

DC Tax Flash: IRS Issues Coronavirus Guidance Packages on Tax-Exempt Bonds, and RICs/REITs

Tax Alert

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The Internal Revenue Service (IRS) today several pieces of technical guidance in response to the coronavirus outbreak.

Notice 2020-25

The IRS issued [Notice 2020-25](#), which "temporarily expands the circumstances and time periods in which a tax-exempt bond that is purchased by its state or local governmental issuer is treated as continuing in effect without resulting in a reissuance or retirement of the purchased tax-exempt bond," the IRS explains, solely for purposes of Internal Revenue Code [section 103](#) and [sections 141-150](#).

The four-page text of Notice 2020-25 is [posted here](#).

Revenue Procedure 2020-21

The IRS issued [Revenue Procedure 2020-21](#), which provides temporary guidance on the public approval requirement under Internal Revenue Code [section 147\(f\)](#) for tax-exempt qualified private activity bonds.

The IRS explains that, in light of the coronavirus outbreak, the guidance provides that a teleconference hearing as described therein will be treated "as held in a location that, based on the facts and circumstances, is convenient for residents of the approving governmental unit for the purpose of [§ 1.147-1\(d\)\(2\)](#) of the Income Tax Regulations."

The four-page text of Revenue Procedure 2020-21 is [posted here](#).

Revenue Procedure 2020-19

The IRS today also issued [Revenue Procedure 2020-19](#), which provides temporary guidance on "the treatment of certain stock distributions by publicly offered real estate investment trusts (REITs) and publicly offered regulated investment companies (RICs)," the IRS explains.

The IRS further explains that the guidance modifies the safe harbor provided in [Revenue Procedure 2017-45](#) "by temporarily reducing the minimum required aggregate amount of cash that distributee shareholders may receive to not less than 10 percent of the total distribution in order for [§ 301 of the Code](#), by reason of [§ 305\(b\)](#) of the Code, to apply to such distribution."

The temporary modification is effective solely with respect to distributions declared in April through the end of this year.

The four-page text of Revenue Procedure 2020-19 is [posted here](#).

Miller & Chevalier Coronavirus Task Force

The outbreak of COVID-19 is creating significant business and legal challenges for companies throughout the world. In response to client demand, the firm has formed an interdisciplinary task force to help businesses navigate these issues.

COVID-19 Resource Library

We also maintain a resource library of [legislative responses](#) and [regulatory guidance](#) related to COVID-19.

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