

Build America Bonds

02.04.2010

The America Recovery and Reinvestment Act of 2009 (“ARRA”) enacted February 17, 2009, among other things, authorized the issuance of Build America Bonds (“BABs”). Two categories of BABs were authorized: Tax Credit BABs (“TCBABs”) and Direct Payment BABs (“DP-BABs”). The holder of a TC-BAB is entitled to a credit against the holder’s federal income tax liability. The issuer of a DP-BAB is entitled to a tax credit refund from the federal government. In the year since the enactment of ARRA, most if not all of the BABs which have been issued have been DP-BABs.

Practice

- Tax