

# **Bond Case Briefs**

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## **IRS Eliminates Circular 230 Covered Opinion Rules in Final Regs.**

The Internal Revenue Service (IRS) has issued final “Circular 230” regulations governing the standards for written advice by practitioners. The final regulations eliminate some of the requirements regarding tax opinions classified as “covered opinions” by modifying the standards governing written advice. The IRS received comments that overwhelmingly recommended that these provisions be eliminated.

The new regulations replace the old Covered Opinion rules in Circular 230 requiring attorneys to include disclaimers on emails and letters that advice given couldn’t be relied upon to avoid penalties. Under Section 10.37, practitioners are required to base all written advice on “reasonable factual and legal assumptions, exercise reasonable reliance, and consider all relevant facts that the practitioner knows or reasonably should know.” Also under Section 10.37 is the addition of a definition for certain things that do not constitute written advice. The rules now state that “government submissions on matters of general policy are not considered written tax advice on a Federal tax matter....”

The final regulations were released on Monday, and took effect on Thursday, June 12, 2014, and can be seen [here](#).