



# TaxNewsFlash

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## **KPMG report: State and local incentive arrangements from REIT perspective**

Nearly three years after taxpayers requested them, the IRS on April 20, 2018, issued three identical private letter rulings specifically addressing whether the right to receive payments out of new tax revenue collected by a municipality as the result of a real estate development is a qualifying real estate investment trust (REIT) asset and whether these payments are qualifying REIT income.

A KPMG report summarizes and contextualizes the three IRS rulings and relevant tax rules concerning tax treatment under the REIT rules for incentive payments from a municipality involving tax increment financing, and attempts to explain why there was a delay in issuing the letter rulings. Written by KPMG tax professionals David Lee and Orla O'Connor, the KPMG report was published in *The Daily Tax Report* and is provided by permission of the publisher Bloomberg BNA.

Read the [July 2018 report](#) [PDF 192 KB] *State and Local Incentive Arrangements From a REIT's Perspective*

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