



## Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping** . . . . . 5 hr., 59 min.
- Learning about the law or the form** . . . . . 2 hr.
- Preparing and sending the form to the IRS** . . . . . 2 hr., 10 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the **Internal Revenue Service**, Attention: Tax Forms Committee, PC:FP, Washington, DC 20224. **DO NOT** send the form to this address. Instead, see **Where To File** below.

## General Instructions

*Section references are to the Internal Revenue Code unless otherwise noted.*

### Items To Note

The Revenue Reconciliation Act of 1993 created a new category of exempt facility private activity bonds—qualified enterprise zone facility bonds for use in empowerment zones. Nine empowerment zones and 95 enterprise communities have been designated (by the Secretaries of HUD and Agriculture) from areas nominated by state and local governments. Qualified enterprise zone facility bonds may only be issued while a zone designation is in effect, which generally will be a period of 10 years. These bonds will be fully subject to the state private activity bond limitations.

Beginning January 1, 1994, no volume cap applies to a high-speed intercity rail facility bond issue if all the bond-financed property is governmentally owned (section 146(g)).

### Purpose of Form

Form 8328 is filed by the issuing authority of private activity bonds to elect to carry forward its unused volume cap for one or more carryforward purposes (see section 146(f)). If the election is made, bonds issued with respect to a specified carryforward purpose are not subject to the volume cap under section 146(a) during the 3 calendar years following the calendar year in which the carryforward arose, but only to the extent that the amount of such bonds does not exceed the amount of the carryforward elected for that purpose.

### When To File

Form 8328 must be filed by the earlier of: **(1)** February 15 of the calendar year following the year in which the excess amount arises, or **(2)** the date of issue of bonds issued pursuant to the carryforward election.

Once Form 8328 is filed, the issuer may not revoke the carryforward election or amend the carryforward amounts shown on this form.

### Where To File

File Form 8328 with the Internal Revenue Service Center, Philadelphia, PA 19255.

## Bonds Taken Into Account Under Section 146

All private activity bonds issued during a calendar year are taken into account under section 146 **except**:

1. Qualified 501(c)(3) bonds.
  2. Exempt facility bonds for governmentally owned airports, docks and wharves, environmental enhancements of hydroelectric generating facilities, and solid waste disposal facilities.
  3. 75% of any exempt facility bonds for privately owned high-speed intercity rail facilities; 100% if governmentally owned.
  4. Qualified veterans' mortgage bonds.
  5. Bonds issued pursuant to a carryforward election. See section 146(f)(3)(A).
  6. Certain current refundings. See section 146(i).
  7. Certain bonds issued by Indian tribal governments for tribal manufacturing facilities. See section 7871(c)(3).
- In addition, the private activity portion of governmental bonds is taken into account to the extent that the nonqualified amount exceeds \$15 million. See sections 141(b)(5) and 146(m).

### Bonds Eligible for Election

An election under section 146(f) may be made by the issuing authority for only the following types of tax-exempt bonds:

1. Qualified student loan bonds.
2. Qualified mortgage bonds (or mortgage credit certificates).
3. Qualified redevelopment bonds.
4. Exempt facility bonds taken into account under section 146.

## Specific Instructions

All parts of this form must be completed to properly elect the carryforward provisions of section 146(f).

### Part II—Computation of Unused Volume Cap

**Line 1.**—Enter the issuing authority's volume cap under section 146 for the current calendar year. Take into account any reduction in the amount of the volume cap under section 25(f) (relating to reduction where certain requirements are not met). See section 146(n)(2).

**Line 2.**—Enter the total amount of private activity bonds issued by the issuing authority during the current calendar year that are taken into account under section 146. See **Bonds Taken Into Account Under Section 146.**

**Line 3.**—Enter the total amount of qualified mortgage bonds the issuing authority has elected not to issue under section 25(c)(2)(A)(ii) during the current calendar year. See section 146(n)(1).

**Line 4.**—Enter the total amount of volume cap allocated by the issuer to the private activity portion of governmental bonds. See sections 141(b)(5) and 146(m).

### Part III—Purpose and Amount of Each Carryforward

Enter the amount of unused volume cap the issuer elects to carry forward for each carryforward purpose and the total carryforward amount. The total may not exceed the unused volume cap (line 6).

### Signature

Form 8328 must be signed by an authorized public official responsible for making allocations of the issuing authority's private activity bond limit.