

Disaster relief for issuers of tax-exempt bonds affected by Hurricane Katrina
Announcement 2005-69

In view of the extreme need for relief in the aftermath of Hurricane Katrina, issuers of tax-exempt bonds may be unable to meet filing or payment requirements under sections 149(e) and 148(f) of the Internal Revenue Code. This announcement provides relief to issuers affected by Hurricane Katrina.

All parishes in Louisiana and counties in Mississippi, Alabama, and Florida that have been or are later designated as disaster areas because of devastation caused by Hurricane Katrina are collectively referred to herein as the “covered counties”.

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 filing 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, financial advisor or a rebate consultant.

(b) With respect to the requirements under sections 149(e) and 148(f), an affected issuer has until January 3, 2006 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 August 29, 2005, and on or before December 31, 2005. 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 August 29, 2005, and on or before December 31, 2005, provided such payments are made by January 3, 2006. 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, "Hurricane Katrina Relief, See Announcement 2005-69."

(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 Lynn Kawecky 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 Mr. Kawecky at (202) 283-9782 (not a toll-free call).