



April 16, 2020

IRS Extends Relief to Public Finance Market

On Monday the IRS released Notice 2020-23 which has, in light of the ongoing situation with COVID-19, extended the deadlines for filings and payments due to the IRS on or after April 1, 2020 and before July 15, 2020. Notice 2020-23 encompasses a broad range of tax matters, including filing and reporting obligations relevant to tax credits, and many other tax topics. Of importance to participants in the Public Finance markets are the following items:

- Forms 8038 and 8038-G due to be filed on May 15, 2020 for all bonds issued in the first quarter of 2020 are now due by July 15, 2020. Due dates for filing Forms 8038-CP (used for requesting federal subsidy payments) do not appear to be impacted, although the IRS may delay making some payments they owe by up to 30 days, as discussed below.
- Issuers having rebate payment obligations between April 1 and July 15 (meaning that the computation date for their arbitrage and rebate calculations is between February 1 and May 15, 2020) now have until July 15 to submit such rebate payment. The same goes for required yield reduction payments and penalties in lieu of rebate.
- Annual certifications for qualified residential rental projects operating under 142(d) due to be filed by project operators are similarly delayed to July 15.
- Notices to the IRS on the establishment of certain defeasance escrows due to be sent within 90 days of the establishment of such an escrow may now be sent any time before July 15.
- Issuers intending to distribute Mortgage Credit Certificates now also have until July 15 to file their election not to issue qualified mortgage bonds.

The relief granted by Notice 2020-23 also extends to the IRS itself. In circumstances where a client is before the IRS under audit or examination, before the Independent Office of Appeals, or filing amended returns, the IRS has granted itself a 30-day postponement of time-sensitive actions if such actions are supposed to be completed between April 6, 2020 and July 15, 2020. These time-sensitive actions can include giving notices, assessing or collecting any taxes, the allowance of any credit or tax refund, or any actions specified in any of the IRS's own notices, rulings, or guidance.

The [Public Finance Tax Group](#) is continuing to monitor IRS actions and the consequences of the current COVID-19 situation. We will continue to keep you informed as we move forward, in the meantime you can contact any of the attorneys below for questions.

Contacts			
Adam R. Baird	Spokane	(509) 313-4473	Adam.Baird@KutakRock.com
Kevin L. Barney	Chicago	(312) 602-4117	Kevin.Barney@KutakRock.com
Mitchell J. Bragin	Washington	(202) 828-2450	Mitchell.Bragin@KutakRock.com
Larry L. Carlile	Denver	(303) 292-7783	Larry.Carlile@KutakRock.com
Matthias M. Edrich	Denver	(303) 292-7887	Matthias.Edrich@KutakRock.com
Robert B. Henderson	Omaha	(402) 231-8934	Robert.Henderson@KutakRock.com
David S. Lu	Washington	(202) 828-2468	David.Lu@KutakRock.com
John K. McGill	Omaha	(402) 231-8974	JohnK.McGill@KutakRock.com
Shawn M. Willette	Denver	(303) 292-7788	Shawn.Willette@KutakRock.com

This Client Alert is a publication of Kutak Rock LLP. It is intended to notify our clients and friends of current events and provide general information about public finance issues. This Client Alert is not intended, nor should it be used, as specific legal advice, and it does not create an attorney-client relationship.

© Kutak Rock LLP 2020 – All Rights Reserved. This communication could be considered advertising in some jurisdictions. The choice of a lawyer is an important decision and should not be based solely upon advertisements.