

Public Finance Tax

May 2012

IRS Continues Compliance Check Questionnaire Program with Submission of Questionnaires to Issuers of Qualified School Construction Bonds

The Internal Revenue Service announced on April 24 that it has sent compliance check questionnaires to 111 randomly selected issuers of qualified school construction bonds (QSCBs). This is the latest in the IRS' compliance check questionnaire program. The IRS began this questionnaire program in 2006, and has since sent questionnaires to issuers of governmental use bonds, qualified 501(c)(3) bonds, Build America Bonds and advance refunding bonds. The program will in all likelihood continue and be broadened to other categories of tax-advantaged bonds. The IRS apparently views the program as a cost-effective way to collect compliance data and to preliminarily screen issues for further audit.

The QSCB compliance check questionnaire is unique in one respect – for the first time, recipients must complete the questionnaire online. Further, in addition to questions probing compliance with requirements specific to QSCBs, the questionnaire continues two trends in recent questionnaires. First, the QSCB questionnaire continues the IRS emphasis on written procedures to ensure compliance with federal tax law requirements. Second, the questionnaire asks whether the issuer or its consultant (not the underwriter or initial purchaser of the bonds) reviewed trading data for the bonds to assure the proper establishment of issue price (resale price) for the bonds. These are two areas of primary IRS emphasis in recent years.

QSCB issuers who receive the questionnaire have until May 25 to respond. Recipients are not obligated to respond but failure to respond can be expected to significantly increase the likelihood of a full audit. Issuers of QSCBs who receive the questionnaire should consult with counsel before completing it. If you have received the QSCB compliance check questionnaire and would like assistance in responding, please call your principal Squire Sanders lawyer or any of our public finance lawyers.

Contacts

Cincinnati

Margaret W. Comey
+1 513 361 1208
margaret.comey@squiresanders.com

Todd L. Cooper
+1 513 361 1239
todd.cooper@squiresanders.com

Cleveland

Jeffrey A. Bomberger
+1 216 479 8761
jeffrey.bomberger@squiresanders.com

Alexander G. Burlingame
+1 216 479 8768
alexander.burlingame@squiresanders.com

Ryan K. Callender
+1 216 479 8395
ryan.callender@squiresanders.com

Timothy J. Cosgrove
+1 216 479 8562
timothy.cosgrove@squiresanders.com

Michael A. Cullers
T +1 216 479 8477
michael.cullers@squiresanders.com

Robert J. Eidnier
+1 216 479 8676
robert.eidnier@squiresanders.com

D. Bruce Gabriel
+1 216 479 8746
bruce.gabriel@squiresanders.com

L. Todd Gibson
+1 216 479 8449
todd.gibson@squiresanders.com

David S. Goodman
+1 216 479 8649
dgoodman@squiresanders.com

Victoria Grunthaner Bowser
+1 216 479 8642
victoria.bowser@squiresanders.com

Pamela I. Hanover
+1 216 479 8763
pamela.hanover@squiresanders.com

Barbara L. Hawley
+1 216 479 8507
barbara.hawley@squiresanders.com

Johnny Hutchinson
T +1 216 479 8046
johnny.hutchinson@squiresanders.com

Robert D. Labes
+1 216 479 8601
robert.labes@squiresanders.com

John S. Larson
+1 216 479 8624
john.larson@squiresanders.com

Richard D. Manoloff
+1 216 479 8331
richard.manoloff@squiresanders.com

Austin McGuan
+1 216 479 8441
austin.mcguan@squiresanders.com

Katherine G. Petrey
+1 216 479 8094
katherine.petrey@squiresanders.com

Michael L. Sharb
+1 216 479 8389
mike.sharb@squiresanders.com

R. Thomas Stanton
+1 216 479 8728
r.thomas.stanton@squiresanders.com

Catherine C. Tompkins
+1 216 479 8470
catherine.tompkins@squiresanders.com

Dana B. Weiss
+1 216 479 8336
dana.weiss@squiresanders.com

Catherine Ziroli Romanchek
+1 216 479 8393
catie.romanchek@squiresanders.com

Ahmed A. Abonamah
+1 216 479 8316
ahmed.abonamah@squiresanders.com

Columbus

Gregory R. Daniels
+1 614 365 2789
greg.daniels@squiresanders.com

Roberta L. Fisher
+1 614 365 2715
bobbi.fisher@squiresanders.com

Christopher J. Franzmann
+1 614 365 2737
chris.franzmann@squiresanders.com

Nathanael J. Jonhenry
+1 614 365 2857
nathanael.jonhenry@squiresanders.com

Matthew L. Sagone
+1 614 365 2701
matthew.sagone@squiresanders.com

Paul F. Sefcovic
+1 614 365 2738
paul.sefcovic@squiresanders.com

Alex Shumate
+1 614 365 2739
alex.shumate@squiresanders.com

Gregory W. Stype
+1 614 365 2742
greg.stype@squiresanders.com

Jonah White
+1 614 365 2889
jonah.white@squiresanders.com

Los Angeles

Andréa Caruso Townsend
+1 213 689 5157
andrea.townsend@squiresanders.com

Harriet M. Welch
+1 213 689 5158
harriet.welch@squiresanders.com

Miami

Albert A. del Castillo
+1 305 577 7758
albert.delcastillo@squiresanders.com

Pedro H. Hernández
+1 305 577 7048
pedro.hernandez@squiresanders.com

Lori Smith-Lalla
+1 305 577 7725
lori.smithlalla@squiresanders.com

Pedro J. Miranda
+1 305 577 7707
pedro.miranda@squiresanders.com

Luis Reiter
+1 305 577 7710
luis.reiter@squiresanders.com

New York

Kenneth W. Bond
+1 212 872 9817
kenneth.bond@squiresanders.com

Jackson B. Browning, Jr.
T +1 212 872 9832
jackson.browning@squiresanders.com

Christopher J. Reitzel
+1 212 872 9874
christopher.reitzel@squiresanders.com

Edward S. Sinick
+1 212 872 9835
edward.sinick@squiresanders.com

Lauren Michelle Trialonas
+1 212 872 9862
lauren.trialonas@squiresanders.com

Phoenix

Jennifer R. Cosper
+1 602 528 4880
jennifer.cosper@squiresanders.com

Charles E. James, Jr.
+1 602 528 4061
charles.james@squiresanders.com

Timothy E. Pickrell
+1 602 528 4031
timothy.pickrell@squiresanders.com

San Francisco

Robert H. Olson
+1 415 393 9819
robert.olson@squiresanders.com

Robyn Helmlinger
+1 415 954 0223
robyn.helmlinger@squiresanders.com

Tampa

David L. Lapidés
+1 813 202 1319
david.lapides@squiresanders.com

Alexandra M. MacLennan
+1 813 202 1353
sandy.maclennan@squiresanders.com

Washington DC

Roger K. (J.R.) Clark
+1 202 626 6884
j.r.clark@squiresanders.com

John C. Henry
+1 202 626 6835
john.henry@squiresanders.com