

Bond Case Briefs

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GFOA, NABL Issue Guidance on Post-Issuance Tax-Compliance.

The Government Finance Officers Association (“GFOA”) and the National Association of Bond Lawyers (“NABL”) have issued guidance to issuers and their counsel on developing policies to maximize continuing compliance with the tax-exempt bond rules after the issuance of tax-advantaged bonds. The two organizations cooperated on the issuance of separate but complementary guidance to their respective members.

Post-issuance tax compliance procedures describe the courses of action to be taken by an organization to maximize the likelihood that tax rules applicable to tax-advantaged bonds – tax-exempt bonds, tax credit bonds and direct pay bonds – are followed after the bonds are issued and while the bonds remain outstanding. Post-issuance tax compliance procedures have two fundamental purposes: to enhance the likelihood of compliance with rules and to facilitate and streamline the organization’s administrative functions.

Broadly speaking, the tax rules applicable to tax-advantaged bonds address four principal categories: (1) expenditure of proceeds; (2) use of financed assets; (3) investment of proceeds; and (4) recordkeeping.

GFOA’s alert, *Developing and Implementing Procedures for Post-Issuance Tax Compliance for Issuers of Governmental Bonds*, is available [here](#). NABL’s *Considerations for Developing Post-Issuance Tax Compliance Procedures* is available [here](#).

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