

# Instructions for Form 8038-G (Rev. October 1989)

## Information Return for Tax-Exempt Governmental Obligations ► Under Section 149(e)

A separate Form 8038-G must be filed for each obligation.

(Note: Use Form 8038-GC if the issue price is under \$100,000.)

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

### Paperwork Reduction Act Notice

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

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

Recordkeeping ----- 13 hrs. 38 min.

Learning about the law or the form ----- 1 hr 29 min.

Preparing, copying, assembling, and sending the form to IRS ----- 1 hr 47 min.

If you have comments concerning the accuracy of this time estimate or suggestions for making this form more simple, we would be happy to hear from you. You can write to either the **Internal Revenue Service**, Washington, DC 20224. Attention: IRS Reports Clearance Officer, T:FP; or the **Office of Management and Budget**, Paperwork Reduction Project (1545-0720), Washington, DC 20503.

## General Instructions

### Purpose of Form

Form 8038-G is to be used by issuers of tax-exempt governmental obligations to provide IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150. Parts II, III, IV, V, and VI, should be completed on the basis of available information and reasonable expectations as of the date the issue is issued. If an item does not apply to the issue you are reporting, enter 'N/A' in the space provided for the item.

### Who Must File

Issuers must file a Form 8038-G for each issue of tax-exempt governmental obligations issued after December 31, 1986, if the issue price (line 20, column (c)) of the issue is \$100,000 or more. If the issue price is less than \$100,000, issuers must file **Form 8038-GC**, Consolidated Information Return for Small Tax-Exempt Governmental Bond Issues, Leases and Installment Sales, which is a consolidated report filed annually for all such issues. Issuers use **Form 8038-T**, Arbitrage Rebate, to pay the arbitrage rebate to the United States.

### When To File

File Form 8038-G on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued. Form 8038-G must be completed based on the facts as of the issue date.

**Late filing.**—A Form 8038-G filed after the due date may be granted an extension of time to file under section 3 of Rev. Proc. 88-10, 1988-1 C.B. 635, if it is determined that the failure to file in a timely manner is not due to willful neglect. A late Form 8038-G should be sent to: Internal Revenue Service, Philadelphia Service Center, Statistics of Income Unit, P:DA:Unit F-SOI, Philadelphia, PA 19255, Stop #335. Type or print at the top of the form, 'This Statement Is Submitted in Accordance with Rev. Proc. 88-10. Attach to the Form 8038-G a letter briefly setting forth the reasons why Form 8038-G was not submitted to the IRS on time, and also indicating whether the bond issue in question is under examination by the IRS. Do not submit copies of the trust indenture or other bond documents.

### Where To File

File Form 8038-G with the Internal Revenue Service Center, Philadelphia, PA 19255.

### Definitions

- A **tax-exempt obligation** is an obligation on which the interest is excluded from income under the Internal Revenue Code. A tax-exempt obligation is not limited to the formal issuance of bonds. It also includes installment purchase agreements and financial leases.
- A **tax-exempt governmental bond** is a tax-exempt bond that is not a private activity bond.
- A **private activity bond** is generally an obligation issued as part of an issue of which: (1) More than 10% of the proceeds are to be used for any private business use; and (2) More than 10% of the payment of principal or interest of the issue is either secured by an interest in property to be used for a private business use (or payments in respect of such property), or is to be derived from payments in respect of property (or borrowed money) used for a private business use. An obligation is also considered a private activity bond if the amount of the proceeds to be used to make or finance loans (other than loans described in section 141(c)(2)) to certain persons

exceeds the lesser of 5% of the proceeds, or \$5,000,000. Private activity bonds should be reported on **Form 8038**, Information Return for Tax-Exempt Private Activity Bond Issues.

**Issue.**—Generally, do not treat separate obligations as part of the same issue unless the obligations are issued by the same issuer on the same date, and pursuant to a single transaction (or series of related transactions). With respect to **draw-down loans**, all amounts reasonably expected to be advanced within 3 years of the date of the first draw may be treated as part of the same issue if the draws are equally and ratably secured by the same loan agreement and are pursuant to a common financing arrangement. All obligations that are issued pursuant to a single **finance lease or installment purchase agreement** may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

## Specific Instructions

### Part I.—Reporting Authority

**Amended Return.**—If you are filing an amended Form 8038-G, check the amended return box and complete Part I and only those parts of Form 8038-G you are amending by entering the correct information. Use the same report number (line 4) as was used for the original report. Do not amend the estimated amounts previously reported once the actual amounts are determined.

**Line 1.**—The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or the purchaser.

**Line 2—Issuer's employer identification number (EIN).**—If the issuer does not have an employer identification number, enter 'None' and attach a completed **Form SS-4**, Application for Employer Identification Number, to Form 8038-G. If the issuer applied for such a number but has not yet received it, attach a statement giving the date of the application and the office where it was submitted.

**Line 4—Report number.**—Number reports consecutively based on the filing date (not the date of issue). For example, if the issuer filed two Forms 8038-G in the 1990 calendar year, the 'report number' for the third Form 8038-G would be

'G1990-3. If an issuer (e.g., a state) issues obligations through many departments or agencies, the issuer may assign a letter of the alphabet to each department or agency and each may separately number its reports by indicating both the report number and letter (e.g. G1990-5-C, G1990-2-D).

**Line 6—Date of issue.**—Enter the date of issue. This is generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds. For a lease or installment sale, enter the date interest starts to accrue.

**Line 7—Name of issue.**—Enter the name of the issue, if one exists.

**Line 8—CUSIP Number.**—Enter the CUSIP (Committee of Uniform Securities Identification Procedure) number of the bond with the latest maturity. If the issue does not have a CUSIP enter 'N/A'.

## Part II.—Type of Issue

Identify the type of obligations issued by checking the appropriate box(es) and entering the corresponding issue price. The issue price does not include interest from the dated date to the date of issue (if payable at regular intervals of one year or less).

**Line 18.**—Check this line only if lines 11–17 do not apply and enter a description of the issue in the space provided.

## Part III.—Description of Obligations

**Line 19.**—For bonds issued as part of the issue with the latest maturity date, enter the maturity date, the interest rate (or coupon rate), the issue price, and the stated redemption price at maturity. If the bonds are reoffered to the public, the issue price should be based on the reasonably expected reoffering price. The issue price does not include interest from the dated date to the date of issue (if payable at regular intervals of one year or less). The stated redemption price at maturity is the amount payable (without regard to optional redemptions) at maturity (excluding interest payable at regular intervals of 1 year or less). For a lease or installment sale, enter 'N/A' on line 19, columns (a) through (d).

**Line 20—Columns (c), (d), and (e).**—Enter the issue price, stated redemption price at maturity, and weighted average maturity in years (e.g., 8.7 years). The stated redemption price at maturity of the entire issue is the sum of the stated redemption prices at maturity of each bond issued as part of the issue. For a lease or installment sale, enter 'N/A' on line 20, column (d).

The weighted average maturity is the sum of the products of the issue price of each maturity and the number of years to maturity (determined separately for each maturity and by taking into account mandatory redemptions), divided by the issue price of the entire issue (from line 20, column (c)). For a lease or installment sale, enter the total number of years the lease or installment sale will be outstanding.

**Line 20—Columns (f) and (g).**—Enter the yield as defined in section 148(h), only if it has been computed. The yield is the discount rate which, when used to compute the present value of all payments of principal and interest to be paid on the obligation, produces an amount equal to the purchase price, including accrued interest. If the issue is a variable rate issue, enter 'VR' as the yield of the issue. If the issue is a lease or installment sale, enter the effective rate of interest being paid.

Enter the net interest cost (NIC) in column (g). The NIC for an issue may be determined by dividing the total interest payments for the issue (reduced by any premium or accrued interest and increased by any discount) by the product of the issue price from line 20, column (c) and the weighted average maturity from line 20, column (e). If it is a variable rate issue, enter 'VR' as the NIC of the issue.

## Part IV.—Uses of Original Proceeds of Bond Issues

For a lease or installment sale, enter 'N/A' on Part IV

**Line 21—Proceeds used for accrued interest.**—Enter the amount of original proceeds that will be used to pay interest from the dated date of the bonds to the date of issue.

**Line 23—Proceeds used for bond issuance costs.**—Enter the amount of the original proceeds that will be used to pay bond issuance costs, including fees for trustees and bond counsel.

**Line 24—Proceeds used for credit enhancement.**—Enter the amount of the original proceeds that will be used to pay fees for credit enhancement that are taken into account in determining the yield on the issue for purposes of section 148(h) (e.g. bond insurance premiums and certain fees for letters of credit).

**Line 25—Proceeds allocated to reasonably required reserve or replacement fund.**—Enter the amount of the original proceeds that will be allocated to such a fund.

**Line 26—Proceeds used to refund prior issues.**—Enter the amount of the original proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds.

**Line 28—Nonrefunding proceeds of issue.**—Enter the amount received by the issuer net of any issuance costs and credit enhancement fees, and net of proceeds allocated to a reasonably required reserve or replacement fund and proceeds used for refunding prior issues (including advance refunding). (Subtract line 27 from line 22 and enter amount on line 28).

## Part V.—Description of Refunded Bonds

Complete this part only if the bonds are to be used to refund a prior issue of tax-exempt bonds. For a lease or installment sale, enter 'N/A' on Part V

**Line 29.**—Enter the remaining weighted average maturity of the bonds being refunded. Determine the remaining weighted average maturity without regard to the refunding. The weighted average maturity is determined in the same manner as on line 20, column (e).

**Line 30.**—Enter the last date on which any of the bonds being refunded will be called.

**Line 31.**—Enter the date of issue of the bonds being refunded. If more than a single issue of bonds will be refunded, enter the date of issue of each issue.

## Part VI.—Miscellaneous

**Line 32.**—Enter the amount of the issuer's state volume cap allocated to the issue under section 141(b)(5).

**Line 33.**—If any portion of the issue will qualify for the small issuer exception to section 265 contained in section 265(b)(3)(B)(i)(III), enter the amount of the obligations that will qualify for the exception.

**Line 34a.**—Enter the amount of this issue used to fund a loan to another governmental unit, the interest of which is tax-exempt.

## Signature

Form 8038-G must be signed by an authorized representative of the issuer