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*Re: Requests for Additions to Section 16 of Revenue Procedure 2018-58 (Regarding
the Postponement of Time-Sensitive Acts under Code Sections 7508 and 7508A) Relating
to Tax-Advantaged Bond Issues*

Messrs. Vallabhaneni and Keaton:

The National Association of Bond Lawyers (NABL) is a non-profit corporation and specialty bar association of approximately 2,500 lawyers. NABL exists to promote the integrity of the municipal bond market by advancing the understanding of, and compliance with, the laws affecting public finance. NABL members and their firms are involved every year in a significant portion of the municipal financings by U.S. state and local governments.

In 2018, the IRS released Rev. Proc. 2018-58, which provides a lengthy list of “time-sensitive acts” that are to be performed by certain persons in connection with tax compliance, which the IRS may, through additional guidance, suspend in the case of a federally declared disaster or a terroristic or military action. The IRS’s authority to postpone these acts comes from Sections 7508 and 7508A of the Internal Revenue Code of 1986, as amended. As an example, on April 9, 2020, the IRS released Notice 2020-23, which provided, among other things, that any person performing a time-sensitive act described in Rev. Proc. 2018-58 that was due to be performed on or after April 1, 2020, and before July 15, 2020, would have until July 15, 2020 to perform that act.

Section 16 of Rev. Proc. 2018-58 describes a number of time-sensitive acts that relate to tax-advantaged bonds. While that section includes many of the important time-sensitive acts that issuers and conduit borrowers of tax-advantaged bonds must perform to comply

with federal tax law, the section excludes many others. For example, Rev. Proc. 2018-58 includes the filing of certain information returns and the payment of required arbitrage rebate as time-sensitive acts to be postponed, but it excludes actions relating to the required periods during which issuers of tax-advantaged bonds must (i) invest proceeds of the bonds in certain ways, (ii) allocate those proceeds to expenditures within certain time periods, and (iii) document those allocations in its records. Like the time-sensitive acts already listed in Rev. Proc. 2018-58, disasters may impact compliance with the deadlines for these acts, and noncompliance may jeopardize the tax-advantaged status of the bonds through no fault of the issuer or the conduit borrower. NABL accordingly requests that the IRS broaden Section 16 of Rev. Proc. 2018-58 to include the additional items noted in the comments attached to this letter. While NABL believes that each of the additional items should be included, the **bolded** items represent those items that are of particular importance.

This letter was prepared by an ad hoc task force comprising of the individuals listed in Appendix A and was approved by the NABL Board of Directors. NABL will be happy to make itself available for a discussion on the matters we describe below.

If NABL can provide further assistance, please do not hesitate to contact Brian Egan, Director of Governmental Affairs in our Washington DC office, at (518) 469-1565 or at began@nabl.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Teri M. Guarnaccia". The signature is fluid and cursive, with a large, sweeping initial "T" that loops back over the rest of the name.

Teri M. Guarnaccia
President, National Association of Bond Lawyers

cc: **Helen M. Hubbard**, Associate Chief Counsel, Financial Institutions & Products,
Internal Revenue Service

Jian Grant, Branch Chief, Internal Revenue Service

Comments to Section 16 of Rev. Proc. 2018-58

NABL respectfully requests the following changes to the substance of Section 16 of Rev. Proc. 2018-58:

SECTION 16. TAX-EXEMPT BOND ISSUES¹

	Provision	Act Postponed
Items Already in Rev. Proc. 2018-58:		
1.	Sec. 1.25-4T(c)	On or before the date of distribution of mortgage credit certificates under a program, the issuer must file an election not to issue an amount of qualified mortgage bonds. An election may be revoked, in whole or in part, at any time during the calendar year in which the election was made.
2.	Secs. 1.141-12(d)(4), 1.142-2(c)(2), and 1.1397E- 1(h)(8)(ii)(C)(3)	An issuer must provide notice to the Commissioner of the establishment of a defeasance escrow within 90 days of the date such defeasance escrow is established in accordance with §§ 1.141-12(d)(1), 1.142-2(c)(1) or 1.1397E-1(h)(8)(ii)(B)(1)(ii).
3.	Sec. 142(d)(7)	An operator of a multi-family housing project for which an election was made under section 142(d) must submit to the Secretary an annual certification as to whether such project continues to meet the requirements of section 142(d).
4.	Sec. 142(f)(4) and Sec. 1.142(f)(4)-1	A person engaged in the local furnishing of electric energy or gas that uses facilities financed with exempt facility bonds under section 142(a)(8) and that expands its service area in a manner inconsistent with the requirements of sections 142(a)(8) and 142(f) may make an election to ensure that those bonds will continue to be treated as exempt facility bonds. The election must be filed with the IRS on or before 90 days after the date of the service area expansion that causes the bonds to cease to meet the applicable requirements.
5.	Sec. 146(f) and Notice 89-12, 1989- 1 C.B. 633	If an issuing authority's volume cap for any calendar year exceeds the aggregate amount of tax-exempt private activity bonds issued during such calendar year by such authority, such authority may elect to treat all (or any portion) of such excess as a carryforward for one or more carryforward purposes. Such election must be filed by the earlier of (1) February 15 of the calendar year following the year in which the excess amount arises, or (2) the date of issue of bonds issued pursuant to the carryforward election.
6.	Sec. 148(f)(3) and Sec. 1.148-3(g)	An issuer of a tax-exempt bond must make any required rebate payment no later than 60 days after the computation date to which the payment relates. A rebate payment is paid when it is filed with the IRS at the place or places designated by the Commissioner. A payment must be accompanied by the form provided by the Commissioner for this purpose.
7.	Sec. 1.148-5(c)	An issuer of a tax-exempt bond must make a yield reduction payment at the same time and in the same manner as rebate amounts are required to be paid

¹ The IRS should consider changing the title of this section to read "Tax-Advantaged Bond Issues."

	Provision	Act Postponed
		under § 1.148-3. Under § 1.148-3(g), an issuer of a tax-exempt bond must make any required rebate payment no later than 60 days after the computation date to which the payment relates
8.	Sec. 148(f)(4)(C)(vii) and Sec. 1.148-7(k)(1)	An issuer of a tax-exempt bond that elects to pay certain penalties in lieu of rebate must make any required penalty payments not later than 90 days after the period to which the penalty relates.
9.	Sec. 149(e)	An issuer of a tax-exempt bond must submit to the Secretary a statement providing certain information regarding the bond not later than the 15th day of the second calendar month after the close of the calendar quarter in which the bond is issued.
Additional Items Requested:		
	Sec. 54A(d)(2)(B)	One hundred percent of the available project proceeds of an issue of qualified tax credit bonds must be expended by the close of the 3-year period beginning on the date of issuance (or longer, if extended by the Treasury Secretary under the authority of Sec. 54A(d)(2)(B)(iii)) for one or more qualified purposes.
	Sec. 54A(d)(2)(B)(i)	If less than 100% of the available project proceeds of an issue of qualified tax credit bonds is expended by the close of the 3-year period beginning on the date of issuance (or longer, if extended by the Treasury Secretary under the authority of Sec. 54A(d)(2)(B)(iii)), then all of the nonqualified bonds (as determined in the same manner as under Section 142) must be redeemed within 90 days of the end of the allowable expenditure period.
	Sec. 1.141-2(d)(5)(iii)	The issuer must reasonably expect on the issue date to allocate all of the net proceeds of the issue to capital expenditures within 6 months of the issue date and adopts reasonable procedures to verify that net proceeds are in fact so expended.
	Sec. 1.141-3(d)(3)(i)	Use by a nongovernmental person pursuant to an arrangement, other than an arrangement resulting in ownership of financed property by a nongovernmental person, is not private business use if, among other things, the term of the use under the arrangement, including all renewal options, is not longer than 100 days.
	Sec. 1.141-3(d)(3)(ii)	Use by a nongovernmental person pursuant to an arrangement, other than an arrangement resulting in ownership of financed property by a nongovernmental person, is not private business use if the term of the use under the arrangement, including all renewal options, is not longer than 50 days.
	Sec. 1.141-7(c)(3)(iii)(C); 1.141-7(f)(3)	A wholesale requirements contract for the purchase of available output of an output facility does not meet the benefits and burdens test (and thus does not result in private business use of a bond issue issued to finance the output facility) if the term of the contract, including renewal options, does not exceed the lesser of 5 years or 30 percent of the term of the issue.

	Provision	Act Postponed
	<p>Sec. 1.141-12(d)(1); Sec. 1.142-2(c)(1); Sec. 1.1397E-1(h)(8)(ii)</p>	<p>When bonds fail to meet certain tax requirements, a remedial action may be taken with respect to those bonds to cure the failure to meet those requirements if the bonds are redeemed with sources other than tax-exempt bond proceeds on the earliest call date after the date on which the failure to satisfy the applicable tax requirement occurs. If the bonds are not redeemed within 90 days of the date on which the failure to meet the applicable tax requirement occurs, a defeasance escrow must be established for those bonds within 90 days of that date.</p>
	<p>Rev. Proc. 2004-39 (Section 5.02) <i>(sets forth procedures for determining compliance with set aside requirements under 142(d))</i></p>	<p>Section 5.02 applies to the acquisition of an existing residential rental project unless more than 90 percent of the residential units in the project are not available units (for example, because residential units are not available for occupancy due to renovations) at any time within 60 days after the later of (1) the date the project is acquired or (2) the issue date of the first bonds. For a period of 12 months beginning on the issue date of the first bonds (the “transition period”), the failure to satisfy the set-aside requirements described in section 5.01 of Rev. Proc. 2004-39 will not cause the project to not be a qualified residential rental project. If the set-aside requirements are not satisfied on the last date of the transition period, such failure will cause the project to not be a qualified residential rental project as of the issue date(s) of the bonds issued to finance the project unless all bonds issued to finance the project are redeemed as soon as possible, but in no event later than 18 months after the issue date of the first bonds.</p>
	<p>Sec. 142(i)(3)</p>	<p>A bond issued as part of an issue described in Sec. 142(a)(11) (high-speed intercity rail facilities) shall not be considered an exempt facility bond unless any proceeds not used within a 3-year period of the date of the issuance of such bond are used (not later than 6 months after the close of such period) to redeem bonds which are part of such issue.</p>
	<p>Sec. 142(l)(5)</p>	<p>No later than 30 days after the completion of a qualified green building and sustainable design project, such project must certify to the Secretary that the net benefit of the tax-exempt financing was used for the purposes described in Sec. 142(l)(4).</p>
	<p>Sec. 142(m)(3)</p>	<p>An issue shall not be treated as an issue described in Sec. 142(a)(15) unless at least 95 percent of the net proceeds of the issue is expended for qualified highway or surface freight transfer facilities within the 5-year period beginning on the date of issuance. If at least 95 percent of such net proceeds is not expended within such 5-year period, an issue shall be treated as continuing to meet the requirements of this paragraph if the issuer uses all unspent proceeds of the issue to redeem bonds of the issue within 90 days after the end of such 5-year period.</p>
	<p>Sec. 1.103-8(b)(6)(ii)</p>	<p>If the issuer of an issue of private activity bonds for qualified residential rental projects corrects any noncompliance arising from events occurring after the issuance of the issue within a reasonable period, such noncompliance (e.g., an unauthorized sublease) shall not cause the project to be a project not described in Sec. 1.103-8(b). Pursuant to Sec. 1.103-8(b)(6)(ii), a reasonable period is at least 60 days after such error is first discovered or would have been discovered by the exercise of reasonable diligence.</p>

	Provision	Act Postponed
	Sec. 1.142-2(c)(1)²	Sec. 1.142-2 permits nonqualified bonds of an issue to be treated as meeting the use of proceeds requirement of Sec. 142(a) if the issuer reasonably expected on the issue date that 95 percent of the net proceeds of the issue would be used to provide an exempt facility and all of the nonqualified bonds of the issue are redeemed on the earliest call date after the date on which the failure to properly use the proceeds occurs. If the bonds are not redeemed within 90 days of the date on which the failure to properly use proceeds occurs, a defeasance escrow must be established for those bonds within 90 days of that date in accordance with Sec. 1.142-2(c)(1).
	Sec. 143(a)(2)(D)	All proceeds of the issue required to be used to finance owner-occupied residences must be so used within the 42-month period beginning on the date of issuance of the issue (or, in the case of a refunding bond, within the 42-month period beginning on the date of issuance of the original bond) or, to the extent not so used within such period, used within such period to redeem bonds which are part of such issue.
	Sec. 1.103A-2(k)(2)(ii)	With respect to issues issued after December 31, 1984, the issuer must submit a report containing information on the borrowers of the original proceeds of such issues. The report must be filed for each reporting period in which the original proceeds of any of such issues are used to provide mortgages. The report must be titled “Qualified Mortgage Bond Information Report” or “Qualified Veterans’ Mortgage Bond Information Report.” The report shall be filed not later than the 15th day of the second calendar month after the close of the reporting period. The reporting period is each 1-year period beginning July 1 and ending June 30.
	Sec. 143(m)(7)	The issuer of the issue which provided the federally-subsidized indebtedness to the mortgagor shall, at the time of settlement, provide a written statement informing the mortgagor of the potential recapture under Sec.143(m), and not later than 90 days after the date such indebtedness is provided, provide a written statement to the mortgagor specifying the federally-subsidized amount with respect to such indebtedness, and the adjusted qualifying income for each category of family size for each year of the 9-year period beginning on the date the financing was provided.
	Sec. 145(d)(2)(C)	A bond which is part of an issue shall not be a qualified 501(c)(3) bond if any portion of the net proceeds of the issue are to be used directly or indirectly to provide residential rental property for family units. This rule does not apply to any bond issued as part of an issue if the portion of such issue which is to be used as described in the preceding sentence is to be used to provide, among other things, property which is to be substantially rehabilitated in a

² The prior version of this project included a request to extend the 90-day deadline for establishing a defeasance escrow for exempt facility bonds that need a remedial action but that cannot be redeemed within 90 days of the date on which the failure to properly use proceeds occurs. That provision is already covered in Rev. Proc. 2018-58 (under a common heading with the remedial action rules under Section 141). This request pertains to an extension of the 90-day window for the redemption of bonds that can be redeemed. Consider whether a similar request should be added for 1.141-12 and other remedial action sections.

	Provision	Act Postponed
		rehabilitation beginning within the 2-year period ending 1 year after the date of the acquisition of such property.
	Sec. 146(f)(3)(A)	If any issuing authority elects a volume cap carryforward under Sec. 146(f)(1) with respect to any carryforward purpose, any private activity bonds issued by such authority with respect to such purpose during the 3 calendar years following the calendar year in which the carryforward arose shall not be taken into account under subsection (a) to the extent the amount of such bonds does not exceed the amount of the carryforward elected for such purpose.
	Sec. 147(b)(4)(b)(iv)	A pooled financing issue of qualified 501(c)(3) bonds issued for the benefit of one or more 501(c)(3) organizations or governmental units for acquisition of property to be used by such organizations satisfies the requirement of Sec. 147(b)(1) that the average maturity of the bonds issued as part of that issue must not exceed 120 percent of the average reasonably expected economic life of the facilities being financed with the net proceeds of such issue if, among other things, 95 percent or more of the net proceeds of such issue are to be loaned to 501(c)(3) organizations or governmental units within 1 year of issuance and, to the extent there are any unspent proceeds after such 1-year period, bonds issued as part of such issue are to be redeemed as soon as possible thereafter (and in no event later than 18 months after issuance).
	Sec. 147(d)(3)(C)	The acquisition of existing property is not permitted under Sec. 147(d) if the first use of that property is not pursuant to that acquisition unless “rehabilitation expenditures” equal to or exceeding 15 percent of the amount of the net proceeds expended on such existing property are expended within 2 years after the later of the date the property was acquired or the date the bond was issued.
	Sec. 147(f)(2)(C) and Sec. 1.147(f)-1(f)(7)	An issue subject to the TEFRA public approval requirement must be issued no later than one year after the issuer obtains the public approval. If public approval is obtained for a plan of financing, the first issue under the plan must be issued no later than one year after the issuer obtains the public approval and all issues under the plan must be issued within three years after the issue date of the first issue under the plan.
	Sec. 1.148-1(c)(4)(ii)(B)	Within 90 days of each fiscal year following an initial temporary period, an issuer of long-term working capital financing must apply available amounts to redeem or invest in eligible tax-exempt bonds.
	Sec. 1.148-2(e)(2)	The net sale proceeds and investment proceeds of an issue reasonably expected to be allocated to expenditures for capital projects qualify for a temporary period of 3 years beginning on the issue date (the 3-year temporary period) if certain requirements are met. The 3-year temporary period also applies to the proceeds of qualified mortgage bonds and qualified veterans' mortgage bonds by substituting qualified mortgage loans in each place that capital projects appears in Sec. 1.148-2(e)(2).
	Sec. 148(c) and Sec. 1.148-2(e)(2)	The time test for the temporary period exception from yield restriction under Sec. 1.148-2(e)(2) is met if the issuer incurs within 6 months of the issue date a substantial binding obligation to a third party to expend at least 5 percent of the net sale proceeds of the issue on the capital projects.

	Provision	Act Postponed
	Sec. 1.148-2(e)(2)(ii)	In the case of proceeds expected to be allocated to a capital project involving a substantial amount of construction expenditures (as defined in Sec. 1.148-7), a 5-year temporary period applies in lieu of the 3-year temporary period if the issuer satisfies the requirements of Sec. 1.148-2(e)(2)(i) of this section applied by substituting “5 years” in each place that “3 years” appears, and both the issuer and a licensed architect or engineer certify that the longer period is necessary to complete the capital project.
	Sec. 1.148-2(e)(3)	The proceeds of an issue that are reasonably expected to be allocated to working capital expenditures within 13 months after the issue date qualify for a temporary period of 13 months beginning on the issue date.
	Sec. 1.148-2(e)(4)(i)	Proceeds of a pooled financing issue reasonably expected to be used to finance purpose investments qualify for a temporary period of 6 months while held by the issuer before being loaned to a conduit borrower. Any otherwise available temporary period for proceeds held by a conduit borrower, however, is reduced by the period of time during which those proceeds were held by the issuer before being loaned. For example, if the proceeds of a pooled financing issue loaned to a conduit borrower would qualify for a 3-year temporary period, and the proceeds are held by the issuer for 5 months before being loaned to the conduit borrower, the proceeds qualify for only an additional 31-month temporary period after being loaned to the conduit borrower. If all or a portion of a pooled financing issue qualifies as a construction issue under Sec. 1.148-7(b)(6), then this rule is applied by substituting “2 years” for “6 months.”
	Sec. 1.148-2(e)(4)(ii)(A)	The temporary period under Sec. 1.148-2(e)(4) for proceeds from the sale or repayment of any loan from a pooled financing issue that are reasonably expected to be used to make or finance new loans is 3 months.
	Sec. 1.148-2(e)(4)(ii)(B)	Any temporary period for proceeds of a pooled financing issue held by a conduit borrower under a new loan from amounts described in Sec. 1.148-2(e)(4)(ii)(A) is determined by treating the date the new loan is made as the issue date and by reducing the temporary period by the period the amounts were held by the issuer following the last repayment.
	Sec. 1.148-2(e)(4)(iv)	The temporary period under Sec. 1.148-2(e)(4) for proceeds from the sale, prepayment, or repayment of any qualified mortgage loan that are reasonably expected to be used to make or finance new qualified mortgage loans is 3 years.
	Sec. 1.148-2(e)(5)(i)	Except as otherwise provided, replacement proceeds qualify for a temporary period of 30 days beginning on the date that the amounts are first treated as replacement proceeds.
	Sec. 1.148-2(e)(5)(ii)	Amounts in a bona fide debt service fund for an issue qualify for a temporary period of 13 months. If only a portion of a fund qualifies as a bona fide debt service fund, only that portion qualifies for this temporary period.
	Sec. 1.148-2(e)(6)	Except as otherwise provided in Sec. 1.148-2(e), investment proceeds qualify for a temporary period of 1 year beginning on the date of receipt.

	Provision	Act Postponed
	Sec. 1.148-2(e)(7)	Gross proceeds not otherwise eligible for a temporary period described in Sec. 1.148-2(e) qualify for a temporary period of 30 days beginning on the date of receipt.
	Sec. 1.148-3(i)(3)	An issuer must request a refund of an overpayment no later than the date that is two years after the final computation date for the issue to which the overpayment relates.
	Sec. 1.148-4(h)(2)(viii)	An issuer must identify a hedge contract on its books and records maintained for the hedged bonds not later than 15 calendar days after the date on which there is a binding agreement to enter into a hedge contract.
	Sec. 1.148-6(d)(1)(iii)	An issuer must account for the allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the project, if any, that is financed by the issue is placed in service. This allocation must be made in any event by the date 60 days after the fifth anniversary of the issue date or the date 60 days after the retirement of the issue, if earlier.
	Sec. 1.148-6(d)(3)(ii)	Restrictions on financing working capital with proceeds of tax-exempt bonds do not apply to allocations of proceeds to interest on the issue for a period commencing on the issue date and ending on the date that is the later of three years from the issue date or one year after the project is placed in service. ³
	Sec. 148(f)(4)(B)(i)(I) and Sec. 1.148-7(c)	An issue is treated as meeting the rebate requirement if gross proceeds of the issue are allocated to expenditures within the six-month period beginning on the issue date. ⁴

³ For similar examples in Rev. Proc. 2018-58, which deal with an affected person making an allocation in a document or in its records (which are not filed with the U.S. government), see, e.g., Section 12 (“International Issues”), Item 4, Sec. 482 and Sec. 1.482-7(k)(1)(i) and (iii) (“A cost sharing arrangement must be recorded in writing in a contract that is contemporaneous with the formation (and any revision) of the arrangement. For this purpose a written contractual agreement is contemporaneous with such formation or revision only if the controlled participants record it, in its entirety, in a document that they sign and date no later than 60 days after the first occurrence of any intangible development cost to which such agreement (or revision) is to apply.”); Item 7, Sec. 482 and Sec. 1.482-9(b)(2)(iv) and (6) (“The books and records required to be maintained under § 1.482-9(b)(2)(iv) and (6) for as long as costs with respect to covered services are incurred by the renderer must include a statement evidencing the taxpayer’s intention to apply the services cost method of § 1.482-9(b) to evaluate the arm’s length charge for such services.”); Item 31, Sec. 1.988-3(b) (“An election to treat (under certain circumstances) any gain or loss recognized on a contract described in § 1.988-2(d)(1) as capital gain or loss must be made by clearly identifying such transaction on taxpayer’s books and records on the date the transaction is entered into.”); Item 32, Sec. 1.988-5(a)(8)(i) (“Taxpayer must establish a record, and before the close of the date the hedge is entered into, the taxpayer must enter into the record for each qualified hedging transaction the information contained in § 1.988-5(a)(8)(i)(A) through (E).”); Item 33, Sec. 1.988-5(b)(3)(i) (“Taxpayer must establish a record and before the close of the date the hedge is entered into, the taxpayer must enter into the record a clear description of the executory contract and the hedge.”).

⁴ For similar examples in Rev. Proc. 2018-58, which deal with an affected person spending particular amounts by a particular deadline, see, e.g., Section 6 (“Business and Individual Tax Issues”), Item 2, Sec. 1.110-1(b)(4)(ii)(A) (“The lessee must expend its construction allowance on the qualified long-term real property within 8 ½ months after the close of the taxable year in which the construction allowance was received.”); Section 6, Item 3, Sec. 118(c)(2) (“A contribution in aid of construction received by a regulated public utility that provides water or sewerage disposal services must be expended by the utility on qualifying property before the end of the second taxable year after the year in which it was received by the utility.”); Section 6, Item 14, Sec. 529(c)(3)(D) (“If a beneficiary receives a refund of qualified higher education expenses from an eligible educational institution, any portion of the distribution refunded that is recontributed to a qualified tuition program of which the individual is the beneficiary not later than 60 days after the refund date is not subject to tax.”); Section 12 (“International Issues”), Item 19, Sec. 924(c)(3) and Sec. 1.924(c)-1(d)(2) (“The FSC must reimburse from its own bank account any dividends or other expenses that are paid by a

	Provision	Act Postponed
	Sec. 1.148-7(d)(1)(A)	An issue is treated as meeting the rebate requirement if, in addition to other spending period requirements, at least 15 percent of gross proceeds are allocated to expenditures within the 6 month period beginning on the issue date (the first spending period).
	Sec. 1.148-7(d)(1)(i)(B)	An issue is treated as meeting the rebate requirement if, in addition to other spending period requirements, at least 60 percent of gross proceeds are allocated to expenditures within the 12 month period beginning on the issue date (the second spending period).
	Sec. 1.148-7(d)(1)(i)(C)	An issue is treated as meeting the rebate requirement if, in addition to other spending period requirements, 100 percent of gross proceeds are allocated to expenditures within the 18 month period beginning on the issue date (the third spending period).
	Sec. 1.148-7(d)(2)	An issue does not fail to satisfy the spending period for the third spending period as a result of a reasonable retainage if the reasonable retainage is allocated to expenditures within 30 months of the issue date.
	Sec. 148(f)(4)(C)(ii)(1) and Sec. 1.148-7(e)(1)(i)	An issue is treated as meeting the rebate requirement if, in addition to other spending period requirements, at least 10 percent of available construction proceeds are allocated to expenditures within the six month period beginning on the issue date (the first spending period).
	Sec. 148(f)(4)(C)(ii)(2) and Sec. 1.148-7(e)(1)(ii)	An issue is treated as meeting the rebate requirement if, in addition to other spending period requirements, at least 45 percent of available construction proceeds are allocated to expenditures within the 1 year period beginning on the issue date (the second spending period).
	Sec. 148(f)(4)(C)(ii)(3) and Sec. 1.148-7(e)(1)(iii)	An issue is treated as meeting the rebate requirement if, in addition to other spending period requirements, at least 75 percent of available construction proceeds are allocated to expenditures within the 18 month period beginning on the issue date (the third spending period).
	Sec. 148(f)(4)(C)(ii)(4) and Sec. 1.148-7(e)(1)(i)	An issue is treated as meeting the rebate requirement if, in addition to other spending period requirements, 100 percent of available construction proceeds are allocated to expenditures within the 2 year period beginning on the issue date (the fourth spending period).
	Sec. 148(f)(4)(C)(iii) and Sec. 1.148-7(e)(2)	An issue does not fail to satisfy the spending requirement for the fourth spending period as a result of unspent amounts for reasonable retainage if those amounts are allocated to expenditures within 3 years of the issue date.
	Sec. 1.149(e)-1(c)(2)	An issuer of tax-exempt bonds with issue prices of less than \$100,000 may elect, not later than February 15 of the calendar year following the calendar year in which the issue is issued, to file a single completed information form with respect to all issues to which Sec. 1.149-1(c)(2) applies.

related person, on or before the due date (including extensions) of the FSC's tax return for the taxable year to which the reimbursement relates."); Section 15 ("Tax Credit Issues"), Item 1, Sec. 42(e)(3)(A)(ii) ("A taxpayer has a 24-month measuring period in which the requisite amount of rehabilitation expenditures has to be incurred in order to qualify for treatment as a separate new building."); Section 15, Item 10, Sec. 47(c)(1)(C) and Sec. 1.48-12(b)(2) (similarly).

	Provision	Act Postponed
	Sec. 149(f)(5)	In the case of a pooled financing bond, not later than 90 days after the end of the applicable period provided pursuant to Sec. 149(f)(2)(A)(i) or (ii), an issuer must use proceeds equal to the excess of the amount required to be used under either of clauses (i) or (ii) of Section 149(f)(2)(A) over the amount actually used by the close of such period, to redeem outstanding bonds.
	Sec. 149(g)	Amounts held for not more than 30 days pending reinvestment or bond redemption shall be treated as invested in bonds described in Sec. 149(g)(3)(B)(iii) for purposes of the hedge bond limitations in Sec. 149(g).
	Sec. 1.150-2(c)	A reimbursement allocation made by an issuer within 30 days after the issue date of a reimbursement bond may be treated as made on the issue date.
	Sec. 1.150-2(d)(1)	Not later than 60 days after payment of the original expenditure, an “issuer” (as defined in Sec. 1.150-2) must adopt an official intent for the original expenditure that satisfies Sec. 1.150-2(e).
	Sec. 1.150-2(d)(2)(i)	For expenditures that are eligible for a reimbursement allocation and subject to the reimbursement allocation timing requirements in Sec. 1.150-2(d), the “issuer” (as defined in Sec. 1.150-2) must make a reimbursement allocation of proceeds of an issue to reimburse expenditures not later than 18 months after the later of (A) the date the original expenditure is paid; or (B) the date the project is placed in service or abandoned, but in no event more than 3 years after the original expenditure is paid.
	Sec. 1.1001-3(c)(4)(ii)	Absent a written or oral agreement to alter other terms of the debt instrument, an agreement by the holder of the debt instrument to stay collection or temporarily waive an acceleration clause or similar default right (including such a waiver following the exercise of a right to demand payment in full) is not a modification under Sec. 1.1001-3(c) unless and until the forbearance remains in effect for a period that exceeds (A) Two years following the issuer’s initial failure to perform; and (B) Any additional period during which the parties conduct good faith negotiations or during which the issuer is in a title 11 or similar case (as defined in section 368(a)(3)(A)).
	Sec. 1.1001-3(e)(3)(ii)	The deferral of one or more scheduled payments within the safe-harbor period is not a material deferral (and thus not a significant modification under Sec. 1.1001-3(e)) if the deferred payments are unconditionally payable no later than at the end of the safe-harbor period. The safe-harbor period begins on the original due date of the first scheduled payment that is deferred and extends for a period equal to the lesser of five years or 50 percent of the original term of the instrument.
	IRM 4.81.5.10.1.1(2) (12-04-2018)	The date by which a taxpayer being audited must respond to the initial IDR should be 30 days from the date of mailing.
	IRM 7.2.3.2.2 (12-27-2018)	If a VCAP request is incomplete, the IRS will notify the issuer and the issuer’s authorized representative (per Form 2848), in writing, using Letter 5685 of the missing items. The issuer then must respond to the request by the date that is 21 business days after the date of the letter, or else the IRS will return the VCAP submission to the issuer using Letter 5566, and the issuer must start the process over again.

	Provision	Act Postponed
	IRM 7.2.3.3.2 (01-07-2020)	If the IRS determines that an issuer or authorized representative that has submitted a VCAP request has not met the required deadlines or is not proceeding toward case resolution in good faith and with due diligence, then the IRS may send a final demand letter notifying the issuer that the IRS will close the case without resolution 14 days from the date of the letter unless specific actions are taken.

APPENDIX A

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