

## **31.205-20 Interest and other financial costs.**

Interest on borrowings (however represented), bond discounts, *costs* of financing and refinancing capital (net worth plus long-term liabilities), legal and professional fees paid in connection with preparing prospectuses, and *costs* of preparing and issuing stock rights are unallowable (but see [31.205-28](#)). However, interest assessed by State or local taxing authorities under the conditions specified in [31.205-41\(a\)\(3\)](#) is allowable.

**Parent topic:** [31.205 Selected costs.](#)