



TaxNewsFlash

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Rev. Proc. 2017-22: Clarifying safe harbor for transportation, infrastructure grants (TIGER Discretionary Grants)

The IRS today released an advance version of Rev. Proc. 2017-22 that clarifies a safe harbor provided in guidance in 2010 under section 118(a) for certain transportation-related grants.

Background

Rev. Proc. 2010-46 provide a safe harbor for certain grant amounts received by corporate taxpayers engaged in a transportation trade or business for capital projects.

The 2010 revenue procedure also provided a safe harbor for certain grant amounts received by corporate taxpayers engaged in a transportation trade or business for capital investments in surface transportation infrastructure under: (1) the “supplemental discretionary grants for capital investments in surface transportation infrastructure” (TIGER Discretionary Grants) program; and (2) the “national infrastructure investments” (TIGER II Discretionary Grants) program.

Rev. Proc. 2017-22

Today’s revenue procedure—[Rev. Proc. 2017-22](#) [PDF 32 KB]—clarifies that the safe harbor provided by Rev. Proc. 2010-46 applies to any corporate taxpayers engaged in a transportation trade or business that receive grant amounts for the costs of capital investments in surface transportation infrastructure under any TIGER Discretionary Grant—including those authorized in each year following the grants described in Rev. Proc. 2010-46, and for any that will be authorized in the future.

The IRS explained that the safe harbor today’s guidance does not apply to amounts received to pay the subsidy and administrative costs of the *Transportation*

Infrastructure Finance and Innovation Act of 1998 or to amounts received for any TIGER planning grants. It also does not apply for noncorporate taxpayers.

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