

Tax Compliance

Miller Canfield public finance tax lawyers are experienced with all types of projects and a range of services for tax-exempt and tax-advantaged financings. At the outset of a bond financing, Miller Canfield's dedicated federal tax attorneys work closely with our clients on the planning, structuring and documentation of their financings to ensure that the financing qualifies, and will remain qualified, for a subsidized tax-exempt rate.

In addition, we offer a full range of IRS compliance services as part of our comprehensive public finance practice, including:

IRS Audit Services

The Internal Revenue Service (the "IRS") undertakes both random and targeted audits to ensure issuer's compliance with the rules relating to tax-exempt bonds. Our tax group has decades of experience in successfully representing issues in defending the tax-exempt status of their bonds. We are very familiar with the IRS' audit procedures and work efficiently to have these audits dismissed quickly and with favorable outcomes.

IRS Voluntary Closing Agreement Program (VCAP)

For certain compliance issues that are detected prior to an audit, our tax group helped lay the foundation for the IRS' Voluntary Closing Agreement Program ("VCAP") whereby the bond issuer enters into a settlement agreement with the IRS to resolve those concerns and maintain the tax-advantaged status of the bonds. We have successfully closed several settlements on behalf of our clients with the IRS pursuant to its Voluntary Closing Agreement Program.

Arbitrage and Rebate Services

Our tax group provides arbitrage rebate compliance services for many issuers, large and small, throughout the State of Michigan. Those services include performing the computations on behalf of the client or working with and advising the client on how to set up compliance systems with the issuer so that the issuer can input the necessary data in years forward. We are also experienced in performing yield restriction and complex spread computations for many different types of issuers and help our issuers to manage spread liability into the future.

Post-Issuance Compliance

We have developed tailored private use tracking spreadsheets for several of our bond issuers, which allow the issuers to easily track potential private use concerns and work with us to proactively remedy the concern. In our representation of many different school districts, public universities, cities, counties, villages, drainage districts, airport authorities and other municipalities throughout Michigan and Illinois, we understand that one size does not necessarily fit all, and work with each client to fit its particular needs.

Outside of the audit context, our tax group also interacts with the IRS in obtaining favorable letter rulings for clients, and discussions on tax law interpretations and questions which will shape future tax policy. We engage with industry groups, and over the years, have worked on several legislative and administrative projects which have helped influence the tax law as it stands today.