

for an alternative qualifying use under §§1.145-2 and 1.141-12(f), sections 150(b) (3) and (5) do not apply because of the alternative use.

(iii) *Alternative use of disposition proceeds.* If disposition proceeds are used for a qualifying purpose under §§1.145-2 and 1.141-12(e), 1.142-2(c)(4), or 1.144-2, sections 150(b) (3) through (5) do not apply because of the deliberate action that gave rise to the disposition proceeds after the date on which all of the disposition proceeds have been expended on the qualifying purpose. If all of the disposition proceeds are so expended within 90 days of the date of the deliberate action, however, sections 150(b) (3) through (5) do not apply because of the deliberate action.

(c) *Allocation rules*—(1) *In general.* If a change in use of a portion of the property financed with an issue of qualified private activity bonds causes section 150 (b)(3), (b)(4), or (b)(5) to apply to an issue, the bonds of the issue allocable to that portion under section 150(c)(3) are the same as the nonqualified bonds determined for purposes of §§1.142-1, 1.144-1, and 1.145-1, except that bonds allocable to all common areas are also allocated to that portion.

(2) *Special rule when remedial action is taken.* If an issuer takes a remedial action with respect to an issue of private activity bonds under §§1.142-2, 1.144-2, or 1.145-2, the bonds of the issue allocable to a portion of property are the same as the nonqualified bonds determined for purposes of those sections.

(d) *Effective dates.* For effective dates of this section, see §1.141-16.

[T.D. 8712, 62 FR 2304, Jan. 16, 1997]

§ 1.150-5 Filing notices and elections.

(a) *In general.* Notices and elections under the following sections must be filed with the Internal Revenue Service, 1111 Constitution Avenue, NW, Attention: T:GE:TEB:O, Washington, DC 20224 or such other place designated by publication of a notice in the Internal Revenue Bulletin—

- (1) Section 1.141-12(d)(3);
- (2) Section 1.142(f)(4)-1; and
- (3) Section 1.142-2(c)(2).

(b) *Effective dates.* This section applies to notices and elections filed on or after January 19, 2001.

[T.D. 8941, 66 FR 4671, Jan. 18, 2001]

REGULATIONS APPLICABLE TO CERTAIN BONDS SOLD PRIOR TO JULY 8, 1997

EDITORIAL NOTE: IRS redesignated the following sections to appear below the undesignated center heading "Regulations Applicable to Certain Bonds Sold Prior to July 8, 1997" and preceding the undesignated center heading "Deductions for Personal Exemptions." See 62 FR 25507 and 25513, May 9, 1997 for the specific sections involved in the redesignation.

§ 1.148-1A Definitions and elections.

(a) [Reserved]. For guidance see §1.148-1.

(b) *Certain definitions.*

Investment-type property. See §1.148-1(b). Investment-type property also includes a contract that would be a hedge (within the meaning of §1.148-4(h)) except that it contains a significant investment element.

(c) through (c)(4)(i) [Reserved]. For guidance see §1.148-1.

(c)(4)(ii) *Bonds financing a working capital reserve*—(A) *In general.* Except as otherwise provided in §1.148-1(c)(4)(ii)(B), replacement proceeds arise to the extent a working capital reserve is, directly or indirectly, financed with the proceeds of the issue (regardless of the expenditure of proceeds of the issue). Thus, for example, if an issuer that does not maintain a working capital reserve borrows to fund such a reserve, the issuer will have replacement proceeds. To determine the amount of a working capital reserve maintained, an issuer may use the average amount maintained as a working capital reserve during annual periods of at least one year, the last of which ends within a year before the issue date. For example, the amount of a working capital reserve may be computed using the average of the beginning or ending monthly balances of the amount maintained as a reserve (net of unexpended gross proceeds) during the one year period preceding the issue date.

[T.D. 8538, 59 FR 24041, May 10, 1994. Redesignated by T.D. 8718, 62 FR 25507, May 9, 1997]