January 2012

TEB Focus: *State Debt*

Addressing the needs of state officials in the tax-advantaged bond community

Table of Contents

Introducing *TEB Focus: State Debt*

This is the inaugural edition of a newsletter specifically designed to meet the needs of state officials responsible for overseeing the issuance of tax-advantaged bonds and ongoing compliance with applicable federal tax rules. This newsletter is the direct result of the State Government Communication and Outreach project undertaken by the IRS office of Tax Exempt Bonds (TEB) last year.

Starting in the fall of 2010 and going through March of 2011, TEB contacted state officials responsible for issuing and managing state debt consisting of tax exempt and direct pay bonds in 52 jurisdictions (50 states, District of Columbia and New York City). TEB representatives subsequently met with state debt officials in nearly all the states, as well as New York City, during this period.

The goals of these initial meetings were threefold: first, to introduce TEB to the primary state contacts; second, to explain the functions of the TEB Exam Program and how it is organized; and, third, to listen to those primary state contacts and answer questions or address concerns regarding the work of TEB. We discussed some of our common interests: compliance with the federal rules (and resulting quick, clean examinations), the importance of compliance in good investor relations, bond recordkeeping requirements, direct pay bond processing issues, relevant TEB Internal Revenue Manual (IRM) guidelines, educational and outreach needs, the IRS examination function, and an introduction of TEB personnel. Primarily, however, these meetings were a beginning point for what we hope will be long-term relationships between TEB and state officials. Data from these initial meetings and from other state contacts was gathered by TEB with the idea that mutual benefit can be achieved by TEB and state officials through ongoing knowledge and information sharing.

TEB realizes that our state counterparts are very busy. We determined that a newsletter covering relevant tax administration topics, geared towards the needs of our state counterparts, could be a useful resource. As a result, we have created this first issue of ***TEB Focus: State Debt***. We believe you will find the articles in this newsletter to be educational, topical and relevant.

The TEB representative associated with each jurisdiction (see the listing in the back of this newsletter) will follow-up with a phone call a week or two after your receipt of this issue, to get feedback about the newsletter. This will also give state officials an opportunity to discuss any bond-related topics that may be of concern. TEB very much wants to keep the channels of communication open to the benefit of all.

With that introduction, we hope you enjoy this first issue of ***TEB Focus: State Debt***. Please feel free to provide us with feedback through the TEB specialist associated with your state. The specialists' phone numbers and e-mail addresses are listed in the directory at the end of this newsletter.

Reissuance Reminder

TEB developed a specialized primer about **reissuance** written by two members of the Financial Restructuring Compliance Team (see sidebar and below). The primer, *Reissuance of Debt Obligations: Basic Concepts*, is reprinted below. The primer provides basic information that should be considered by state and local government officials responsible for evaluating proposals to modify debt instruments. The primer also reminds officials of the potential negative consequences of an unintended reissuance.

The office of Tax Exempt Bonds formed a Financial Restructuring Compliance Team (FRCT) which is comprised of TEB tax law specialists, revenue agents and managers. The FRCT has a twofold mission of identifying potential compliance risks and potential violations of federal tax laws related to tax-exempt and tax credit bonds that could result from actions taken by entities experiencing financial distress, and also creating enforcement and education programs that protect the Federal government's interests while, at the same time, being cognizant of and sensitive to the concerns of such distressed entities.

REISSUANCE OF DEBT OBLIGATIONS: BASIC CONCEPTS

By Sandra Westin, TEB Tax Law Specialist, and Chelsea Kelly, TEB Revenue Agent

The IRS office of Tax Exempt Bonds is responsible for administering federal tax laws applicable to tax-exempt bonds and to provide its customers with top quality service by applying the tax laws with integrity and fairness. As part of this effort, TEB has created a Financial Restructuring Compliance Team. This team will (1) identify potential compliance risks and potential violations of federal tax laws related to tax-exempt and tax credit bonds that could result from actions taken, or proposed to be taken, by entities experiencing financial distress; and (2) create enforcement and education programs that protect the Federal government's interests, while being sensitive to the needs of such distressed entities.

As part of this service, the Team is providing the following information for issuers of tax-exempt bonds. This information is not intended to be cited as an authoritative source on these requirements. TEB recommends that issuers of tax-exempt bonds review §1001 of the Internal Revenue Code ("Code") and the corresponding Income Tax Regulations ("Regulations") in consultation with their counsel.

What Is a Reissuance?

Generally, a reissuance occurs under federal tax law when there are significant modifications to the terms of a bond, so that the bond ceases to be the same bond for tax purposes. A reissuance is a deemed exchange of the modified bond for the original bond.

In the current financial climate, some issuers are contemplating restructuring the debt service on their tax-exempt bonds by entering into certain contractual agreements that modify the terms of the bonds. The reissuance rules apply to all tax-exempt bonds from a large bond issue to a small lease entered into to purchase police cars or other equipment as well as a note held by a local bank.

Why does Reissuance Matter?

The consequences of a reissuance apply to issuers, conduit borrowers and to bondholders. Reissuance of a tax-exempt bond generally triggers retesting of all the various tax requirements that apply to a new issue. Specific potential consequences include, among other things, a change in yield affecting arbitrage investment restrictions, acceleration of rebate payments, new public approval requirements for qualified private activity bonds, deemed terminations of

TEB Focus: *State Debt*

Reissuance Reminder cont'd

integrated interest rate swaps under the qualified hedge rules for arbitrage purposes, a need for volume cap, and a required filing of a new information return. Moreover, reissuance can present a problem for certain types of bonds which must be issued by a statutory deadline (i.e., Gulf Opportunity Zone Bonds which cannot be issued after December 31, 2011).

What Causes a Reissuance?

The standard for determining whether tax-exempt bonds are reissued, retired or modified significantly enough to trigger a retesting of the program requirements for new issues of tax-exempt bonds is based on the general federal tax standards for debt exchanges under §1001 of the Code and the Regulations there under. Generally, Regulations § 1.1001-3 employs a significant modification standard to determine whether modifications to a debt instrument are significant enough to cause the debt instrument to be treated as reissued for federal tax purposes. In general, a modification (or series of modifications) is a significant modification only if, based on all facts and circumstances, the legal rights or obligations that are altered, and the degree to which they are altered, is economically significant. However, there are special rules for specific types of modifications to determine if there has been a significant modification. Because the consequences of a reissuance may be important, TEB encourages issuers to contact their counsel before any of the following actions listed below are taken to modify the terms of any bond that it has issued.

Specific Types of Significant Modifications

Change in annual yield. Generally, a change in the annual yield of a tax-exempt bond by more than the greater of ¼ of one percent or 5% of the annual yield of the unmodified instrument will trigger a reissuance.

Change in timing of payments. Depending on the circumstances, a reissuance may occur if there is a change in the timing of the payments due under the tax-exempt bond such as an extension of the final maturity or a deferral of payments prior to maturity.

Substitution of a new obligor or the addition or deletion of a co-obligor. If there is a change in payment expectations, the addition or deletion of a co-obligor on a tax-exempt bond may cause a reissuance. The substitution of a new obligor on tax-exempt bonds is not a significant modification if the new obligor is related to the issuer and the collateral for the bonds includes the original collateral.

Change in security or credit enhancement. If there is a change in payment expectations, the substitution of new collateral for existing collateral of a tax-exempt bond may cause a reissuance. Generally, however, the substitution of a similar commercially available credit enhancement contract on a nonrecourse tax-exempt bond will not cause a reissuance. See below for defeasances of tax-exempt bonds.

Change in priority of an obligation. If there is a change in payment expectations, the subordination of a tax-exempt bond to another obligation may

TEB Focus: *State Debt*

Reissuance Reminder cont'd

cause a reissuance.

Change in the nature of a debt instrument. For example, changing a tax-exempt bond from a recourse obligation to a nonrecourse obligation or vice versa may cause a reissuance**.** Generally, a legal defeasance of a debt instrument in which the issuer is released from all liability to make payments on the debt instrument is a significant modification. However, there is an exception for tax-exempt bond defeasances under the circumstances described in Regulations § 1.1001-3(e)(5)(ii)(B).

Change in payment expectations. Depending on the circumstances, a change in payment expectations may cause a reissuance. A change in payment expectations may occur if there is a substantial enhancement or substantial impairment of an issuer's capacity to meet its payment obligations. An issuer's payment capacity for a set of bonds includes all of its sources of payment on the bonds, including collateral, guarantees, or other credit enhancement.

Regulations § 1.1001-3(f)(6) provides special rules for certain tax-exempt bonds (for example, conduit loans).

Remedial Actions May Cause a Reissuance

Issuers and borrowers should take special note that, in addition to identifying those post-issuance changes to terms of bonds which could be a reissuance, a remedial action in connection with a change in use could cause a reissuance depending on the circumstances. Thus, a reissuance may occur if the issuer takes a remedial action which involves the alternative use of the disposition proceeds. For example, an issuer that uses cash proceeds from the sale of its tax-exempt bond financed facility to acquire another qualified facility may cause the bonds to have substituted collateral or may cause a change of payment expectations either or both of which could cause a reissuance.

Certain Tax Credit and Build America Bonds

Regulations §1.1001-3 applies to modifications of debt instruments. Thus, the principles discussed above may also apply to certain other types of tax favored obligations including tax credit bonds issued under section 54A and build America bonds issued under section 54AA. Consequently, modifications of these debt instruments may also present problems to issuers. For example, issuers of Build America Bonds must avoid making significant modifications that result in a reissuance as Build America Bonds have a statutory deadline and cannot be issued after December 31, 2010. TEB recommends that issuers of tax credit bonds and Build America Bonds also consult with their counsel about the possible effects of a reissuance.

TEB Links

Visit the TEB website for frequently asked questions (FAQs) regarding reissuance and other TEB topics. This site includes the Team's full reissuance article, which includes links to relevant notices and more information on remedial actions that

Reissuance Reminder cont'd

may cause a reissuance. For further questions, please put your topic in the subject line and submit them to TEB's question e-mail box: TaxExemptBondQuestions@irs.gov.

TEB's Voluntary Closing Agreement Program Provides Economic Benefits from Post-Issuance Compliance Procedures

This article describes recent revisions to the TEB VCAP Program. VCAP can provide issuers of tax-advantaged bonds a much better outcome, from a compliance standpoint, than an examination of a bond issue. There are now built-in financial incentives to maintain a post-issuance compliance regime. We believe that this article should be of interest to all state and local issuers of advantaged bonds from the standpoint of resolving compliance issues with the least amount of resources expended. In this current fiscal climate, every dollar matters, reputation is everything, and continued investor confidence in the way you manage your debt is golden.

The IRS office of Tax Exempt Bonds has advocated that issuers of bonds adopt and implement written post-issuance compliance procedures. Recently, the administrative procedures relating to TEB's Voluntary Closing Agreement Program (TEB VCAP) were updated. The procedures now include economic incentives for issuers who have adopted and implemented written post-issuance compliance procedures.

There is no requirement that issuers of tax-advantaged bonds implement written post-issuance monitoring procedures to promote compliance with the applicable federal tax laws. However, through research gathered in previous compliance check questionnaire projects, TEB has concluded that such procedures can significantly improve an issuer's ability to timely identify and correct noncompliance. In an effort to promote the voluntary adoption and use of written post-issuance monitoring procedures, the TEB VCAP procedures now provide a new economic incentive provision. This provision allows a reduced settlement amount when an issuer timely submits its VCAP request to resolve a violation identified in accordance with written post-issuance compliance procedures.

The new TEB VCAP procedures provide the economic incentive by permitting an issuer with appropriate written post-issuance monitoring procedures to measure the applicable timeframe for calculating a settlement amount from the earlier of the date of discovery of the violation or the date the issuer should have discovered the violation, rather than from the earlier actual date of the violation. This can permit an issuer to qualify for lower prescribed settlement amounts under the streamlined procedures described below. Also, in certain instances, the new procedures will permit the application of the streamlined settlement amounts when, without the implementation of compliance procedures, the issuer would have failed to qualify for the streamlined procedures.

The purpose of TEB VCAP is to help issuers of tax-exempt, tax credit, or direct pay bonds (tax-advantaged bonds) resolve violations of the federal tax laws related to their bonds. Under TEB VCAP, prior to the initiation of an examination of a bond issue, an issuer of tax-advantaged bonds can resolve violations through the execution of a closing agreement with the Service. The TEB VCAP procedures are set forth in the Internal Revenue Manual (IRM). The recent revisions to the IRM reflect the recommendations provided by the Advisory

Voluntary Closing Agreement Program cont'd

Committee on Tax Exempt and Government Entities, as well as TEB's experience under the previous TEB VCAP procedures. In addition to the new economic incentives for issuers who have adopted and implemented written post-issuance compliance procedures, the updates include:

- additional streamlined procedures for case processing; and
- new resolution standards for direct pay bonds.

Prior to the recent revisions, the TEB VCAP procedures contained streamlined case resolution standards for eight specific violations of the requirements for tax exemption. These included excessive use of bond-financed facilities in a private business or other impermissible use and failure to reinvest yield-restricted proceeds in a refunding escrow in 0% SLGSs. Two new resolution standards have been added for tax-exempt bonds, including a resolution standard for dealing with reissuances resulting from an issuer acquiring its own bonds. This last standard will be in effect for a limited time, as it is available for requests made no later than December 31, 2012.

Most of the streamlined resolution standards require that the issuer identify the violation and submit the request for a settlement agreement within a limited time after the occurrence of the violation. Typically, this time period is six months after the violation, but it is usually extended to 12 months after the violation with the payment of a larger settlement amount. After the 12 month period the issuer must negotiate a settlement amount, which will usually be greater than the amounts set forth in the streamlined procedures. By permitting issuers who have implemented written post-issuance compliance procedures to measure the time period from a later date of discovery of the violation, the new provisions relating to the adoption of written compliance standards should permit inclusion of more issuers under the streamlined standards.

Previously, the TEB VCAP IRM only contained resolution standards specifically related to tax-exempt bonds, but not other types of tax-advantaged bonds. The IRM updates include four new resolution standards related to direct pay bonds that promote timely and efficient resolution of tax violations to protect the amount of refundable credit an issuer of bonds is entitled to receive. These resolution standards address: (i) excessive private use of proceeds resulting in private activity bonds, (ii) financing costs of issuance in excess of the permitted amount, (iii) violation of the deminimis issue price premium limitation, and (iv) extinguishment or merger of qualifying debt resulting from an issuer acquiring its own direct pay bonds.

For more information, visit the IRS.gov website, "IRS Announces Updated Procedures and Educational Resources for the TEB VCAP."

Focus on Trading Information: TEB/MSRB Regulatory Agreement

This article is an explanation of a recent memorandum of understanding (MOU) between the MSRB and TEB. During the initial meetings phase of TEB's State Communication and Outreach initiative, we attempted to be transparent about how TEB works so that state issuers of tax-advantaged bonds understand that substantial compliance with the rules is our primary mission and we are open to showing how we go about ensuring compliance in the market place. This article is in furtherance of that primary mission and our goal of being as transparent as we can be with our state issuers.

On October 19, 2011, the IRS and the Municipal Securities Rulemaking Board executed a memorandum of understanding providing for the IRS office of Tax Exempt Bonds to have access to certain MSRB proprietary information products. The MSRB will make its information products available to TEB, as requested, at no charge. Additionally, TEB personnel will be provided with access to RegulatorWeb ("RegWeb"), a proprietary intranet website developed by the MSRB for use by regulatory authorities, including any successor intranet website or platform. RegWeb contains standardized and customized reports derived from MSRB information products and other non-public data. The MSRB provided training to TEB personnel on the use of RegWeb and the interpretation of RegWeb reports.

TEB intends to utilize RegWeb and the MSRB information products available through the MSRB website to review municipal securities transaction detail for purposes of administering and enforcing compliance with the federal internal revenue laws applicable to the municipal bonds market. This includes researching municipal securities trade data as part of a compliance effort to identify pricing irregularities and other potential compliance issues. Information contained in RegWeb reports may provide evidence for further inquiry with respect to tax-exempt and tax credit bond issues, including administration and enforcement activities. TEB has agreed to share with the MSRB observations or conclusions derived from its use of the MSRB information to assist the MSRB in connection with its regulatory duties, to the extent permitted by law (including taxpayer information protections under IRC section 6103).

The MSRB regulates the $3.7 trillion municipal market and currently provides information and data to regulatory authorities that enforce MSRB rules governing municipal market financial professionals. The new agreement extends the MSRB's enforcement support to the IRS for its enforcement of federal internal revenue laws related to the municipal securities market. Under federal securities law, the MSRB has a statutory mandate to provide enforcement support to regulatory authorities. The MSRB assists authorities that enforce MSRB rules, including the Securities Exchange Commission, the Financial Industry Regulatory Authority and appropriate bank regulators, with real-time access to market transactions, training on MSRB rules and data analysis.

In connection with announcing the agreement, MSRB Executive Director Lynnette Kelly Hotchkiss said "Industry compliance with federal tax laws is fundamental to a fair and efficient municipal market." She also noted that "Investments in technology have enabled the MSRB to make municipal market data more readily available to regulators and our agreement with the IRS will ensure that MSRB data and other support are readily available to the IRS for its enforcement activities."

Joseph H. Grant, Acting Commissioner of the IRS Tax Exempt and Government Entities Division, said "We appreciate the assistance from the MSRB. This agreement helps the IRS foster the best market conditions for both municipal bond issuers and investors."

Focus on Trading Information cont'd

You can review a copy of the MOU on the TEB Community web pages of irs.gov: http://www.irs.gov/pub/irs-tege/mou_msrb.pdf. Additional information on the MSRB and its information reporting system can be found on its website, http://www.msrb.org/, and at http://www.emma.msrb.org/.

What We're Planning - 2012 TEB Work Plan

The office of Tax Exempt Bonds' work plan for fiscal year 2012 was recently approved. The work plan provides program guidance and direction to TEB employees. You can review the entire work plan document on the TEB Community pages of irs.gov, at http://www.irs.gov/pub/irs-tege/fy_2012_teb_workplan.pdf.

Have you ever wondered how the IRS determines if your bond issue will be examined? Part of the answer is found in the annual work plan developed each year by the office of Tax Exempt Bonds. Highlights from the work plan are discussed in this article. The work plan contains continued emphasis on identifying abusive transactions and the persons who promote them. Additionally, issuers should note that the various arbitrage and rebate projects highlight the importance of ensuring that rebate has been calculated and, if due, paid with respect to all bond issues.

Operating Priorities. TEB will continue its focus on identifying abusive tax-exempt bond transactions and their promoters. Similar to the prior year's work plan, TEB will direct substantial resources toward examining arbitrage motivated and/or abusive transactions with a continuing emphasis on addressing abuses involving swaps and other derivative contracts or long investment periods or large investment amounts. TEB will continue to utilize the IRC section 6700 tax promoter penalty to target the promoters of abusive transactions and market professionals who undertake transactions without appropriate diligence.

TEB will continue with its discrete arbitrage compliance programs and projects. This work will include focused examinations of bond issues determined to have a greater likelihood of arbitrage noncompliance, such as pool bonds and advance refunding bonds, as well as requests for recovery of overpayment of rebate. Additionally, TEB will continue to conduct examinations of Form 8038-Ts to determine rebate compliance, as well as penalty determination examinations for late filed rebate payments.

TEB will continue negotiating and executing voluntary closing agreements pursuant to the Tax Exempt Bonds Voluntary Closing Agreement Program (TEB VCAP), and plans to continue implementation of additional streamlined voluntary compliance programs.

A high priority of TEB is to communicate effectively with the diverse membership of the municipal bond community. TEB's State Government Relationships Team will continue its efforts to establish ongoing lines of communication between TEB and State officials responsible for the issuance and compliance monitoring of state and local bonds. TEB will continue to develop partnerships with state and local government officials, regulatory agencies, industry and national professional associations, as well as their state and local affiliates and members within each of our customer segments.

TEB's Financial Restructuring Compliance Team will continue to identify potential tax compliance risks related to tax-exempt bonds and tax credit bonds resulting from actions taken by issuers or other parties in response to their financial hardship or general market liquidity constraints. The Team will also continue to

2012 TEB Work Plan cont'd

develop potential enhancements to TEB's compliance and educational programs in order to balance protecting the Federal Government's interests with the needs of those government entities facing financial hardship or general market liquidity constraints.

TEB's Direct Pay Bonds Compliance Team will continue coordinating TEB's enforcement, voluntary compliance and educational programs relating to direct pay bonds.

TEB personnel will perform compliance reviews on late filed bond returns forwarded by the Ogden Service Center.

Examination Activities. Consistent with the above operating priorities, for fiscal 2012, TEB resources will be allocated to the following examination areas:

- Abusive Arbitrage-motivated Transactions
- Pooled Financing Bonds
- Tax and Revenue Anticipation Notes and other working capital financings
- Tax Promoter Penalties (Section 6700)
- Tax Increment Bonds
- Advance Refunding Bonds
- Independent Multi-Functional Special District (IMFSD) Financings
- Student Loan Bonds
- 501(c)(3) Bonds
- Governmental Bonds
- Other specialty bonds and tax credit bonds

TEB will continue the use of market segment risk assessment examinations as part of its new classification program. During fiscal 2012, TEB expects to complete projects relating to working capital financings, small governmental lease financings, and various types of governmental and charitable financings involving management contracts, research agreements, naming rights, and other public-private partnership arrangements.

Information reporting is an important tool used by the IRS to carry out its mission of achieving tax compliance. The Form 8038-G, Information Return for Government Purpose Tax-Exempt Bond Issues*, is the information return most commonly required of state issuers in connection with their bonds. In the last 15 years, the form had only been slightly revised. Recent revisions seek to facilitate communication with issuers, to gather additional information regarding items that have been shown to be prone to arbitrage violations and to focus attention on the importance of post-issuance compliance monitoring procedures. This article provides an explanation of these changes.*

Revisions to Form 8038-G

Section 149(e) of the Internal Revenue Code requires every issuer of tax-exempt bonds to complete, sign and submit to the IRS an information return describing the terms of the bonds. For governmental bonds issued by states and state agencies, the filing is generally required to be on Form 8038-G, *Information Return for Government Purpose Tax-Exempt Bond Issues*. Issuers of governmental bonds should be aware that the Form 8038-G was updated in September, 2011. This new version of the form should be used instead of the version updated in May, 2010.

The newest version of Form 8038-G asks for several items of information not required on the 2010 version of the form:

- New lines 3a and 3b ask for the name and phone number of a person other

TEB Focus: *State Debt*

Revisions to Form 8038-G cont'd

than issuer with whom IRS can communicate about the return. Completing this line permits the IRS to speak to someone other than the issuer about the contents of the form. Issuers may want to put the name of their bond counsel or financial adviser on line 3. Providing contact information for line 3 is optional. However, issuers do need to provide the information required by lines 10a and 10b for a contact person at the issuer.

- The instructions for line 35 of the 8038-G now remind issuers of the need to apply annual volume cap limit amounts to governmental bond issues where the private use amount exceeds $15 million.

- New line 36c requires the name of the provider of any guaranteed investment contract (GIC) used by the issuer to invest gross proceeds of the bond issue.

- For bond issues that represent a loan made from the proceeds of another tax-exempt bond issue, new line 38c asks for the employment identification number of the issuer of that other bond issue. Formerly, the issuer who borrowed proceeds of another bond issue only reported the name of the other issuer and the name of the bond issue.

- When an issuer has identified a hedge with respect to the bonds, new lines 41b, 41c, and 41d ask for the hedge provider name, the type of hedge, and the term of hedge.

- New line 42 asks if the hedge was "superintegrated" so that variable yield bonds will be treated as fixed yield bonds for arbitrage purposes.

- New line 43 asks if the issuer has established written compliance procedures to timely remediate nonqualified bonds.

- New line 44 asks if the issuer has established written compliance procedures to monitor arbitrage requirements.

- New lines 45a and 45b ask for the amount of any reimbursement to be made with the bond proceeds and the date of the adoption of the official intent that would permit such reimbursement.

The 2010 version of the form contained a paid preparer signature block, which is retained on the current version. The issuer still must sign the 8038-G information return as issuer. The issuer and employees of issuer do not sign as paid preparer. Other persons, such as bond counsel, need to sign the information return if they are paid to complete the form.

Copies of Form 8038-G and the separate instructions can be downloaded by clicking the imbedded links, or by accessing them on TEB's website, www.irs.gov/taxexemptbond.

Form 8038-GC, *Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales*, is in the process of being updated, and a revised form is scheduled to be published in February, 2012.

TEB Focus: *State Debt*

Education & Outreach

One part of the overall mission of the office of Tax Exempt Bonds is to assist members of the bond community in understanding their tax responsibilities by developing tailored education and outreach programs focused on bond market segments. TEB is currently scheduled to sponsor or participate in the following events intended to provide information with respect to compliance with the federal tax laws applicable to state and local government debt obligations. For further information, you can contact your IRS Contact listed later in this newsletter.

Event	Month	Location
ABA Section of Taxation Mid-Year Meeting	February	San Diego, CA
The Bond Buyer Texas Public Finance Conference	February	Austin, TX
NABL Tax & Securities Law Institute	March	Savannah, GA
ABA Section of Taxation May Meeting	May	Washington, DC
MSRB/Bond Dealers of America Municipal Market Seminar on Regulation, Compliance and Enforcement	May	St. Louis, MO
TEB Teleconference on Arbitrage Compliance	May	Via Teleconference
Government Finance Officers Association - Annual Meeting	June	Chicago
TEB Teleconference on the Examination Process	June	Via Teleconference
TEB Webinar on Unintended Tax Consequences Relating to Financial Restructurings	September	Via Internet

Directory of TEB Specialists

State officials are encouraged to contact their respective IRS Contacts regarding comments or questions arising from *TEB Focus: State Debt* or other questions or concerns.

STATE	IRS CONTACT	PHONE NUMBER	E-MAIL ADDRESS
Alabama			
Alaska			
Arizona			
Arkansas			
California			
Colorado			
Connecticut		*Individual information removed from this page. Call Customer Account Services at (877) 829-5500.*	
DC			
Delaware			
Florida			
Georgia			
Hawaii			
Idaho			
Illinois			
Indiana			
Iowa			
Kansas			
Kentucky			
Louisiana			
Maine			
Maryland			
Massachusetts			
Michigan			
Minnesota			
Mississippi			
Missouri			

Directory of TEB Specialists cont'd

STATE	IRS CONTACT	PHONE NUMBER	E-MAIL ADDRESS
Montana			
Nebraska			
Nevada			
New Hampshire			
New Jersey			
New Mexico			
New York City		*Individual information removed from this page. Call Customer Account Services at (877) 829-5500.*	
New York State			
North Carolina			
North Dakota			
Ohio			
Oklahoma			
Oregon			
Pennsylvania			
Rhode Island			
South Carolina			
South Dakota			
Tennessee			
Texas			
Utah			
Vermont			
Virginia			
Washington			
West Virginia			
Wisconsin			
Wyoming			

Tax Exempt Bonds
Tax Exempt and Government Entities

Clifford J. Gannett
Director
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Robert E. Henn
Manager
Tax Exempt Bonds Field Operations

Steven A. Chamberlin
Manager
Tax Exempt Bonds
Compliance & Program Management

We're on the Web!

See us at:

www.irs.gov/taxexemptbond

For more information, visit our web site at http://www.irs.gov/taxexemptbond. For direct pay bond credit payment assistance, contact Customer Account Services at 1-877-829-5500. To identify a local TEB Specialist, see the directory at the end of this newsletter.

The explanations and examples in this publication provide a general discussion of tax laws, regulations, and court decisions. The articles are intended for general guidance only as part of our education and outreach efforts, and are not intended to provide formal guidance or a specific legal determination with respect to a particular set of circumstances. You may contact the IRS for additional information. You may also want to consult a tax advisor to address your situation.

Send comments and questions regarding this newsletter to your TEB contact. See the Directory of TEB Specialists section in this newsletter. Please include "Newsletter" in the caption.