

Part III

Administrative, Procedural, and Miscellaneous

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

Rev. Proc. 98-9

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 1998. For this purpose "State" includes the District of Columbia and the possessions of the United States.

SECTION 2. BACKGROUND

Section 226 of the Tax Relief Act of 1997, Pub. L. 105-34, 111 Stat. 788 (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).

The aggregate amount of Bonds that may be issued for the States is limited to \$400 million for 1998 and \$400 million for 1999 (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). This amount is further allocated by the State to qualified zone academies within the State or possession. A State may carry forward to the next calendar year any amount of an allocation of the national limitation for a calendar year that is in excess of the amount of Bonds issued during that calendar year that are designated with respect to qualified academies within the State.

SECTION 3. SCOPE

This revenue procedure applies to Bonds issued under § 1397E during 1998.

SECTION 4. NATIONAL QUALIFIED ZONE ACADEMY BOND LIMITATION FOR 1998

The total face amount of Bonds that may be issued in 1998 is \$400 million. This amount is allocated among the States as follows:

STATE	MAXIMUM FACE AMOUNT OF BONDS THAT MAY BE ISSUED DURING 1998 (thousands of dollars)
ALABAMA	\$ 6,128
ALASKA	556
ARIZONA	10,094
ARKANSAS	4,625
CALIFORNIA	56,360

STATE	MAXIMUM FACE AMOUNT OF BONDS THAT MAY BE ISSUED DURING 1998 (thousands of dollars)
COLORADO	4,243
CONNECTICUT	4,037
DELAWARE	649
DISTRICT OF COLUMBIA	1,339
FLORIDA	20,981
GEORGIA	11,299
HAWAII	1,463
IDAHO	1,442
ILLINOIS	14,718
INDIANA	4,408
IOWA	2,874
KANSAS	2,956

KENTUCKY	6,777
LOUISIANA	8,992
MAINE	1,390
MARYLAND	5,376
MASSACHUSETTS	6,406
MICHIGAN	11,000
MINNESOTA	4,717
MISSISSIPPI	5,922
MISSOURI	5,150

MAXIMUM FACE AMOUNT OF
BONDS THAT MAY BE
ISSUED DURING 1998
(thousands of dollars)

MONTANA	1,596
NEBRASKA	1,741
NEVADA	1,370
NEW HAMPSHIRE	752
NEW JERSEY	7,478
NEW MEXICO	4,861
NEW YORK	31,497
NORTH CAROLINA	9,115
NORTH DAKOTA	711
OHIO	14,667
OKLAHOMA	5,727
OREGON	3,934
PENNSYLVANIA	14,152
RHODE ISLAND	1,071
SOUTH CAROLINA	4,964
SOUTH DAKOTA	845
TENNESSEE	9,043

TEXAS	32,753
UTAH	1,576
VERMONT	762
VIRGINIA	8,188

MAXIMUM FACE AMOUNT OF
BONDS THAT MAY BE
ISSUED DURING 1998
(thousands of dollars)

STATE

WASHINGTON	6,860
WEST VIRGINIA	3,327
WISCONSIN	4,738
WYOMING	597
AMERICAN SAMOA	350
GUAM	227
NORTHERN MARIANAS	268
PUERTO RICO	22,659
VIRGIN ISLANDS	268

SECTION 6. EFFECTIVE DATE

This revenue procedure applies to Bonds issued after December 31, 1997.

DRAFTING INFORMATION

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