

Bond Case Briefs

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PRIVATE ACTIVITY BONDS - FEDERAL

Scott v. Commissioner of Internal Revenue

United States Tax Court - August 22, 2018 - T.C. Memo. 2018 - 1332018 WL 4031058 - 116 T.C.M. (CCH) 204

Whistleblower petitioned for redetermination of IRS's decision to deny his application for award for original information made to the Whistleblower Office. IRS moved for summary judgment.

The Tax Court held that whistleblower award was not warranted since the IRS made no adjustments and collected no proceeds.

Whistleblower was not entitled to an award for reporting certain tax-exempt bonds issued by a city's industrial development agency that he contended violated the general arbitrage yield restriction rules and thus constituted taxable private activity rules, where IRS examined the bonds issued by the agency and the examination was closed without any adjustments and there was no sufficient evidence that any proceeds were collected, as whistleblower merely proffered hearsay about IRS's alleged malfeasance in other similar cases, which, even if true, was not relevant to the present case.