



TaxNewsFlash

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Interim final rule: Amended definition of “obligation” regarding state and local fiscal recovery funds (COVID-19)

The U.S. Treasury Department today released for publication in the Federal Register an interim final rule (RIN 1505-AC83) to amend the definition of “obligation” set forth in Treasury’s regulations with respect to the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the “American Rescue Plan Act of 2021.”

Treasury is amending the definition of “obligation” to provide additional flexibility to recipients, and in particular to provide clarification regarding the application of the obligation deadline to subrecipients and guidance regarding the amendment and replacement of contracts and subawards.

The provisions in the [interim final rule](#) [PDF 296 KB] are effective upon publication in the Federal Register (which is scheduled to be November 20, 2023).

Comments on the interim final rule are due by the date that is 30 days after publication in the Federal Register.

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