

MEMO# 15504

January 3, 2003

CONFERENCE CALL TO DISCUSS SELL-SIDE DRAFT ON TAX-EXEMPT BOND PARTNERSHIP GUIDANCE

[15504] January 3, 2003 TO: TAX COMMITTEE No. 1-03 RE: CONFERENCE CALL TO DISCUSS SELL-SIDE DRAFT ON TAX-EXEMPT BOND PARTNERSHIP GUIDANCE As we previously informed you, 1 the Internal Revenue Service (the "Service") has issued guidance, Revenue Procedure 2002-68, that modifies and supercedes the guidance in Revenue Procedure 2002-16 pursuant to which a regulated investment company ("RIC") may take into account each month its allocable share of tax-exempt income from certain synthetic variable rate tax-exempt securities. The Institute already has filed comments, as requested by the Service, regarding Revenue Procedure 2002-68 and potential simplified tax reporting for such tax-exempt bond partnerships.² We have received from David Nirenberg, an attorney representing the sell-side on these issues, and have been asked to comment on, a draft letter (attached) to the Service and Treasury that recommends alternative reporting procedures. To develop our comments to Mr. Nirenberg, we have scheduled a conference call for interested Tax Committee members for Tuesday, January 7th at 1 PM EST to discuss the impact of these potential alternative procedures on RICs that invest in such partnerships. If you would like to participate in the call, please complete the attached response form and fax it to Ezella Wynn by Tuesday, January 7th at noon. Catherine Barré Assistant Counsel Attachment no. 1 (in .pdf format) 1 See, Institute Memorandum to Tax Committee No. 30-02, dated October 9, 2002. 2 See, Institute Memorandum to Tax Members No. 50-02, dated December 10, 2002.