

# **Bond Case Briefs**

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## **Keep Your Paws Off My Positive Arbitrage: Squire Patton Boggs**

Reader's Note: As this is my first post on The Public Finance Tax Blog™ let me provide a necessary introduction. My name is Natalie, an associate with the Public Finance Tax Group here at Squire Patton Boggs. A little bit about me: I have the superhuman ability of not getting mosquito bites; I hate when people pronounce the "L" in salmon; and perhaps most relevant to you, if I can learn tax and finance concepts, so can you.

Additional Reader's Note: This post has gone through several iterations already. Not because the information missed the mark (a junior associate's worst nightmare, I promise you), but because I needed to "fun it up." When tax lawyers call you boring, it may be time to rethink most if not all life decisions. Short of quitting my job, changing my name and generally falling off the face of the planet, I suppose I'll start here. With this post. On Rebate. Naturally.

### **Episode 1: Rebate & Arbitrage 101 - Putting the Fun in Fundamentals**

Because the fundamentals are the building blocks of fun, this post introduces the rebate requirement under Section 148 of the Internal Revenue Code and the key terms necessary for the episodes to come.

To understand rebate, you must understand arbitrage. And to understand arbitrage, well, you kind of just need to understand arbitrage. As discussed more thoroughly in a recent [blog post](#), arbitrage occurs when securities purchased from one market are used for immediate resale in another to profit from the interest rate discrepancy. This is not a concept specific to tax-exempt or tax-advantaged bond financings, but the monitoring of arbitrage by the federal government occupies considerable space in our little corner of the public finance cosmos.

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**By Natalie Vicchio on April 19, 2023**

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