

Bond Case Briefs

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Bond Lawyers Seek COVID-19 Relief Extension.

Public finance attorneys are seeking an extension of pandemic-related economic relief provided by the IRS earlier this year regarding qualified low-income housing projects.

The National Association of Bond Lawyers (NABL), which originally sought COVID-19 relief in April, is asking for an extension of IRS Notice 2020-53, 2020-30 IRB 151, issued July 1.

The notice provides relief to bond issuers, operators, owners, tenants of qualified residential rental projects and qualified low-income housing projects financed with exempt facility bonds, and state agencies with jurisdiction over those projects from otherwise applicable federal tax law compliance requirements, NABL noted in a December 2 letter to the IRS and Treasury.

Although the guidance has provided much-needed relief, the ongoing pandemic makes clear the relief should continue beyond 2020, according to the letter.

“As you know, there is consistent, broad-based reporting today that the public health challenges presented by the COVID-19 Outbreak are continuing at the end of 2020, at levels that are even higher than they were in April, and that in many jurisdictions around the country, shut-down orders of varying degrees are being imposed or reimposed,” NABL said.

The group said that owners and operators of residential rental projects described in the notice are still finding it difficult to comply with the set-aside and rehabilitation requirements.

That’s why “time is of the essence” in extending the notice, NABL said.

The last day of a 12-month transition period for a qualified residential rental project ending on or after April 1, 2020, and before December 31, 2021, should be postponed to December 31, 2022, NABL said.

If a bond is used to provide a qualified residential rental project, and if the two-year rehabilitation expenditure period for the bond ends on or after April 1, 2020, and before December 31, 2021, the last day of that period should be postponed to December 31, 2022, NABL added.

TAX ANALYSTS

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