Bond Case Briefs

Municipal Finance Law Since 1971

NABL Submits Comments on IRS Notice 2014-67.

NABL has submitted comments to the Internal Revenue Service ("IRS") in response to Notice 2014-67 regarding the interim guidance provided for the participation by governmental persons or 501(c)(3) organizations in accountable care organizations ("ACOs") under the Medicare Shared Savings Program of the Patient Protection and Affordable Care Act and regarding the amplification of the private business use safe harbors in Revenue Procedure 97-13.

Regarding ACOs, NABL asked that the IRS and Treasury Department confirm that (1) the six-prong standard described in section 3.01 of Notice 2014-67 (the "ACO Safe Harbor") is in fact a safe harbor for purposes of determining whether participation in an ACO results in private business use; and (2) the ACO Safe Harbor does not displace the general facts and circumstances approach set forth in the Code and Treasury Regulations or other existing guidance, such as Revenue Procedure 97-13, for purposes of determining whether an arrangement gives rise to private business use. NABL requested that further clarification be included in subsequent guidance with respect to several of the specific ACO Safe Harbor requirements.

Regarding Revenue Procedure 97-13, NABL suggested amendments to clarify the application of the Management Contract Safe Harbor, including a definition of the term "stated amount" and an extension of the management contract safe harbor to apply to incentive payments based on maximizing revenue or minimizing expense.

The comments were prepared by an ad hoc task force (listed in Exhibit A of the document) and approved by the NABL Board of Directors. The comments on Notice 2014-67 can be seen here.

Jan 22, 2015

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com