

Bond Case Briefs

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Group Seeks Extension of Relief for Issuers of Tax-Exempt Bonds.

SUMMARY BY TAX ANALYSTS

The Rhode Island Health and Educational Building Corporation has asked Treasury and the IRS to extend to at least December 31, 2021, the temporary COVID-19 relief provided in Rev. Proc. 2020-21 regarding the public approval requirement under section 147(f) for tax-exempt qualified private activity bonds.

FULL TEXT PUBLISHED BY TAX ANALYSTS

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Assistant Secretary
Office of Tax Policy
U.S. Department of the Treasury
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Chief Counsel
Internal Revenue Service
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Tax Legislative Counsel
United States Department of the Treasury
1500 Pennsylvania Avenue, NW, Room 3044
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Re: Extension of COVID-19 Relief for Issuers of Tax-Exempt Bonds

Dear Mr. Kautter, Mr. Vallabhaeni, and Mr. Desmond:

The widespread outbreak of the novel coronavirus disease (the “COVID-19 Pandemic”) is the subject of an ongoing emergency declaration made by the President of the United States pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act on March 13, 2020. The COVID-19 Pandemic has also been, and continues to be, the subject of numerous emergency declarations by state and local governments. The COVID-19 Pandemic prompted state and local governments to severely limit or, in some cases, prohibit in-person gatherings by members of the general public.

In response to the COVID-19 Pandemic, Revenue Procedure 2020-21 (“Rev. Proc. 2020-21”),

effective May 4, 2020, provides temporary guidance regarding the public approval requirement under §147(f) of the Internal Revenue Code for tax-exempt private activity bonds. Rev. Proc. 2020-21 provides that for the period ending on December 31, 2020, hearings held by teleconference that are accessible to the residents of the approving governmental unit by calling a toll-free telephone number will be treated as held in a location that, based on the facts and circumstances is convenient for residents of the approving governmental unit for the purpose of §1.147(f)-1(d)(2) of the Treasury Regulations.

The same factors that led to the temporary relief provided in Rev. Proc. 2020-21 continue to exist in many jurisdictions, including Rhode Island. Even in areas where explicit restrictions have been relaxed, members of the public generally have been encouraged to continue to practice social distancing, and, while personal choices vary, certain members of the public continue to limit engagement with others. Still others are required to quarantine in their homes after potential exposure to those with confirmed cases of COVID-19.

Accordingly, we respectfully request that the time period for the temporary relief provided in Rev. Proc. 2020-21 be extended to at least December 31, 2021.

If you have any questions, please contact Kim Mooers at 401-831-3770, or through email at kmooers@rihebc.com

Sincerely,

Kimberly Mooers
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Providence, RI

CC:

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