

September 13, 2021

Salt Lake County
 Ralph Chamness
 Chief Deputy District Attorney/Chair DRC
 35 E 500 S
 Salt Lake, UT 84111

rchamness@slco.org

Dear Ralph,

The Internal Revenue Service (“IRS”) announced a new sequester reduction in amounts paid to issuers of direct pay bonds for federal fiscal year 2022 (October 1, 2021 through September 30, 2022). The reduction includes certain direct pay bonds including Build America Bonds, Qualified School Construction Bonds, Qualified Zone Academy Bonds, New Clean Renewable Energy Bonds, and Qualified Energy Conservation Bonds. Our records show that Salt Lake County has direct pay subsidies that will be reduced as a result of federal fiscal year 2022 sequestration.

This means that refund payments processed on or after October 1, 2021 and on or before September 30, 2022 will be reduced by the federal fiscal year 2022 sequestration rate of 5.7%, irrespective of when the amounts claimed by an issuer on any Form 8083–CP was filed with the IRS.

Below, is the original amount of your subsidy, by issue, and the reduction due to the federal fiscal year 2022 sequestration, and the resulting subsidy you can expect to receive from the U.S. Treasury.

Issue	Interest Payment Date	Original Subsidy Amount	5.7% Reduction	New Subsidy Amount
Series 2010B \$57,635,000 Revenue BAB	2/15/2022	\$272,378.66	\$15,525.58	\$256,853.08
	8/15/2022	\$272,378.66	\$15,525.58	\$256,853.08
Series 2009B \$58,390,000 Lease Revenue BAB	12/1/2021	\$446,548.20	\$25,453.25	\$421,094.95
	6/1/2022	\$408,758.70	\$23,299.25	\$385,459.45

On the required Form 8038–CP that is sent to the U.S. Treasury 45 days before the subsidy payment is due, ***you should still be requesting the total amount of the original subsidy***. You should then be notified through correspondence that a portion of the requested payment was subject to the sequester reduction.

The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise affects the sequester, at which time the sequestration reduction rate is subject to change.

The IRS publication may be found at <https://www.irs.gov/tax-exempt-bonds/effect-of-sequestration-on-state-local-government-filers-of-form-8038-cp>

If you have any questions, please feel free to call me at 801-844-7374.

Sincerely,
 /s/

Marcus Keller
 Vice President
 Zions Public Finance, Inc.