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Treasury Clarifies Effective Date of Revised Definition of 'Available Amount.'

On July 18, 2016, the Treasury Department published final regulations on non-issue price arbitrage restrictions (the “**Final Regulations**”). A copy of the Final Regulations is available [here](#). Since that time, the mid-afternoon naps of issuers, tax lawyers, and possibly [Sean from Portlandia](#) have been improved by reading my “comprehensive” [blog post](#) on the Final Regulations.

Among other things, the Final Regulations included substantial changes to the working capital financing rules. One such change is to the definition of “available amount” in Section 1.148-6(d)(3)(iii)(A). Very generally, tax-exempt bond proceeds can be used to finance working capital expenditures only to the extent that the working capital expenditures exceed the issuer’s “available amounts.” Under the prior rules, available amounts excluded proceeds of the bond issue that would finance working capital, but included proceeds from the issuer’s other tax-exempt bond issues. Bob Eidnier pointed out an unintended consequence of the prior rules in his [blog post](#) on the Final Regulations:

[Continue reading.](#)

The Public Finance Tax Blog

By Joel Swearingen on August 16, 2017

Squire Patton Boggs

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