

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.601: Rules and regulations.  
(Also Part I, § 1397E)

Rev. Proc. 2000-10

SECTION 1. PURPOSE

This revenue procedure sets forth the maximum face amount of Qualified Zone Academy Bonds ("Bond" or "Bonds") that may be issued for each State during 2000. For this purpose "State" includes the District of Columbia and the possessions of the United States.

SECTION 2. BACKGROUND

.01 Section 226 of the Taxpayer Relief Act of 1997, Pub. L. 105-34, 111 Stat. 821 (1997), added § 1397E to the Internal Revenue Code to provide a credit to holders of Bonds under certain circumstances so that the Bonds generally can be issued without discount or interest. Ninety-five percent of Bond proceeds are to be used for qualified purposes, as defined by § 1397E(d)(5), with respect to a qualified zone academy, as defined

by § 1397E(d)(4).

.02 Section 1397E(e)(1), as amended by § 509 of the Tax Relief Extension Act of 1999, Pub. L. 106-170, 113 Stat. 1860 (1999) provides that the aggregate amount of Bonds that may be issued for the States is limited to \$400 million for each of the years, 1998, 1999, 2000, and 2001 (the "national limitation"). This amount is to be allocated among the States by the Secretary on the basis of their respective populations below the poverty level (as defined by the Office of Management and Budget) and is to be further allocated by the State to qualified zone academies within the State or possession.

.03 Section 1397E(e)(4), as amended, by § 509 of the Tax Relief Extension Act of 1999, Pub. L. 106-170, 113 Stat. 1860 (1999) provides that any carryforward of a limitation amount may be carried only to the first 2 years (3 years for carryforwards from 1998 or 1999) following the unused limitation year. For this purpose a limitation amount shall be treated as used on a first-in first-out basis.

.04 Rev. Proc. 98-9, 1998-3 I.R.B. 56, and Rev. Proc. 98-57, 1998-48 I.R.B. 5, respectively, allocated the national limitation for 1998 and 1999 among the States and possessions.

#### SECTION 3. SCOPE

This revenue procedure applies to Bonds issued under § 1397E during 2000.

#### SECTION 4. NATIONAL QUALIFIED ZONE ACADEMY BOND LIMITATION FOR 2000

The total face amount of bonds that may be issued in 2000 is \$400 million. This amount is allocated among the States as follows:

STATE	MAXIMUM FACE AMOUNT OF BONDS THAT MAY BE ISSUED DURING 2000  (thousands of dollars)
ALABAMA	\$ 6,612
ALASKA	651
ARIZONA	8,816
ARKANSAS	4,093
CALIFORNIA	55,570
COLORADO	3,941
CONNECTICUT	3,366
DELAWARE	869
DISTRICT OF COLUMBIA	1,238
FLORIDA	20,879
GEORGIA	11,227
HAWAII	1,422
IDAHO	1,792
ILLINOIS	13,398
INDIANA	5,939
IOWA	2,790
KANSAS	2,714
KENTUCKY	5,657
LOUISIANA	8,914
MAINE	1,422
MARYLAND	3,898

MAXIMUM FACE AMOUNT OF  
BONDS THAT MAY BE  
ISSUED DURING 1999

STATE	(thousands of dollars)
MASSACHUSETTS	\$ 5,733
MICHIGAN	11,911
MINNESOTA	5,407
MISSISSIPPI	5,277
MISSOURI	5,765
MONTANA	1,661
NEBRASKA	2,291
NEVADA	2,117
NEW HAMPSHIRE	1,292
NEW JERSEY	7,524
NEW MEXICO	4,028
NEW YORK	33,311
NORTH CAROLINA	11,281
NORTH DAKOTA	1,053
OHIO	13,605
OKLAHOMA	4,973
OREGON	5,461
PENNSYLVANIA	14,528
RHODE ISLAND	1,216
SOUTH CAROLINA	5,722
SOUTH DAKOTA	836
TENNESSEE	8,132
TEXAS	32,508
UTAH	2,063
VERMONT	630

MAXIMUM FACE AMOUNT OF  
BONDS THAT MAY BE  
ISSUED DURING 1999

STATE	(thousands of dollars)
VIRGINIA	\$ 6,395
WASHINGTON	5,559
WEST VIRGINIA	3,388
WISCONSIN	4,875
WYOMING	554
AMERICAN SAMOA	389
GUAM	229
NORTHERN MARIANAS	360
PUERTO RICO	24,378
VIRGIN ISLANDS	337

SECTION 6. EFFECTIVE DATE

This revenue procedure applies to Bonds issued after December 31, 1999.

DRAFTING INFORMATION

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