

Tax-Exempt Bonds

Philip H. Gleason, Esq. | July 22, 2010

This is just a “heads up” that the extension of various tax-exempt bond provisions that were created by the American Recovery and Reinvestment Act is uncertain. Specifically, the following programs or provisions will expire on December 31, 2010, unless Congress acts to extend them:

- Build America Bonds (“BABs”);
- Recovery Zone Facility Bonds (“RZFBs”);
- The liberalization of the “bank qualified” bond limits;
- The exemption from the alternative minimum tax for interest on certain private activity bonds.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, H.R. 4173, which Congress passed last week, did not address any of the above. In December of last year, the House passed the American Jobs and Closing Tax Loopholes Act of 2010, H.R. 4213, which would extend these programs and provisions, but that bill is currently stalled in the Senate.

So at this juncture, the future is quite unclear, and if you or one of your customers is contemplating a tax-exempt financing utilizing one of these programs, you should plan on closing in 2010, because they may not be available after that date.

For more information, please contact Phil Gleason at pgleason@bernsteinshur.com or 207 228-7290.