

Bond Case Briefs

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IRS Issues Revenue Procedure, Notice Providing Guidance for Private Activity Bonds During COVID-19-Related Economic Disruption.

The Internal Revenue Service (IRS) today issued two types of guidance concerning tax-exempt private activity bonds (PABs), which are used with 4 percent low-income housing tax credits (LIHTCs) to finance affordable housing. In [Revenue Procedure 2020-21](#), the IRS provides temporary guidance to allow hearings held by teleconference due to the COVID-19 pandemic to meet the statutory public approval requirement for PABs. [Notice 2020-25](#) temporarily expands the circumstances and period for which a PAB is treated as “continuing in effect” without requiring the reissuance or retirement. There also is relief regarding a holding period and qualified hedge. The IRS said the allowances are being made in recognition of the need for liquidity and stability in the market during the current period of economic disruption. Notice 2020-25 is in effect retroactive to Jan. 1.

For community development, affordable housing and renewable energy updates related to COVID-19, see Novogradac’s [dedicated page](#).

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