

# **Bond Case Briefs**

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## **IRS Auditing Minnesota BAB Issue.**

WASHINGTON — The Internal Revenue Service is auditing \$91 million of Build America Bonds issued by the Minnesota Public Facilities Authority in fall 2010.

The authority disclosed the audit in an event notice posted on the Municipal Securities Rulemaking Board's EMMA system on Sept. 3.

The IRS informed the authority of the audit in a notification dated Aug. 26. The IRS' notice said that at that time, it had no reason to believe that the authority's BABs fail to comply with applicable tax requirements, according to the event notice.

The authority said that it is responding to the IRS' information document request. The bonds under audit are the authority's taxable state revolving fund revenue bonds, series 2010D, which were issued as BABs. Proceeds of the bonds were to be used to make or purchase clean water and drinking water loans, according to the official statement.

Bank of America Merrill Lynch was the underwriter of the bonds, which were sold competitively. Briggs and Morgan was bond counsel, and Public Financial Management and Springsted were financial advisors.

### **The Bond Buyer**

by Naomi Jagoda

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