

Disaster Relief for Issuers of Tax-Exempt Bonds Affected by the September 11, 2001, Terrorist Attack

Announcement 2001-101

PURPOSE

The purpose of this announcement is to inform issuers of tax-exempt bonds that, effective immediately, the Internal Revenue Service will put into effect procedures to provide relief to issuers affected by the September 11, 2001, Terrorist Attack.

BACKGROUND

In connection with the September 11, 2001, Terrorist Attack, the President issued federal disaster declarations with respect to certain counties and may issue additional declarations with respect to other counties (such counties are collectively referred to herein as, the “covered counties”).

As a consequence of the September 11, 2001, Terrorist Attack, an affected issuer (as defined below), may not be able to comply with certain requirements of section 103 and related provisions of the Internal Revenue Code, including, but not limited to, the requirements set forth in sections 148(f) and 149(e) of the Code, with respect to certain of its bond issues.

PROCEDURES FOR REQUESTING RELIEF

(a) An affected issuer is an issuer that meets one or more of the following:

- (i) It is located in one of the covered counties;
- (ii) It is not located in any of the covered counties, but its records necessary to meet a fil-

ing or paying deadline for the issue are maintained in one of the covered counties;

- (iii) The facilities financed with the proceeds of the issue are located in one of the covered counties;
- (iv) The conduit borrower for the issue is located in one of the covered counties;
- (v) The counsel to the issuer or the conduit borrower, or bond counsel for the issue, is located in one of the covered counties;
- (vi) The professional on whom the issuer relies for compliance with the relevant provision of the Code is located in one of the covered counties. For example, the issuer may need to rely on one or more of the following persons in order to comply with the rebate requirement of section 148(f): the bond trustee, a financial advisor or a rebate consultant.

(b) With respect to the requirements under sections 149(e) and 148(f), an affected issuer has an additional 6 months plus 120 days to file Form 8038, Form 8038-G, Form 8038-GC, or Form 8038-T for an issue for which such form is otherwise required to be filed in accordance with an original due date that occurs on or after September 11, 2001, and on or before November 30, 2001. In the case of a Form 8038-T, the Service will not impose a penalty, including any interest portion thereof, under section 148 of the Code, on rebate payments, yield reduction payments and penalties in lieu of rebate that are originally due on or after September 11, 2001, and on or before November 30, 2001, provided such payments are made within 6 months and 120 days of the original due date of the payment. For computation purposes, such payments will be treated as paid on the last day of the computation or spending period to which they relate.

(c) When filing a form described in subsection (b) above, the affected issuer should add the following designation in red ink at the top of the form, "September 11, 2001 – Terrorist Attack, See Announcement 2001–101."

(d) In addition to the relief granted in subsection (b) above, other relief may

also be granted under appropriate circumstances for affected issuers (for example, affected issuers unable to redeem their current refunded issue within 90 days of issuance of the current refunding issue). An affected issuer may request relief by contacting the Tax Exempt Bonds, Outreach, Planning and Review ("TEB OPR") function of Tax Exempt/Government Entities at (202) 283-9798, contact person: Cliff Gannett.

DRAFTING INFORMATION

The principal author of this announcement is Sunita Lough of Tax Exempt Bonds Outreach, Planning and Review of the Office of the Director, Tax Exempt Bonds, Tax Exempt/Government Entities. For further information regarding this announcement or comments as to how additional relief may be provided to affected issuers, contact Sunita Lough at (202) 283-9774 (not a toll-free call).
