



Department of the Treasury  
Internal Revenue Service  
**Tax Exempt and Government Entities**  
1110 Montlamar Drive, Room 300  
Mobile, AL 36609

Baldwin County, Alabama  
Attn: J. Tucker Dorsey, Commissioner  
312 Courthouse Square, Suite 12  
Bay Minette, AL 36507

RECEIVED  
AUG 24 2018

Date:  
8/23/2018  
Person to contact / ID number:  
Richard Wilder  
Employee ID number: 72-20057  
Contact telephone number:  
(251) 341-5923  
Contact fax number:  
(251) 341-5905  
Manager's name / ID number:  
Derek Knight  
Manager ID number: 1000284925  
Manager's telephone number:  
(720) 956-4606  
Form:  
8038-G  
Issue date:  
2/21/2013

BY: [Signature]  
4BCC  
RC  
KC  
JMac

Re: \$21,111,125 General Obligation Warrants, Series 2013

Dear Mr. Dorsey:

**Why you're receiving this letter**

We selected your debt issuance named above (Bonds) for audit.

**Why we selected this debt issuance**

We routinely examine municipal debt issuances to determine compliance with federal tax requirements. There are several ways we select a municipal debt issuance for examination. We may select it as part of an initiative, project or referral, due to a questionable or unusual item on the return, or as a random selection. We use a centralized case selection and review process to enhance consistency of enforcement activities, and to focus resources on areas having the most positive impact on municipal debt issuances. Our tasks include identifying areas of noncompliance, developing corrective strategies, and assisting with those strategies.

**Information document request**

We are enclosing Form 4564, *Information Document Request*, listing the items I need to conduct the audit. If you have questions about this request, need more time to provide certain items, or want to suggest alternatives to certain documents or information, you can call me.

**Your rights as a taxpayer**

Publication 1, *Your Rights as a Taxpayer*, includes information about your rights as a taxpayer, the audit process, and procedures required for third-party contacts. Take a few minutes to read it. Some aspects of audits of tax-advantaged Bonds are different from those described in Publication 1.

**Audit process**

I'll review the information you provide and contact you with any questions I have or if I need additional information. I may need to interview someone familiar with the Bonds. If I need to tour the bond-financed facilities, I'll schedule a visit with you.

After completing my review, I'll discuss my findings with you and explain if the tax-advantaged status of your Bonds is affected. Many cases involve no proposed changes to the Bonds' status. If I find potential problems with the Bonds' qualification, I'll explain your options to resolve the problems without affecting the holders of the Bonds.

If you don't agree with my determination, I'll prepare written findings and explain the appeal procedures. You can request a conference with my manager or an IRS Appeals official because a final adverse determination may impact the holders of the Bonds.

### **Representation**

The IRS handles your tax return information, including this audit, confidentially. You can have someone represent you during any part of the audit, or you can authorize me to disclose information to another party who is not your representative. If you want someone to represent you, provide a completed Form 2848, *Power of Attorney and Declaration of Representative*, to me. If you want to authorize someone else to receive confidential information during this audit, provide a completed Form 8821, *Tax Information Authorization*, to me. Both Forms 2848 and 8821 are available at [www.irs.gov/forms-&-pubs](http://www.irs.gov/forms-&-pubs). I enclosed special instructions to assist you in completing the **Taxpayer Information** and **Tax Matters** sections of Forms 2848 and 8821 for municipal debt issuances.

### **Communication**

You can call me to discuss any potential issues and keep me informed of unavoidable delays, and I'll do likewise. The audit will proceed faster if we address questions and concerns, and provide information to each other in a timely manner. You can also speak to my manager at any time. My manager's name and telephone number are listed at the top of this letter.

Thank you for your cooperation in this matter.

Sincerely,



Richard Wilder  
Internal Revenue Agent, Tax Exempt Bonds

Enclosures:  
Form 4564  
Publication 1  
Supplemental instructions for completing Form 2848 or 8821  
Publication 5295

<b>Form 4564</b>	<b>Department of the Treasury Internal Revenue Service Information Document Request</b>	<b>Request Number</b>  01
<b>To:</b> Baldwin County, AL		<b>Subject:</b> Examination of the tax- advantaged status of the Bonds described below
		<b>Submitted to:</b> J. Tucker Dorsey, Commissioner
		<b>Dates of Previous Requests:</b> N/A

**Description of Documents Requested:**

**Re:** \$21,111,125 General Obligation Warrants, Series 2013

Our records indicate that the Bonds or a portion of the Bonds were defeased in connection with a deliberate action that would otherwise have resulted in a violation of the compliance requirement for tax exemption on the Bonds. One of the purposes of this examination is to ascertain compliance with the Federal tax requirements applicable to the remedial action provisions of the Treasury Regulations.

Please provide the following requested information by the date indicated below. If you have questions about the information requested or you will not be able to provide the information by the date specified, please contact the requestor identified below. Providing as many of the documents as possible on a rewritable CD or other electronic media will facilitate the examination process.

Also, refer to the enclosed IRS Secure Messaging flyer. If you are interested in giving Secure Messaging a try, please contact Richard Wilder at (251) 341-5923 for further details.

- (1) A description, including amounts, of the current status of all of the Bonds. (i.e., outstanding, retired, refunded, defeased, etc.)
- (2) A copy of the escrow agreement and the date it was funded.
- (3) Any notices to the market concerning the defeasance or any early redemption of the defeased Bonds.
- (4) If any of the Bonds have been refunded, please identify the CUSIP numbers for the refunding bonds, and provide copies of the offering documents used in connection with the sale of the refunding bonds if not available on the MSRB-EMMA website and any verification report created if the refunding transaction was an advance refunding.
- (5) A schedule of the total interest expense paid on the Bonds from the issue date to

<b>Information Due By</b>	<u>9/20/2018</u>	<b>At Next Appointment</b>		<b>Mail In</b>	<input checked="" type="checkbox"/>
<b>FROM</b>	Name and Title of Requestor Richard Wilder, Internal Revenue Agent <i>Richard Wilder</i>				Date: 8/23/2018
	Employee Number: 72-20057				
	Office Location: 1110 Montlimar Drive, Room 300 Mobile, AL 36609				Phone: Voice: (251) 341-5923  FAX: (251) 341-5905

<b>Form 4564</b>	<b>Department of the Treasury Internal Revenue Service Information Document Request</b>	<b>Request Number</b>  01
<b>To:</b> Baldwin County, AL		<b>Subject:</b> Examination of the tax- advantaged status of the Bonds described below
		<b>Submitted to:</b> J. Tucker Dorsey, Commissioner
		<b>Dates of Previous Requests:</b> N/A

**Description of Documents Requested:**

- the most recent interest payment date.
- (6) A copy of the bond resolution, trust indenture or other documentation that sets forth the statement of the purpose for which the Bonds were issued, including identification of the section or page in the document containing such statement.
  - (7) A copy of any feasibility studies or X associated with the Bond financed assets.
  - (8) A copy of the allocation of bond proceeds and any other moneys to the assets funded.
  - (9) A detailed statement as to the deliberate action that led to the establishment of a defeasance escrow, including
    - a description of the action,
    - a listing of the parties involved,
    - any relationships between the parties,
    - the date of the deliberate action, and
    - the circumstances which led to the deliberate action
  - (10) Identify any disposition proceeds associated with the deliberate action and provide an analysis of those funds, including investments or expenditures of such funds that were not deposited in the escrow agreement.
  - (11) Copies of contracts associated with the sale, lease or management of Bond financed assets which are associated with the deliberate action.
  - (12) A copy of the bond resolution, trust indenture or other documentation that sets forth the redemption provisions for the Bonds, including identification of the section or page in the document containing such provisions.
  - (13) Provide a calculation of the amount of bonds determined to be nonqualified including, if applicable, your calculation of private business use.
  - (14) Provide a calculation of the allocation of the nonqualified bond amount to the outstanding bonds to be redeemed, including your rationale for the allocation, e.g., pro-rata, longest maturities, etc.

<b>Information Due By</b>	<u>9/20/2018</u>	<b>At Next Appointment</b>		<b>Mail In</b>	<input checked="" type="checkbox"/>
<b>FROM</b>	Name and Title of Requestor Richard Wilder, Internal Revenue Agent Employee Number: 72-20057				Date: 8/23/2018
	Office Location: 1110 Montlimar Drive, Room 300 Mobile, AL 36609				
	Phone: Voice: (251) 341-5923 FAX: (251) 341-5905				

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<b>To:</b> Baldwin County, AL		<b>Subject:</b> Examination of the tax- advantaged status of the Bonds described below
		<b>Submitted to:</b> J. Tucker Dorsey, Commissioner
		<b>Dates of Previous Requests:</b> N/A

**Description of Documents Requested:**

**Arbitrage and Yield Restriction**

- (15) Please provide a copy of the latest rebate report prepared for the bond issue described above.
- (16) Please provide a copy of the latest Form 8038-T, if filed.

**Power of Attorney**

- (17) Please complete and email or fax Form 2848 if you intend to have a representative handle this examination. (See enclosure on proper completion of Form 2848 for tax exempt bond examinations)

The information requested is to assist us in determining compliance of your bond issue with the relevant tax-exempt bond provisions of IRC sections 103, and 141 through 150 of the Internal Revenue Code.

Additional information may be requested at a later date if needed.

Information provided in response to this information request will be reviewed within ten business days of receipt. I will advise you whether your response is complete at that time.

<b>Information Due By</b> 9/20/2018		<b>At Next Appointment</b>	<b>Mail In</b>	<b>X</b>
<b>FROM</b>	Name and Title of Requestor Richard Wilder, Internal Revenue Agent Employee Number: 72-20057			Date: 8/23/2018
	Office Location: 1110 Montlimar Drive, Room 300 Mobile, AL 36609			
	Phone: Voice: (251) 341-5923 FAX: (251) 341-5905			



# Your Rights as a Taxpayer

Publication 1

This publication explains your rights as a taxpayer and the processes for examination, appeal, collection, and refunds. Also available in Spanish.

## The Taxpayer Bill of Rights

### 1. The Right to Be Informed

Taxpayers have the right to know what they need to do to comply with the tax laws. They are entitled to clear explanations of the laws and IRS procedures in all tax forms, instructions, publications, notices, and correspondence. They have the right to be informed of IRS decisions about their tax accounts and to receive clear explanations of the outcomes.

### 2. The Right to Quality Service

Taxpayers have the right to receive prompt, courteous, and professional assistance in their dealings with the IRS, to be spoken to in a way they can easily understand, to receive clear and easily understandable communications from the IRS, and to speak to a supervisor about inadequate service.

### 3. The Right to Pay No More than the Correct Amount of Tax

Taxpayers have the right to pay only the amount of tax legally due, including interest and penalties, and to have the IRS apply all tax payments properly.

### 4. The Right to Challenge the IRS's Position and Be Heard

Taxpayers have the right to raise objections and provide additional documentation in response to formal IRS actions or proposed actions, to expect that the IRS will consider their timely objections and documentation promptly and fairly, and to receive a response if the IRS does not agree with their position.

### 5. The Right to Appeal an IRS Decision in an Independent Forum

Taxpayers are entitled to a fair and impartial administrative appeal of most IRS decisions, including many penalties, and have the right to receive a written response regarding the Office of Appeals' decision. Taxpayers generally have the right to take their cases to court.

### 6. The Right to Finality

Taxpayers have the right to know the maximum amount of time they have to challenge the IRS's position as well as the maximum amount of time the IRS has to audit a particular tax year or collect a tax debt. Taxpayers have the right to know when the IRS has finished an audit.

### 7. The Right to Privacy

Taxpayers have the right to expect that any IRS inquiry, examination, or enforcement action will comply with the law and be no more intrusive than necessary, and will respect all due process rights, including search and seizure protections, and will provide, where applicable, a collection due process hearing.

### 8. The Right to Confidentiality

Taxpayers have the right to expect that any information they provide to the IRS will not be disclosed unless authorized by the taxpayer or by law. Taxpayers have the right to expect appropriate action will be taken against employees, return preparers, and others who wrongfully use or disclose taxpayer return information.

### 9. The Right to Retain Representation

Taxpayers have the right to retain an authorized representative of their choice to represent them in their dealings with the IRS. Taxpayers have the right to seek assistance from a Low Income Taxpayer Clinic if they cannot afford representation.

### 10. The Right to a Fair and Just Tax System

Taxpayers have the right to expect the tax system to consider facts and circumstances that might affect their underlying liabilities, ability to pay, or ability to provide information timely. Taxpayers have the right to receive assistance from the Taxpayer Advocate Service if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through its normal channels.

#### The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

<p style="text-align: center;"><b>SUPPLEMENT TO INSTRUCTIONS FOR FORM 2848 AND FORM 8821</b></p>
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The purpose of these supplemental instructions is to provide guidance and clarification to tax exempt bond issuers, conduit borrowers and other tax exempt bond related taxpayers who wish to authorize an individual to represent them before the Internal Revenue Service (i.e. Form 2848) or to inspect confidential tax return information related to the bond issuance (i.e. Form 8821).

Please be advised that these guidelines act as a supplement to, and not a replacement of, the instructions to Forms 2848 and 8821.

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**Item 1 – Taxpayer information**

Enter the name, address, phone number and Employer Identification Number (EIN) of the entity that is being represented (e.g. the issuer of the bonds, conduit borrower of the bond proceeds, underwriter, bond counsel, etc).

**Item 3 – Tax matters**

In the Type of Tax column, specifically describe the matter to which the power of attorney pertains (for example, examining a tax exempt bond issuance or representation with regard to a penalty and include, if applicable, the complete legal name of the bond issue, issue amount, series, CUSIP number and date the bonds were issued).

In the Tax Form Number column, enter the return form number, if applicable, to which the authorization relates (for example, 8038, 8038-G, 8038-CP).

In the Year(s) or Period(s) column enter the period based on the issue date of the bonds in "YYYYMM" format where "YYYY" and "MM" equals the year and month in which the bonds to which this power of attorney pertains were issued. To the right of the period, enter the three digit IRS report number indicated on Notice CP152, Acknowledgement of Receipt of Tax-exempt Bond Form, issued by the IRS for the return to which the power of attorney pertains. If the IRS report number is not known leave blank.

If you have further questions or concerns regarding the completion of Form 2848 and Form 8821, please contact the examiner for assistance.

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**Richard Wilder**

Tax Exempt Bond Agent

ID # 72-20057

TEGE: Tax Exempt Bonds

1110 Montlimar Drive, Room 300  
Mobile, AL 36609

Office: (251) 341-5923 Fax: (251) 341-5905

Email: Richard.Wilder@irs.gov