§ 1.148–9 A
Arbitrage rules for refunding issues

(a) through (c)(2)(i)(A) [Reserved]. For guidance see §1.148–9.

(c)(2)(i)(B) Permissive allocation of non-proceeds to earliest expenditures. Excluding amounts covered by §1.148–9(c)(2)(i)(A) and subject to any required earlier expenditure of those amounts, any amounts in a mixed escrow that are not proceeds of a refunding issue may be allocated to the earliest maturing investments in the mixed escrow, provided that those investments mature and the proceeds thereof are expended before the date of any expenditure from the mixed escrow to pay any principal of the prior issue.

(d) through (h)(4)(v) [Reserved]. For guidance see §1.148–9.

(h)(4)(vi) Exception for refundings of interim notes. Section 1.148–9(h)(4)(v) need not be applied to refunding bonds issued to provide permanent financing for one or more projects if the prior issue had a term of less than 3 years and was sold in anticipation of permanent financing, but only if the aggregate term of all prior issues sold in anticipation of permanent financing was less than 3 years.


§ 1.148–10 A
Anti-abuse rules and authority of Commissioner

(a) through (b)(1) [Reserved]. For guidance see §1.148–10.

(b)(2) Application. The provisions of §1.148–10(b) only apply to the portion of an issue that, as a result of actions taken (or actions not taken) after the
issue date, overburdens the market for tax-exempt bonds, except that for an issue that is reasonably expected as of the issue date to overburden the market, those provisions apply to all of the gross proceeds of the issue.

(c) through (c)(2)(viii) [Reserved]. For guidance see §1.148–10.

(c)(2)(ix) For purposes of §1.148–10(c)(2), excess gross proceeds do not include gross proceeds allocable to fees for a qualified hedge for the refunding issue.

§ 1.148–11A Effective dates.

(a) through (c)(3) [Reserved]. For guidance see §1.148–11.

(c)(4) Retroactive application of overpayment rules. An issuer may apply the provisions of §1.148–3 to any issue that is subject to section 148(f) or to sections 103(c)(6) or 103A(i) of the Internal Revenue Code of 1954.

(d) through (h) [Reserved]. For guidance see §1.148–11.

(i) Transition rules for certain amendments—(1) In general. Section 1.103–8(a)(5), §§ 1.148–1, 1.148–2, 1.148–3, 1.148–4, 1.148–5, 1.148–6, 1.148–7, 1.148–8, 1.148–9, 1.148–10, 1.148–11, 1.149(d)–1, and 1.150–1 as in effect on June 7, 1994 (see 26 CFR part 1 as revised April 1, 1997), and §§ 1.148–1A through 1.148–11A, 1.149(d)–1A, and 1.150–1A apply, in whole, but not in part—

(i) To bonds sold after June 6, 1994, and before July 8, 1997;

(ii) To bonds issued before July 1, 1993, that are outstanding on June 7, 1994, if the first time the issuer applies §§ 1.148–1 through 1.148–11 as in effect on June 7, 1994 (see 26 CFR part 1 as revised April 1, 1997), to the bonds under §1.148–1(b) or (c) is after June 6, 1994, and before July 8, 1997;

(iii) At the option of the issuer, to bonds to which §§ 1.148–1 through 1.148–11, as in effect on July 1, 1993 (see 26 CFR part 1 as revised April 1, 1994), apply, if the bonds are outstanding on June 7, 1994, and the issuer applies §1.103–8(a)(5), §§ 1.148–1, 1.148–2, 1.148–3, 1.148–4, 1.148–5, 1.148–6, 1.148–7, 1.148–8, 1.148–9, 1.148–10, 1.148–11, 1.149(d)–1, and 1.150–1 as in effect on June 7, 1994 (see 26 CFR part 1 as revised April 1, 1997), and §§ 1.148–1A through 1.148–11A, 1.149(d)–1A, and 1.150–1A to the bonds before July 8, 1997.


(3) Identification of certain hedges. For any hedge entered into after June 18, 1993, and on or before June 6, 1994, that would be a qualified hedge within the meaning of §1.148–4(h)(2), as in effect on June 7, 1994 (see 26 CFR part 1 as revised April 1, 1997), except that the hedge does not meet the requirements of §1.148–4A(h)(2)(ix) because the issuer failed to identify the hedge not later than 3 days after which the issuer and the provider entered into the contract, the requirements of §1.148–4A(h)(2)(ix) are treated as met if the contract is identified by the actual issuer on its books and records maintained for the hedged bonds not later than July 8, 1997.

§ 1.149(d)–1A Limitations on advance refundings.

(a) through (f)(2) [Reserved]. For guidance see §1.149(d)–1.

(f)(3) Application of savings test to multipurpose issues. Except as otherwise provided in this paragraph (f)(3), the multipurpose issue rules in §1.148–9(h) apply for purposes of the savings test. If any separate issue in a multipurpose issue increases the aggregate present value debt service savings on the entire multipurpose issue or reduces the present value debt service losses on that entire multipurpose issue, that separate issue satisfies the savings test.

§ 1.150–1A Definitions.

(a) through (b) [Reserved]. For guidance see §1.150–1.