

Bond Case Briefs

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IRS: Comments Sought on Reimbursement Bond Regs.

The IRS requested public comment on information collections under final regulations (T.D. 8394) under section 150 that provide rules to tax-exempt bond issuers for allocating proceeds of reimbursement bonds; comments are due by June 11, 2013.

Direct all written comments to Yvette Lawrence, Internal Revenue Service, room 6129, 1111 Constitution Avenue NW., Washington, DC 20224. Requests for additional information or copies of the regulation should be directed to Katherine Dean, at (202) 622-3186, or at Internal Revenue Service, room 6242, 1111 Constitution Avenue NW., Washington, DC 20224, or through the Internet, at Katherine.b.dean@irs.gov.

This regulation clarifies when the allocation of bond proceeds to reimburse expenditures previously made by an issuer of the bond is treated as an expenditure of the bond proceeds. The issuer must express a reasonable official intent, on or prior to the date of payment, to reimburse the expenditure in order to assure that the reimbursement is not a device to evade requirements imposed by the Internal Revenue Service.