

(Rev. May 1995)

► Under Internal Revenue Code section 149(e) ► For calendar year ending 19

Department of the Treasury
Internal Revenue Service

(Use Form 8038-G if the issue price of the issue is \$100,000 or more.)

Part I Reporting Authority		Check box if Amended Return ► <input type="checkbox"/>
1 Issuer's name	2 Issuer's employer identification number	
3 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
4 City, town, or post office, state, and ZIP code		

Part II Description of Obligations	
5 Issue price of small tax-exempt governmental obligations reported on this form	5
6 Check the box that most nearly approximates the weighted average maturity of the obligation(s):	
a <input type="checkbox"/> Less than 5 years	
b <input type="checkbox"/> From 5 to 10 years	
c <input type="checkbox"/> More than 10 years	
7 Check the box that most nearly approximates the weighted average interest rate on the obligation(s):	
a <input type="checkbox"/> Less than 5%	
b <input type="checkbox"/> From 5% to 10%	
c <input type="checkbox"/> More than 10%	
8 Total issue price of the obligation(s) reported on line 5 that is/are:	
a Obligation(s) issued in the form of a lease or installment sale	8a
b Obligation(s) designated by the issuer under section 265(b)(3)(B)(i)(III)	8b
c Obligation(s) issued to refund prior issues	8c
d Loans made from the proceeds of another tax-exempt obligation	8d
9 Check box if issuer has elected to pay a penalty in lieu of arbitrage rebate <input type="checkbox"/>	

Please Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Issuer's authorized representative
Date
Type or print name and title

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 varies depending on individual circumstances. The estimated average time is:

Learning about the law or the form 1 hr., 46 min.
Preparing the form 2 hr., 50 min.
Copying, assembling, and sending the form to the IRS 16 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** on page 2.

General Instructions

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

Purpose of Form
 Form 8038-GC is used by issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File
 Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file **Form 8038-G**, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return.—Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with

an issue price of less than \$100,000. Each such separate return should specify the calendar year in which the issue was issued.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to pay a penalty in lieu of arbitrage rebate (see line 9 instructions).

Filing a consolidated return.—For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To File

To file a **separate return**, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a **consolidated return**, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing.—An issuer may be granted an extension of time to file Form 8038-GC under Section 3 of Rev. Proc. 88-10, 1988-1 C.B. 635, if it is determined that the failure to file on time is not due to willful neglect. Send a late Form 8038-GC 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-GC a letter briefly stating why Form 8038-GC was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents.

Where To File

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

Rounding Off to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 cents through 99 cents to the next higher dollar.

Definitions

- **Obligations** refer to a single tax-exempt governmental obligation if Form 8038-GC is used for separate reporting and refer to multiple tax-exempt governmental obligations if the form is used for consolidated reporting.
- 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 obligation" is a tax-exempt obligation 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 smaller of 5% of the proceeds, or \$5 million. Report private activity bonds on **Form 8038**, Information Return for Tax-Exempt Private Activity Bond Issues.
- "Issue." In general, obligations are treated as part of the same issue only if they are issued (1) by the same issuer, (2) on the same date, and (3) pursuant to a single transaction or to a series of related transactions.

Exceptions—(a) Draw-down loans, commercial paper, etc.—Obligations issued during the same calendar year (1) pursuant to a loan agreement under which amounts are to be advanced periodically ("draw-down loan"), or (2) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued pursuant to a common financing arrangement; e.g., pursuant to the same official statement that is periodically updated to reflect changing factual circumstances. In addition, for obligations issued pursuant to a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all the amounts to be advanced pursuant to the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation.

(b) Leases and installment sales.—Obligations other than private activity bonds may be treated as part of the same issue if (1) the obligations are issued pursuant to a single agreement that is in the form of a lease or installment sale and (2) 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.

Arbitrage rebate.—Generally, interest on a state or local bond is not tax exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue.—A construction issue is an issue of tax-exempt bonds if (1) at least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property that is to be owned by a governmental unit or a 501(c)(3) organization, and (2) all of the bonds that are part of the issue are qualified 501(c)(3) bonds; bonds that are not private activity bonds; or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization. In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1½% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C).

Specific Instructions

In general.—A Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date the issue is issued. Forms that are filed on a consolidated basis, however, may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

Part I—Reporting Authority

Amended return.—If this is an amended Form 8038-GC, check the amended return box. Complete Part I and only those lines of Form 8038-GC that are being amended. Do

not amend estimated amounts previously reported once the actual amounts are determined. (See the Part II instructions below.)

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 purchaser.

Line 2.—An issuer that does not have an employer identification number (EIN) should apply for one on **Form SS-4**, Application for Employer Identification Number. This form may be obtained from most IRS and Social Security Administration offices. File Form SS-4 according to the instructions on that form. If the EIN has not been received by the due date for Form 8038-GC, write "Applied for" in the space for the EIN.

Part II—Description of Obligations

Line 5.—Small governmental obligations are those with an issue price of less than \$100,000. If the obligations are reoffered to the public by an intermediary, the issue price is the reoffering price (excluding accrued interest).

If Form 8038-GC is being filed for a single issue only, enter the issue price of that issue.

The issue price of an obligation means the principal amount due on the obligation and does not include interest paid or to be paid. Therefore, line 5 should include only the principal amount due on obligations. For example, only the purchase price of an asset acquired pursuant to a lease should be included on line 5. A lease or installment sale is treated as issued on the date interest starts to accrue.

Line 6.—The weighted average maturity is determined by multiplying the issue price of each obligation reported on this form by its maturity in years, adding the results for all the obligations reported on this form, and then dividing the total by the total issue prices of all the obligations. For a lease or installment sale, the maturity is the total number of years the lease or installment sale will be outstanding.

Line 7.—The weighted average interest rate is the average interest rate on all the obligations reported on this form, weighted in proportion to the issue price and length of maturity of each obligation.

Line 8.—Enter the total issue price of the obligations reported on line 5 that are described on lines 8a through 8d. More than one line may apply to a particular obligation. For example, report on line 8b and line 8c, obligations issued to refund prior issues that were designated by the issuer under section 265(b)(3)(B)(i)(III).

Line 9.—Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a **Form 8038-T**, Arbitrage Rebate and Penalty in Lieu of Arbitrage Rebate, for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of rebate with this form. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

