

IRS Extends the Time Period for Holding TEFRA Hearings by Teleconference

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On August 31, 2021, the IRS issued Revenue Procedure 2021-39, which allows issuers of tax-exempt private activity bonds to continue to hold TEFRA hearings via teleconference through March 31, 2022.

Pursuant to § 147(f) of the Internal Revenue Code, tax-exempt qualified private activity bonds are subject to a public approval requirement. One means by which governmental issuers may satisfy this requirement is approval by the applicable elected representative of the governmental unit after a public hearing following reasonable public notice.

Under IRS regulations, a public hearing means a forum providing a reasonable opportunity for interested individuals to express their views, orally or in writing, on the proposed issue of bonds and the location and nature of the proposed project to be financed. Additionally, IRS regulations provide that the public hearing must be held in a location that, based on the facts and circumstances, is convenient for residents of the approving governmental unit.

In light of the COVID-19 pandemic, the IRS issued Revenue Procedure 2020-21, which stated that a hearing conducted by teleconference accessible to the residents of the approving governmental unit by calling a toll-free telephone number will be treated as held in a location that, based on the facts and circumstances, is convenient for residents of the approving governmental unit. Revenue Procedure 2020-21 allowed public hearings to be held via teleconference through December 31, 2020. The IRS later extended this time period to September 30, 2021, in Revenue Procedure 2020-49.

The time period has once again been extended to March 31, 2022, which gives bond issuers the flexibility to hold TEFRA hearings by teleconference as the COVID-19 pandemic continues.

Please contact [Eugene G. Bernardo II](#) or [David M. DiSegna](#) at Partridge Snow & Hahn LLP if you have questions about this Revenue Procedure.

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