

Bond Case Briefs

Municipal Finance Law Since 1971

IRS PLR: City's Purchase of Interest in Electric Generating Facility Won't Result in Private Business Use of Bonds.

The IRS ruled that a city instrumentality's use of bond proceeds to acquire an undivided ownership interest in an electric generating facility from the company that will build the output facility under an agreement that creates a tax partnership between the instrumentality and the company will not result in private business use of the bonds (as defined in § 141(b)(6) for purposes of § 141(b)(1) of the Internal Revenue Code.

[Read the Private Letter Ruling.](#)