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IRS Issues Final Price Regulations to Be Addressed in Fall.

The IRS priority guidelines released this month include two regulations of importance to many GFOA members: Issue price regulations and proposed rules on the definition of political subdivisions. The priority guidelines specify regulations that the U.S. Department of the Treasury will work on through June 30, 2017.

According to the guidelines, the final regulations on the definition of issue price for tax-exempt bonds will be released this year. GFOA expressed core concerns including safe harbors for competitive sales in testimony before Treasury and IRS officials in 2015. The priority guidelines also include the proposed regulations defining political subdivisions for purposes of the tax exemption, but are not likely to progress, given the extensive response from the issuer community on the topic. GFOA also spoke in opposition to these proposed rules in 2016, specifically emphasizing that the proposed rules question the legitimacy and authority of the bodies enacting the enabling legislation that created the political subdivisions in the first place.

GFOA's Federal Liaison Center will continue to monitor and report the progress of these projects and communicate GFOA's concerns to IRS and Treasury officials throughout the process.

Government Finance Officers Association

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