

American Recovery and Reinvestment Act Bond Provisions

Provision Name	Expires	Proposed Extension of Provisions in H.R. 4213
Build America Bonds (BABs)	31-Dec-10	The BABs program would be extended for two years, through the end of 2012. The subsidy would be reduced from 35% to 32% in 2011, and 30% in 2012.
Recovery Zone Bonds (RZBs)	31-Dec-10	H.R. 4213 would extend the authorization for issuing RZBs through 2011, and would make base future allocations on a new formula that would ensure that each political subdivision receiving an allocation receives a minimum allocation based on its share of national unemployment in 2009.
AMT Exemption for Private Activity Bonds	31-Dec-10	The bill would exempt from the AMT the interest earned on private activity bonds issued in 2011 to finance "new money" projects, or to refund private activity bonds issued after 2003.
Bank-Qualified Loans	31-Dec-10	Would extend for one year the provisions of the ARRA that permitted (a) issuers to issue up to \$30 million of bank-qualified bonds each calendar year, (b) each 501(c) (3) borrower to be treated as an issuer for purposes of the \$30 million limit,; and (c) "pooled" financings to be bank-qualified, regardless of the aggregate amount of the pooled financing. Note that H.R. 4213 would <u>not</u> extend the 2% de minimis rule.
Federal Home Loan Bank Guarantees for Tax-Exempt Bonds	31-Dec-10	H.R. 4213 would extend for one year the provisions of <i>The Housing and Economic Recovery Act of 2008</i> (HERA) that permit tax-exempt bonds to be guaranteed by a federal home loan bank.
Water and Sewer Exempt Facility Bonds	New Provision	H.R. 4213 would permanently exclude bonds issued to finance water and sewer facilities from state volume caps.