax-exempt bonds (specifically, qualified tender bonds) with the issuance of [Notice 88-130](#). 20 years later, in 2008, the financial crisis and collapse of the auction rate securities market compelled the Service to update this guidance, which it did by releasing [Notice 2008-41](#). On the very last day of 2018, more than 30 years after commencing this line of guidance (a period longer than the Thirty Years' War), the IRS and Treasury released proposed regulations that, if finalized, would unify and complete the rules for determining whether tax-exempt bonds have been reissued for federal tax purposes (the "[Proposed Reissuance Regulations](#)").

The Proposed Reissuance Regulations will take effect 90 days after they are published as final regulations in the Federal Register, but issuers of tax-exempt obligations can elect to apply the Proposed Reissuance Regulations now. Alternatively, issuers can apply either Notice 88-130 or Notice 2008-41. Dealer's choice. Comments and requests for a public hearing on the Proposed Reissuance Regulations must be received by the Treasury on or before March 1, 2019. A brief summary of the Proposed Reissuance Regulations follows the jump.

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By Michael Cullers on December 31, 2018

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