

# **Bond Case Briefs**

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## **IRS PLR: City Agreement to Deliver Water to Power Company Won't Result in Private Business Use of Bonds.**

The IRS ruled that a city's agreement to deliver water to a company won't cause tax-exempt bonds used by a governmental entity to construct a new reservoir to meet the section 141(b) private business tests, finding that the agreement isn't an output contract and even though the company will receive a special economic benefit from the project, it won't be making private payments for it.

[Read the IRS Private Letter Ruling.](#)

IRS PLR #201830006

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