
IRS Exempt Bonds Director Emphasizes Clarity and Transparency.

The new head of tax-exempt bonds (TEB) at the IRS said June 19 she is trying to ensure clarity and transparency in all of the agency's public documents on exempt financing.

During an IRS webcast, Rebecca Harrigal, director (TEB), IRS Tax-Exempt and Government Entities Division, who assumed her role in October, said she wants to be sure that the exempt bond community understands what the IRS is trying to accomplish and that the agency explains its actions as transparently as possible. For example, TEB is making significant revisions to its voluntary closing agreement program (VCAP) manual to make it clearer and has developed standardized closing agreements that will be posted online, she said.

TEB is also making efforts to measure customer satisfaction, particularly following examinations, Harrigal said, adding that the IRS hopes to have a satisfaction survey in place early in 2015. She also said her office continues to evaluate and update its programs, such as taking steps this year to ensure the arbitrage rebate penalty is applied in a flexible manner. TEB has also put its compliance check program on hold while it evaluates the program to determine when it will be used in the future, she said.

Harrigal said she is looking at other IRS offices, such as the Large Business and International Division, to see whether they have practices in place that TEB could adopt. TEB is also targeting older inventory, particularly old VCAP and examination cases, to see if those could be moved more quickly, she said.

TEB continues to focus on post-issuance compliance, according to Harrigal. She said the IRS needs to be flexible in this area to allow best practices to develop and that IRS compliance tests "should not be on any particular format for the post-issuance compliance; rather, it should be on the effectiveness of that post-issuance compliance."

Harrigal said TEB hopes to conduct two more webcasts this summer, one on arbitrage and the other on qualified section 501(c)(3) bonds.

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