

Part III

Administrative, Procedural, and Miscellaneous

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

Rev. Proc. 98-57

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 1999. For this purpose "State" includes the District of Columbia and the possessions of the United States.

SECTION 2. BACKGROUND

.01 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).

.02 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"), unless the carryover provisions of § 1397E(e)(4) apply. 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. 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.

.03 Rev. Proc. 98-9, 1998-3 I.R.B. 56, allocated the national limitation for 1998 among the States and possessions.

SECTION 3. SCOPE

This revenue procedure applies to Bonds issued under § 1397E during 1999.

SECTION 4. NATIONAL QUALIFIED ZONE ACADEMY BOND LIMITATION FOR 1999

The total face amount of bonds that may be issued in 1999 is \$400 million. This amount is allocated among the States as follows:

STATE	MAXIMUM FACE AMOUNT OF BONDS THAT MAY BE ISSUED DURING 1999 (thousands of dollars)
ALABAMA	\$ 7,015
ALASKA	591
ARIZONA	8,408
ARKANSAS	5,433
CALIFORNIA	57,589
COLORADO	3,376
CONNECTICUT	2,975
DELAWARE	760
DISTRICT OF COLUMBIA	1,192
FLORIDA	21,689
GEORGIA	11,699
HAWAII	1,730
IDAHO	1,931
ILLINOIS	14,231
INDIANA	5,433
IOWA	2,848
KANSAS	2,637
KENTUCKY	6,572
LOUISIANA	7,290
MAINE	1,308
MARYLAND	4,452
MASSACHUSETTS	7,722
MICHIGAN	10,613
MINNESOTA	4,821

STATE	MAXIMUM FACE AMOUNT OF BONDS THAT MAY BE ISSUED DURING 1999 (thousands of dollars)
MISSISSIPPI	\$ 4,800
MISSOURI	6,614
MONTANA	1,466
NEBRASKA	1,720
NEVADA	2,004
NEW HAMPSHIRE	1,150
NEW JERSEY	7,775
NEW MEXICO	4,083
NEW YORK	31,426
NORTH CAROLINA	8,851
NORTH DAKOTA	918
OHIO	12,986
OKLAHOMA	4,810
OREGON	4,030
PENNSYLVANIA	14,104
RHODE ISLAND	1,266
SOUTH CAROLINA	5,275
SOUTH DAKOTA	1,234
TENNESSEE	8,345
TEXAS	34,781
UTAH	1,952
VERMONT	570
VIRGINIA	9,051
WASHINGTON	5,581
WEST VIRGINIA	3,017
WISCONSIN	4,452

STATE	MAXIMUM FACE AMOUNT OF BONDS THAT MAY BE ISSUED DURING 1999 (thousands of dollars)
WYOMING	\$ 696
AMERICAN SAMOA	367
GUAM	217
NORTHERN MARIANAS	337
PUERTO RICO	23,484
VIRGIN ISLANDS	323

SECTION 6. EFFECTIVE DATE

This revenue procedure applies to Bonds issued after December 31, 1998.

DRAFTING INFORMATION

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