

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 10: COMMONWEALTH DEVELOPMENT AUTHORITY**

**§ 10463. Federal Tax Exempt Status, Preference, Protection.**

Bonds issued pursuant to this article, to the extent practicable, shall be issued to comply with requirements imposed by applicable law providing that the interest on the bonds shall be excluded from gross income for United States federal tax income purposes (except as certain minimum taxes or other special taxes may apply). The Authority and the Director of the Department of Finance are authorized to enter into agreements, establish funds or accounts, and take any action required in order to comply with applicable United States federal law including pledge to pay and payment to the United States government of any arbitrage rebate necessary to maintain the tax-exempt status of the bonds, and there is hereby appropriated from the General Fund of the Commonwealth all amounts necessary for such purpose (which appropriation shall be a continuous and paramount appropriation upon the General Fund of the Commonwealth). The Authority and the Director of Finance may pay any such arbitrage rebate without need for further appropriation. Nothing in this article shall be deemed to prohibit the issuance of bonds, the interest on which may be included in gross income for United States federal income tax purposes.

**Source:** PL 11-3, § 13, modified.