

## Services

[Public Finance](#)

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## IRS Releases New Form 8038-CP for Direct Pay Bond Credit Payments

On January 14, 2022, the Internal Revenue Service released a revised Form 8038-CP. Links to the new form and supplemental materials are included below. This form is used by issuers to claim direct pay bond credit payments with respect to certain Build America Bonds (BABs), Recovery Zone Economic Development Bonds (RZEDBs), New Clean Renewable Energy Bonds (NCREBs), Qualified Energy Conservation Bonds (QECBs), Qualified Zone Academy Bonds (QZABs) and Qualified School Construction Bonds (QSCBs). **Starting immediately, issuers must use the new Form 8038-CP to request credit payments.** Here is what's new in the form:

- NCREBs and QECBs with multiple maturities no longer need multiple filings of the form for each maturity. The requirement to file separate forms for each maturity has historically been a significant inconvenience to issuers.
- A new schedule is required to be attached for all NCREBs, QECBs, QZABs and QSCBs. A link to the form of the schedule is included below. This schedule will help standardize the information that is reported to the Internal Revenue Service and should simplify the filing process.
- A report number now needs to be included on each filing for a bond. The issuer is responsible for assigning a report number. The report number becomes the permanent number assigned to the bond and must be used for all future filings for the same bond. The report number helps the Internal Revenue Service match credit payment filings to the associated bond. Failure to use the permanent report number selected for a bond may cause delays in receiving credit payments.
- Additional explanations (using a three-digit code) are now required when:
  - requesting an adjustment to a previous credit payment;
  - changed the bond's debt service schedule from what was most recently reported to the Internal Revenue Service; and
  - interest is paid on a date other than a regular interest payment date.

The Internal Revenue Service has also announced that electronic filing of IRS Form 8038-CP is expected to be available later in calendar year 2022.

The process of completing IRS Form 8038-CP can be complex and confusing. If you need post-issuance assistance with this process, we are happy to help. Please contact any member of Kutak Rock's [Public Finance Tax Group](#) for assistance.

### Resources:

- New Form: <https://www.irs.gov/pub/irs-pdf/f8038cp.pdf>
- Instructions: <https://www.irs.gov/instructions/i8038cp>
- Schedule: <https://www.irs.gov/pub/irs-pdf/f8038cpa.pdf>