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IRS Changes Muni Bond VCAP Program, Seeks Comments

WASHINGTON — The Internal Revenue Service today announced updated procedures related to the Tax Exempt Bond Voluntary Closing Agreement Program (TEB VCAP). The IRS is also soliciting comments from the public on ways the program could be refined and expanded.

“For several years the IRS has operated this general voluntary closing agreement program in an effort to encourage bond issuers and conduit borrowers to voluntarily correct violations of the tax law related to their tax-exempt bonds,” said Clifford Gannett, Director of the IRS’s Tax Exempt Bonds program. “We are now working diligently to take the next major step in the development of the program by building out a general framework of voluntary closing agreement terms.”

The announcement and the request for comments are contained in Notice 2008-31, which modifies and supersedes Notice 2001-60, 2001-2 C.B. 304. Notices can be found on IRS.gov.

Notice 2001-60 was amended in several key ways including the addition of tax-credit bonds into the TEB VCAP program and that all submissions must now be done electronically.

The IRS is seeking comments on the format and operation of TEB VCAP and suggestions on the general framework of closing agreement terms, including standardized closing agreement terms and amounts that may be specified for particular violations.

Comments should be submitted in writing and mailed to:

Steven A. Chamberlin
Manager, Tax Exempt Bonds Compliance & Program Management
SE:T:GE:TEB:CPM
1122 Town & Country Commons
St. Louis, MO 63017

Notice 2008-31 includes a phone number that market participants can call or further information on the TEB VCAP program.

Related Items:

- [Notice 2008-31](#)

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