

Bond Case Briefs

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IRS Announces Simplified Voluntary Closing Agreement Program.

[Announcement 2015-2](#) provides a simplified Voluntary Closing Agreement Program (VCAP) process for issuers of qualified 501(c)(3) bonds. Issuers can request a closing agreement in situations in which the borrower of the proceeds of the bonds received Prospective Reinstatement, as defined in the Announcement, after its tax-exempt status was automatically revoked under section 6033(j)(1) of the Internal Revenue Code.

An issuer of 501(c)(3) bonds can apply for a closing agreement under the announcement if the organization's status had not been previously revoked since the issue date of the bonds. The bonds in question must not be under examination by the IRS. Issuers need to submit the closing agreement within 12 months of the date of the reinstatement letter.

The closing agreement amount for each bond issue covered by the agreement will equal \$500 for each calendar month or portion thereof in the period starting with the month that includes the Revocation Date and ending in the month that includes the effective date of the reinstatement of the exempt status of the Organization.