

HIGHLIGHTS OF THIS ISSUE

These synopses are intended only as aids to the reader in identifying the subject matter covered. They may not be relied upon as authoritative interpretations.

INCOME TAX

Rev. Rul. 2000-32, page 1.

Federal rates; adjusted federal rates; adjusted federal long-term rate, and the long-term exempt rate. For purposes of sections 1274, 1288, 382, and other sections of the Code, tables set forth the rates for July 2000.

T.D. 8888, page 3.

Final regulations under section 6049 of the Code rescind the requirement that certain information related to the accrual of original issue discount (OID) be set forth on the face of certificates for a collateralized debt obligation (CDO) or regular interest in a real estate mortgage investment conduit (REMIC).

REG-105316-98, page 98.

Proposed regulations under section 6050S of the Code relate to information reporting for payments of qualified tuition and related expenses and payments of interest on qualified education loans. In addition, proposed regulations under section 6011(e) of the Code relate to magnetic media filing requirements for information returns.

ESTATE TAX

T.D. 8886, page 3.

Final regulations under section 7520 of the Code relate to the use of actuarial tables in valuing annuities, interests

for life or terms of years, and remainder or reversionary interests.

EXCISE TAX

Notice 2000-33, page 97.

Taxable fuel measurement. This notice provides information under section 4081 of the Code relating to the measurement of taxable fuel for the period July 1, 2000, through June 30, 2001.

ADMINISTRATIVE

Rev. Proc. 2000-28, page 60.

Rules and specifications for private printing of substitute forms. This procedure provides requirements for reproducing paper substitutes and for furnishing substitute recipient statements for Forms 1096, 1098, 1099, 5498, and W-2G. It will be reproduced as the July 2000 revision of Publication 1179. Rev. Proc. 99-34 superseded.

Finding Lists begin on page ii.

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The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities

and by applying the tax law with integrity and fairness to all.

Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly and may be obtained from the Superintendent of Documents on a subscription basis. Bulletin contents are consolidated semiannually into Cumulative Bulletins, which are sold on a single-copy basis.

It is the policy of the Service to publish in the Bulletin all substantive rulings necessary to promote a uniform application of the tax laws, including all rulings that supersede, revoke, modify, or amend any of those previously published in the Bulletin. All published rulings apply retroactively unless otherwise indicated. Procedures relating solely to matters of internal management are not published; however, statements of internal practices and procedures that affect the rights and duties of taxpayers are published.

Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. In those based on positions taken in rulings to taxpayers or technical advice to Service field offices, identifying details and information of a confidential nature are deleted to prevent unwarranted invasions of privacy and to comply with statutory requirements.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and proce-

dures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

Part I.—1986 Code.

This part includes rulings and decisions based on provisions of the Internal Revenue Code of 1986.

Part II.—Treaties and Tax Legislation.

This part is divided into two subparts as follows: Subpart A, Tax Conventions, and Subpart B, Legislation and Related Committee Reports.

Part III.—Administrative, Procedural, and Miscellaneous.

To the extent practicable, pertinent cross references to these subjects are contained in the other Parts and Subparts. Also included in this part are Bank Secrecy Act Administrative Rulings. Bank Secrecy Act Administrative Rulings are issued by the Department of the Treasury's Office of the Assistant Secretary (Enforcement).

Part IV.—Items of General Interest.

This part includes notices of proposed rulemakings, disbarment and suspension lists, and announcements.

The first Bulletin for each month includes a cumulative index for the matters published during the preceding months. These monthly indexes are cumulated on a semiannual basis, and are published in the first Bulletin of the succeeding semiannual period, respectively.

The contents of this publication are not copyrighted and may be reprinted freely. A citation of the Internal Revenue Bulletin as the source would be appropriate.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

Section 42.—Low-Income Housing Credit

The adjusted applicable federal short-term, mid-term and long-term rates are set forth for the month of July 2000. See Rev. Rul. 2000–32, on this page.

Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of July 2000. See Rev. Rul. 2000–32, on this page.

Section 382.—Limitation on Net Operating Loss Carryforwards and Certain Built-In Losses Following Ownership Change

The adjusted applicable federal long-term rate is set forth for the month of July 2000. See Rev. Rul. 2000–32, on this page.

Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term and long-term rates are set forth for the month of July 2000. See Rev. Rul. 2000–32, on this page.

Section 467.—Certain Payments for the Use of Property or Services

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2000. See Rev. Rul. 2000–32, on this page.

Section 468.—Special Rules for Mining and Solid Waste Reclamation and Closing Costs

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2000. See Rev. Rul. 2000–32, on this page.

Section 482.—Allocation of Income and Deductions Among Taxpayers

Federal short-term, mid-term, and long-term rates are set forth for the month of July 2000. See Rev. Rul. 2000–32, on this page.

Section 483.—Interest on Certain Deferred Payments

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2000. See Rev. Rul. 2000–32, on this page.

Section 642.—Special Rules for Credits and Deductions

Federal short-term, mid-term, and long-term rates are set forth for the month of July 2000. See Rev. Rul. 2000–32, on this page.

Section 807.—Rules for Certain Reserves

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2000. See Rev. Rul. 2000–32, on this page.

Section 846.—Discounted Unpaid Losses Defined

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2000. See Rev. Rul. 2000–32, on this page.

Section 1274.—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property

(Also Sections 42, 280G, 382, 412, 467, 468, 482, 483, 642, 807, 846, 1288, 7520, 7872.)

Federal rates; adjusted federal rates; adjusted federal long-term rate, and the long-term exempt rate. For purposes of sections 1274, 1288, 382, and other sections of the Code, tables set forth the rates for July 2000.

Rev. Rul. 2000–32

This revenue ruling provides various prescribed rates for federal income tax purposes for July 2000 (the current month.) Table 1 contains the short-term, mid-term, and long-term applicable federal rates (AFR) for the current month for purposes of section 1274(d) of the Internal Revenue Code. Table 2 contains the short-term, mid-term, and long-term adjusted applicable federal rates (adjusted AFR) for the current month for purposes of section 1288(b). Table 3 sets forth the adjusted federal long-term rate and the long-term tax-exempt rate described in section 382(f). Table 4 contains the appropriate percentages for determining the low-income housing credit described in section 42(b)(2) for buildings placed in service during the current month. Table 5 contains the federal rate for determining the present value of an annuity, an interest for life or for a term of years, or a remainder or a reversionary interest for purposes of section 7520. Finally, Table 6 contains the blended annual rate for purposes of section 7872.

REV. RUL. 2000-32 TABLE 1
Applicable Federal Rates (AFR) for July 2000
Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	6.60%	6.49%	6.44%	6.40%
110% AFR	7.27%	7.14%	7.08%	7.04%
120% AFR	7.94%	7.79%	7.72%	7.67%
130% AFR	8.62%	8.44%	8.35%	8.30%
<i>Mid-Term</i>				
AFR	6.62%	6.51%	6.46%	6.42%
110% AFR	7.29%	7.16%	7.10%	7.06%
120% AFR	7.96%	7.81%	7.74%	7.69%
130% AFR	8.64%	8.46%	8.37%	8.31%
150% AFR	10.01%	9.77%	9.65%	9.58%
175% AFR	11.71%	11.39%	11.23%	11.13%
<i>Long-Term</i>				
AFR	6.40%	6.30%	6.25%	6.22%
110% AFR	7.05%	6.93%	6.87%	6.83%
120% AFR	7.70%	7.56%	7.49%	7.44%
130% AFR	8.36%	8.19%	8.11%	8.05%

REV. RUL. 2000-32 TABLE 2
Adjusted AFR for July 2000
Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	4.88%	4.82%	4.79%	4.77%
Mid-term adjusted AFR	5.12%	5.06%	5.03%	5.01%
Long-term adjusted AFR	5.79%	5.71%	5.67%	5.64%

REV. RUL. 2000-32 TABLE 3
Rates Under Section 382 for July 2000

Adjusted federal long-term rate for the current month	5.79%
Long-term tax-exempt rate for ownership changes during the current month (the highest of the adjusted federal long-term rates for the current month and the prior two months.)	5.79%

REV. RUL. 2000-32 TABLE 4
Appropriate Percentages Under Section 42(b)(2)
for July 2000

Appropriate percentage for the 70% present value low-income housing credit	8.53%
Appropriate percentage for the 30% present value low-income housing credit	3.66%

REV. RUL. 2000-32 TABLE 5
Rate Under Section 7520 for July 2000

Applicable federal rate for determining the present value of an annuity, an interest for life or a term of years, or a remainder or reversionary interest

8.0%

REV. RUL. 2000-32 TABLE 6
Blended Annual Rate for 2000

Section 7872(e)(2) blended annual rate for 2000

6.24%

Section 1288.—Treatment of Original Issue Discounts on Tax-Exempt Obligations

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2000. See Rev. Rul. 2000-32, page 1.

Section 6049.—Returns Regarding Payments of Interest

26 CFR 1.6049-7: Returns of information with respect to REMIC regular interests and collateralized debt obligations.

T.D. 8888

**DEPARTMENT OF THE TREASURY
Internal Revenue Service
26 CFR Part 1**

Real Estate Mortgage Investment Conduits; Reporting Requirements and Other Administrative Matters

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document eliminates the regulatory requirement that the issuer of a collateralized debt obligation (CDO) or regular interest in a real estate mortgage investment conduit (REMIC) set forth certain information on the face of the CDO or regular interest. This action eliminates a reporting burden imposed on issuers of CDOs and regular interests.

EFFECTIVE DATE: These regulations are effective June 16, 2000.

FOR FURTHER INFORMATION CONTACT: Kenneth Christman, (202) 622-3950 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background

On May 19, 1999, the IRS published in the Federal Register a notice of proposed rulemaking (REG-100905-97, 1999-22 I.R.B. 10 [64 F.R. 27221]) intending to eliminate the regulatory requirement that certain information be set forth on the face of a certificate representing a CDO or REMIC regular interest.

The public hearing scheduled for September 13, 1999, was canceled because no one requested to speak, and the only written comment received supports finalizing the regulations in the form proposed. This Treasury decision, therefore, adopts the proposed regulations with no change.

Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and, because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking preceding these regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Drafting Information

The principal author of these regulations is Kenneth Christman, Office of Assistant Chief Counsel (Financial Institutions and Products). However, other personnel from the IRS and Treasury Department participated in their development.

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Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

§1.6049-7 [Amended]

Par. 2. In §1.6049-7, paragraph (g) is removed.

John M. Dalrymple,
*Acting Deputy Commissioner
of Internal Revenue.*

Approved June 1, 2000.

Jonathan Talisman,
*Deputy Assistant Secretary
of the Treasury.*

(Filed by the Office of the Federal Register on June 15, 2000, 8:45 a.m., and published in the issue of the Federal Register for June 16, 2000, 65 F.R. 37701)

Section 7520.—Valuation Tables

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2000. See Rev. Rul. 2000-32, page 1.

26 CFR Section 20.7520-1.—Valuation of annuities, unitrust interests, interests for life or terms of years, and remainder or reversionary interests.

T.D. 8886

**DEPARTMENT OF THE TREASURY
Internal Revenue Service
26 CFR Parts 1, 20, and 25**

Use of Actuarial Tables in Valuing Annuities, Interests for Life or Terms of Years, and Remainder or Reversionary Interests

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations relating to the use of actuarial tables in valuing annuities, interests for life or terms of years, and remainder or reversionary interests. These regulations will effect the valuation of inter vivos and testamentary transfers of interests dependent on one or more measuring lives. Section 7520 of the Internal Revenue Code of 1986 (Code) was enacted by section 5031 of the Technical and Miscellaneous Revenue Act of 1988 and was effective on May 1, 1989. These regulations are necessary because section

7520(c)(3) directs the Secretary to revise the actuarial tables used in valuing interests dependent on mortality experience not less frequently than once each 10 years to take into account the most recent mortality experience available as of the time of the revision. This document contains amendments to the regulations revising certain tables used for the valuation of partial interests in property under section 7520 to reflect the most recent mortality experience available.

DATES: These regulations are effective June 12, 2000.

FOR FURTHER INFORMATION CONTACT: William L. Blodgett, (202) 622-3090 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On April 30, 1999, the IRS published in the **Federal Register** (T.D. 8819,

1999-20 I.R.B. 5 [64 F.R. 23187 and 64 F.R. 23245]) temporary regulations and a notice of proposed rulemaking by cross reference to temporary regulations (REG-103851-99, 1999-20, I.R.B. 93) under sections 642, 664, 2031, 2512, and 7520 relating to the use of actuarial tables in valuing annuities, interests for life or terms of years, and remainder or reversionary interests. No written comments responding to the notice of proposed rulemaking by cross reference to temporary regulations were received and, thus, no hearing was held. This document adopts, with no substantive changes, final regulations with respect to this notice of proposed rulemaking by cross reference to temporary regulations.

The following chart summarizes the applicable interest rates and the citations to textual materials and tables for the various periods covered under the regulations:

Cross Reference to Regulation Sections

Valuation Period	Interest Rate	Regulation Section	Table
<i>Section 642:</i>			
Valuation, in general before 01/01/52	-	1.642(c)-6	
01/01/52 - 12/31/70	4%	1.642(c)-6A(a)	
01/01/71 - 11/30/83	3.5%	1.642(c)-6A(b)	
01/01/71 - 11/30/83	6%	1.642(c)-6A(c)	
12/01/83 - 04/30/89	10%	1.642(c)-6A(d)	Table G
05/01/89 - 04/30/99	§7520	1.642(c)-6A(e)	Table S (05/01/89 - 4/30/99)
after 04/30/99	§7520	1.642(c)-6(e)	Table S (after 04/30/99)
<i>Section 664:</i>			
Valuation, in general before 01/01/52	-	1.664-4	
01/01/52 - 12/31/70	4%	1.664-4A(a)	
01/01/52 - 12/31/70	3.5%	1.664-4A(b)	
01/01/71 - 11/30/83	6%	1.664-4A(c)	
12/01/83 - 04/30/89	10%	1.664-4A(d)	Table E, Table F(1)
05/01/89 - 04/30/99	§7520	1.664-4A(e)	Table U(1) (05/01/89 - 4/30/99)
after 04/30/99	§7520	1.664-4(e)(6)	Table D and Tables F(4.2) - F(14.0)
		1.664-4(e)(7)	Table U(1) (after 04/30/99)
<i>Section 2031:</i>			
Valuation, in general before 01/01/52	-	20.2031-7	
01/01/52 - 12/31/70	4%	20.2031-7A(a)	
01/01/52 - 12/31/70	3.5%	20.2031-7A(b)	
01/01/71 - 11/30/83	6%	20.2031-7A(c)	
12/01/83 - 04/30/89	10%	20.2031-7A(d)	Table A, Table B, Table LN
05/01/89 - 04/30/99	§7520	20.2031-7A(e)	Table S (05/01/89 - 4/30/99) Life Table 80CNSMT

after 04/30/99

§7520

20.2031-7(d)(6)

20.2031-7(d)(7)

Table B, Table J, Table K
Table S (after 04/30/99) and
Life Table 90CM

Section 2512:

Valuation, in general	-	25.2512-5
before 01/01/52	4%	25.2512-5A(a)
01/01/52 - 12/31/70	3.5%	25.2512-5A(b)
01/01/71 - 11/30/83	6%	25.2512-5A(c)
12/01/83 - 04/30/89	10%	25.2512-5A(d)
05/01/89 - 04/30/99	§7520	25.2512-5A(e)
after 04/30/99	§7520	25.2512-5(d)

Effective Dates

These regulations are applicable in the case of annuities, interests for life or terms of years, and remainder or reversionary interests created after April 30, 1999.

Special Analysis

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because these regulations do not impose a collection of information requirement on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Therefore, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking by cross reference to temporary regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Drafting Information

The principal author of these regulations is William L. Blodgett, Office of Assistant Chief Counsel (Passthroughs and Special Industries), IRS. However, other personnel from the IRS and Treasury Department participated in their development.

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Adoption of Amendments to the Regulations

Accordingly, 26 CFR parts 1, 20, and 25 are amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by removing the entries for 1.642(c)-6T, 1.664-4T and 1.7520-1T to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.170A-12 is amended by revising paragraphs (b)(2) and (b)(3) to read as follows:

§1.170A-12 Valuation of a remainder interest in real property for contributions made after July 31, 1969.

* * * * *

(b) * * *

(2) Computation of depreciation factor.

If the valuation of the remainder interest in depreciable property is dependent upon the continuation of one life, a special factor must be used. The factor determined under this paragraph (b)(2) is carried to the fifth decimal place. The special factor is to be computed on the basis of the interest rate and life contingencies prescribed in §20.2031-7 of this chapter (or for periods before May 1, 1999, §20.2031-7A) and on the assumption that the property depreciates on a straight-line basis over its estimated useful life. For transfers for which the valuation date is after April 30, 1999, special factors for determining the present value of a remainder interest following one life and an example describing the computation is contained in Internal Revenue Service Publication 1459, "Actuarial Values, Book Gimel," (7-1999). A copy of this publication is available for purchase from the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402. For transfers for which the valuation date is after April 30, 1989, and before May 1, 1999, special factors for determining the

present value of a remainder interest following one life and an example describing the computation is contained in Internal Revenue Service Publication 1459, "Actuarial Values, Gamma Volume," (8-89). This publication is no longer available for purchase from the Superintendent of Documents. However, it may be obtained by requesting a copy from: CC:DOM:CORP:R (IRS Publication 1459), room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. See, however, §1.7520-3(b) (relating to exceptions to the use of prescribed tables under certain circumstances). Otherwise, in the case of the valuation of a remainder interest following one life, the special factor may be obtained through use of the following formula:

$$\left(1 + \frac{i}{2}\right) \sum_{t=0}^{n-1} v^{(t+i)} \left[\left(1 - \frac{lx+t+1}{lx}\right) - \left(1 - \frac{lx+t}{lx}\right) \right] \left(1 - \frac{1}{2n} - \frac{t}{n}\right)$$

Where:

- n=the estimated number of years of useful life,
- i=the applicable interest rate under section 7520 of the Internal Revenue Code,
- v=1 divided by the sum of 1 plus the applicable interest rate under section 7520 of the Internal Revenue Code,
- x=the age of the life tenant, and
- lx=number of persons living at age x as set forth in Table 90CM of §20.2031-7 (or, for periods before May 1, 1999, the tables set forth under §20.2031-7A) of this chapter.

(3) Example. The following example illustrates the provisions of this paragraph (b):

Example. A, who is 62, donates to Y University a remainder interest in a personal residence, consist-

ing of a house and land, subject to a reserved life estate in A. At the time of the gift, the land has a value of \$30,000 and the house has a value of \$100,000 with an estimated useful life of 45 years, at the end of which the value of the house is expected to be \$20,000. The portion of the property considered to be depreciable is \$80,000 (the value of the house (\$100,000) less its expected value at the end of 45 years (\$20,000)). The portion of the property considered to be nondepreciable is \$50,000 (the value of the land at the time of the gift (\$30,000) plus the expected value of the house at the end of 45 years (\$20,000)). At the time of the gift, the interest rate prescribed under section 7520 is 8.4 percent. Based on an interest rate of 8.4 percent, the remainder factor for \$1.00 prescribed in §20.2031-7(d) of this chapter for a person age 62 is 0.27925. The value of the nondepreciable remainder interest is \$13,962.50

(0.27925 times \$50,000). The value of the depreciable remainder interest is \$16,148.80 (0.20186, computed under the formula described in paragraph (b)(2) of this section, times \$80,000). Therefore, the value of the remainder interest is \$30,111.30.
* * * * *

§1.170A-12T [Removed]

Par. 3. Section 1.170A-12T is removed.

Par. 4. -5. Section 1.642(c)-6 is amended by revising paragraphs (d), (e) and (f) to read as follows:

§1.642(c)-6 Valuation of a remainder interest in property transferred to a pooled income fund.

* * * * *

(d) *Valuation.* The present value of the remainder interest in property transferred to a pooled income fund after April 30, 1999, is determined under paragraph (e) of this section. The present value of the remainder interest in property transferred to a pooled income fund for which the valuation date is before May 1, 1999, is determined under the following sections:

<u>After</u>	<u>Valuation Dates</u> <u>Before</u>	<u>Applicable</u> <u>Regulations</u>
	01-01-52	1.642(c)-6A(a)
12-31-51	01-01-71	1.642(c)-6A(b)
12-31-70	12-01-83	1.642(c)-6A(c)
11-30-83	05-01-89	1.642(c)-6A(d)
04-30-89	05-01-99	1.642(c)-6A(e)

(e) *Present value of the remainder interest in the case of transfers to pooled income funds for which the valuation date is after April 30, 1999—(1) In general.* In the case of transfers to pooled income funds for which the valuation date is after April 30, 1999, the present value of a remainder interest is determined under this section. See, however, §1.7520-3(b) (relating to exceptions to the use of prescribed tables under certain circumstances). The present value of a remainder interest that is dependent on the termination of the life of one individual is computed by the use of Table S in paragraph (e)(6) of this section. For purposes of the computations under this section, the age of an individual is the age at the individual's nearest birthday.

(2) *Transitional rules for valuation of transfers to pooled income funds.* (i) For purposes of sections 2055, 2106, or 2624, if on May 1, 1999, the decedent was mentally incompetent so that the disposition of the property could not be changed, and the decedent died after April 30, 1999, without having regained competency to dispose of the decedent's property, or the decedent died within 90 days of the date that the decedent first regained competency after April 30, 1999, the present value of a remainder interest is deter-

mined as if the valuation date with respect to the decedent's gross estate is either before May 1, 1999, or after April 30, 1999, at the option of the decedent's executor.

(ii) For purposes of sections 170, 2055, 2106, 2522, or 2624, in the case of transfers to a pooled income fund for which the valuation date is after April 30, 1999, and before July 1, 1999, the present value of the remainder interest under this section is determined by use of the section 7520 interest rate for the month in which the valuation date occurs (see §§1.7520-1(b) and 1.7520-2(a)(2)) and the appropriate actuarial tables under either paragraph (e)(6) of this section or §1.642(c)-6A(e)(5), at the option of the donor or the decedent's executor, as the case may be.

(iii) For purposes of paragraphs (e)(2)(i) and (ii) of this section, where the donor or decedent's executor is given the option to use the appropriate actuarial tables under either paragraph (e)(6) of this section or §1.642(c)-6A(e)(5), the donor or decedent's executor must use the same actuarial table with respect to each individual transaction and with respect to all transfers occurring on the valuation date (for example, gift and income tax charitable deductions with respect to the same transfer must be determined based on the

same tables, and all assets includible in the gross estate and/or estate tax deductions claimed must be valued based on the same tables).

(3) *Present value of a remainder interest.* The present value of a remainder interest in property transferred to a pooled income fund is computed on the basis of—

(i) Life contingencies determined from the values of *lx* that are set forth in Table 90CM in §20.2031-7(d)(7) of this chapter (see § 20.2031-7A of this chapter for certain prior periods); and

(ii) Discount at a rate of interest, compounded annually, equal to the highest yearly rate of return of the pooled income fund for the 3 taxable years immediately preceding its taxable year in which the transfer of property to the fund is made. For purposes of this paragraph (e), the yearly rate of return of a pooled income fund is determined as provided in paragraph (c) of this section unless the highest rate of return is deemed to be the rate described in paragraph (e)(4) of this section for funds in existence less than 3 taxable years. For purposes of this paragraph (e)(3)(ii), the first taxable year of a pooled income fund is considered a taxable year even though the taxable year consists of less than 12 months. However, appropri-

ate adjustments must be made to annualize the rate of return earned by the fund for that period. Where it appears from the facts and circumstances that the highest yearly rate of return of the fund for the 3 taxable years immediately preceding the taxable year in which the transfer of property is made has been purposely manipulated to be substantially less than the rate of return that would otherwise be reasonably anticipated with the purpose of obtaining an excessive charitable deduction, that rate of return may not be used. In that case, the highest yearly rate of return of the fund is determined by treating the fund as a pooled income fund that has been in existence for less than 3 preceding taxable years.

(4) *Pooled income funds in existence less than 3 taxable years.* If a pooled income fund has been in existence less than 3 taxable years immediately preceding the taxable year in which the transfer is made to the fund and the transfer to the fund is made after April 30, 1989, the highest rate of return is deemed to be the interest rate (rounded to the nearest two-tenths of one percent) that is 1 percent less than the highest annual average of the monthly section 7520 rates for the 3 calendar years immediately preceding the calendar year in which the transfer to the pooled income fund is made. The deemed rate of return for transfers to new pooled income funds is recomputed each calendar year using the monthly section 7520 rates for the 3-year period immediately preceding the calendar year in which each transfer to the

fund is made until the fund has been in existence for 3 taxable years and can compute its highest rate of return for the 3 taxable years immediately preceding the taxable year in which the transfer of property to the fund is made in accordance with the rules set forth in the first sentence of paragraph (e)(3)(ii) of this section.

(5) *Computation of value of remainder interest.* The factor that is used in determining the present value of a remainder interest that is dependent on the termination of the life of one individual is the factor from Table S in paragraph (e)(6) of this section under the appropriate yearly rate of return opposite the number that corresponds to the age of the individual upon whose life the value of the remainder interest is based (see §1.642(c)-6A for certain prior periods). The tables in paragraph (e)(6) of this section include factors for yearly rates of return from 4.2 to 14 percent. Many actuarial factors not contained in the tables in paragraph (e)(6) of this section are contained in Table S in Internal Revenue Service Publication 1457, "Actuarial Values, Book Aleph," (7-1999). A copy of this publication is available for purchase from the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402. For other situations, see paragraph (b) of this section. If the yearly rate of return is a percentage that is between the yearly rates of return for which factors are provided, a linear interpolation must be made. The present value of the re-

mainder interest is determined by multiplying the fair market value of the property on the valuation date by the appropriate remainder factor. This paragraph (e)(5) may be illustrated by the following example:

Example. A, who is 54 years and 8 months, transfers \$100,000 to a pooled income fund, and retains a life income interest in the property. The highest yearly rate of return earned by the fund for its 3 preceding taxable years is 9.47 percent. In Table S, the remainder factor opposite 55 years under 9.4 percent is .17449 and under 9.6 percent is .17001. The present value of the remainder interest is \$17,292.00, computed as follows:

Factor at 9.4 percent for age 5517449
 Factor at 9.6 percent for age 5517001
 Difference00448

Interpolation adjustment:

$$\frac{9.47\% - 9.4\%}{0.2\%} = \frac{x}{.00448}$$

$$x = .00157$$

Factor at 9.4 percent for age 5517449
 Less: Interpolation adjustment00157
 Interpolated factor17292

Present value of remainder interest:
 (\$100,000 X .17292) \$17,292.00

(6) *Actuarial tables.* In the case of transfers for which the valuation date is after April 30, 1999, the present value of a remainder interest dependent on the termination of one life in the case of a transfer to a pooled income fund is determined by use of the following Table S:

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
0	.06752	.06130	.05586	.05109	.04691	.04322	.03998	.03711	.03458	.03233
1	.06137	.05495	.04932	.04438	.04003	.03620	.03283	.02985	.02721	.02487
2	.06325	.05667	.05088	.04580	.04132	.03737	.03388	.03079	.02806	.02563
3	.06545	.05869	.05275	.04752	.04291	.03883	.03523	.03203	.02920	.02668
4	.06784	.06092	.05482	.04944	.04469	.04048	.03676	.03346	.03052	.02791
5	.07040	.06331	.05705	.05152	.04662	.04229	.03845	.03503	.03199	.02928
6	.07310	.06583	.05941	.05372	.04869	.04422	.04025	.03672	.03357	.03076
7	.07594	.06849	.06191	.05607	.05089	.04628	.04219	.03854	.03528	.03236
8	.07891	.07129	.06453	.05853	.05321	.04846	.04424	.04046	.03709	.03407
9	.08203	.07423	.06731	.06115	.05567	.05079	.04643	.04253	.03904	.03592

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
10	.08532	.07734	.07024	.06392	.05829	.05326	.04877	.04474	.04114	.03790
11	.08875	.08059	.07331	.06683	.06104	.05587	.05124	.04709	.04336	.04002
12	.09233	.08398	.07653	.06989	.06394	.05862	.05385	.04957	.04572	.04226
13	.09601	.08748	.07985	.07304	.06693	.06146	.05655	.05214	.04816	.04458
14	.09974	.09102	.08322	.07624	.06997	.06435	.05929	.05474	.05064	.04694
15	.10350	.09460	.08661	.07946	.07303	.06725	.06204	.05735	.05312	.04930
16	.10728	.09818	.09001	.08268	.07608	.07014	.06479	.05996	.05559	.05164
17	.11108	.10179	.09344	.08592	.07916	.07306	.06755	.06257	.05807	.05399
18	.11494	.10545	.09691	.08921	.08227	.07601	.07034	.06521	.06057	.05636
19	.11889	.10921	.10047	.09259	.08548	.07904	.07322	.06794	.06315	.05880
20	.12298	.11310	.10417	.09610	.08881	.08220	.07622	.07078	.06584	.06135
21	.12722	.11713	.10801	.09976	.09228	.08550	.07935	.07375	.06866	.06403
22	.13159	.12130	.11199	.10354	.09588	.08893	.08260	.07685	.07160	.06682
23	.13613	.12563	.11612	.10748	.09964	.09250	.08601	.08009	.07468	.06975
24	.14084	.13014	.12043	.11160	.10357	.09625	.08958	.08349	.07793	.07284
25	.14574	.13484	.12493	.11591	.10768	.10018	.09334	.08708	.08135	.07611
26	.15084	.13974	.12963	.12041	.11199	.10431	.09728	.09085	.08496	.07956
27	.15615	.14485	.13454	.12513	.11652	.10865	.10144	.09484	.08878	.08322
28	.16166	.15016	.13965	.13004	.12124	.11319	.10580	.09901	.09279	.08706
29	.16737	.15567	.14497	.13516	.12617	.11792	.11035	.10339	.09699	.09109
30	.17328	.16138	.15048	.14047	.13129	.12286	.11510	.10796	.10138	.09532
31	.17938	.16728	.15618	.14599	.13661	.12799	.12004	.11272	.10597	.09974
32	.18568	.17339	.16210	.15171	.14214	.13333	.12520	.11769	.11076	.10435
33	.19220	.17972	.16824	.15766	.14790	.13889	.13058	.12289	.11578	.10920
34	.19894	.18627	.17460	.16383	.15388	.14468	.13618	.12831	.12102	.11426
35	.20592	.19307	.18121	.17025	.16011	.15073	.14204	.13399	.12652	.11958
36	.21312	.20010	.18805	.17691	.16658	.15701	.14814	.13990	.13225	.12514
37	.22057	.20737	.19514	.18382	.17331	.16356	.15450	.14608	.13825	.13096
38	.22827	.21490	.20251	.19100	.18031	.17038	.16113	.15253	.14452	.13705
39	.23623	.22270	.21013	.19845	.18759	.17747	.16805	.15927	.15108	.14344
40	.24446	.23078	.21805	.20620	.19516	.18487	.17527	.16631	.15795	.15013
41	.25298	.23915	.22626	.21425	.20305	.19259	.18282	.17368	.16514	.15715
42	.26178	.24782	.23478	.22262	.21125	.20062	.19069	.18138	.17267	.16450
43	.27087	.25678	.24360	.23129	.21977	.20898	.19888	.18941	.18053	.17220
44	.28025	.26603	.25273	.24027	.22860	.21766	.20740	.19777	.18873	.18023
45	.28987	.27555	.26212	.24953	.23772	.22664	.21622	.20644	.19724	.18858
46	.29976	.28533	.27179	.25908	.24714	.23591	.22536	.21542	.20606	.19725
47	.30987	.29535	.28171	.26889	.25682	.24546	.23476	.22468	.21518	.20621
48	.32023	.30563	.29190	.27897	.26678	.25530	.24447	.23425	.22460	.21549
49	.33082	.31615	.30234	.28931	.27702	.26543	.25447	.24412	.23434	.22509
50	.34166	.32694	.31306	.29995	.28756	.27586	.26479	.25432	.24441	.23502
51	.35274	.33798	.32404	.31085	.29838	.28658	.27541	.26482	.25479	.24528
52	.36402	.34924	.33525	.32200	.30946	.29757	.28630	.27561	.26547	.25584
53	.37550	.36070	.34668	.33339	.32078	.30882	.29746	.28667	.27643	.26669
54	.38717	.37237	.35833	.34500	.33234	.32031	.30888	.29801	.28766	.27782

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
55	.39903	.38424	.37019	.35683	.34413	.33205	.32056	.30961	.29918	.28925
56	.41108	.39631	.38227	.36890	.35617	.34405	.33250	.32149	.31099	.30097
57	.42330	.40857	.39455	.38118	.36844	.35629	.34469	.33363	.32306	.31297
58	.43566	.42098	.40699	.39364	.38089	.36873	.35710	.34600	.33538	.32522
59	.44811	.43351	.41956	.40623	.39350	.38133	.36968	.35855	.34789	.33768
60	.46066	.44613	.43224	.41896	.40624	.39408	.38243	.37127	.36058	.35033
61	.47330	.45887	.44505	.43182	.41914	.40699	.39535	.38418	.37347	.36318
62	.48608	.47175	.45802	.44485	.43223	.42011	.40848	.39732	.38660	.37629
63	.49898	.48478	.47115	.45807	.44550	.43343	.42184	.41069	.39997	.38966
64	.51200	.49793	.48442	.47143	.45895	.44694	.43539	.42427	.41357	.40326
65	.52512	.51121	.49782	.48495	.47255	.46062	.44912	.43805	.42738	.41709
66	.53835	.52461	.51137	.49862	.48634	.47449	.46307	.45206	.44143	.43118
67	.55174	.53818	.52511	.51250	.50034	.48860	.47727	.46633	.45576	.44556
68	.56524	.55188	.53899	.52654	.51452	.50291	.49168	.48083	.47034	.46020
69	.57882	.56568	.55299	.54071	.52885	.51737	.50627	.49552	.48513	.47506
70	.59242	.57951	.56703	.55495	.54325	.53193	.52096	.51034	.50004	.49007
71	.60598	.59332	.58106	.56918	.55767	.54651	.53569	.52520	.51503	.50516
72	.61948	.60707	.59504	.58338	.57206	.56108	.55043	.54009	.53004	.52029
73	.63287	.62073	.60895	.59751	.58640	.57561	.56513	.55495	.54505	.53543
74	.64621	.63435	.62282	.61162	.60073	.59015	.57985	.56984	.56009	.55061
75	.65953	.64796	.63671	.62575	.61510	.60473	.59463	.58480	.57523	.56591
76	.67287	.66160	.65063	.63995	.62954	.61940	.60952	.59989	.59050	.58135
77	.68622	.67526	.66459	.65419	.64404	.63415	.62450	.61509	.60590	.59694
78	.69954	.68892	.67856	.66845	.65858	.64895	.63955	.63036	.62140	.61264
79	.71278	.70250	.69246	.68265	.67308	.66372	.65457	.64563	.63690	.62836
80	.72581	.71588	.70618	.69668	.68740	.67833	.66945	.66077	.65227	.64396
81	.73857	.72899	.71962	.71045	.70147	.69268	.68408	.67566	.66741	.65933
82	.75101	.74178	.73274	.72389	.71522	.70672	.69840	.69024	.68225	.67441
83	.76311	.75423	.74553	.73700	.72864	.72044	.71240	.70451	.69678	.68919
84	.77497	.76645	.75809	.74988	.74183	.73393	.72618	.71857	.71110	.70377
85	.78665	.77848	.77047	.76260	.75487	.74728	.73982	.73250	.72530	.71823
86	.79805	.79025	.78258	.77504	.76764	.76036	.75320	.74617	.73925	.73245
87	.80904	.80159	.79427	.78706	.77998	.77301	.76615	.75940	.75277	.74624
88	.81962	.81251	.80552	.79865	.79188	.78521	.77865	.77220	.76584	.75958
89	.82978	.82302	.81636	.80980	.80335	.79699	.79072	.78455	.77847	.77248
90	.83952	.83309	.82676	.82052	.81437	.80831	.80234	.79645	.79064	.78492
91	.84870	.84260	.83658	.83064	.82479	.81902	.81332	.80771	.80217	.79671
92	.85716	.85136	.84563	.83998	.83441	.82891	.82348	.81812	.81283	.80761
93	.86494	.85942	.85396	.84858	.84326	.83801	.83283	.82771	.82266	.81767
94	.87216	.86690	.86170	.85657	.85149	.84648	.84153	.83664	.83181	.82704
95	.87898	.87397	.86902	.86412	.85928	.85450	.84977	.84510	.84049	.83592
96	.88537	.88060	.87587	.87121	.86659	.86203	.85751	.85305	.84864	.84427
97	.89127	.88672	.88221	.87775	.87335	.86898	.86467	.86040	.85618	.85200
98	.89680	.89245	.88815	.88389	.87968	.87551	.87138	.86730	.86326	.85926
99	.90217	.89803	.89393	.88987	.88585	.88187	.87793	.87402	.87016	.86633

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
100	.90738	.90344	.89953	.89567	.89183	.88804	.88428	.88056	.87687	.87322
101	.91250	.90876	.90504	.90137	.89772	.89412	.89054	.88699	.88348	.88000
102	.91751	.91396	.91045	.90696	.90350	.90007	.89668	.89331	.88997	.88666
103	.92247	.91912	.91579	.91249	.90922	.90598	.90276	.89957	.89640	.89326
104	.92775	.92460	.92148	.91839	.91532	.91227	.90924	.90624	.90326	.90031
105	.93290	.92996	.92704	.92415	.92127	.91841	.91558	.91276	.90997	.90719
106	.93948	.93680	.93415	.93151	.92889	.92628	.92370	.92113	.91857	.91604
107	.94739	.94504	.94271	.94039	.93808	.93579	.93351	.93124	.92899	.92675
108	.95950	.95767	.95585	.95404	.95224	.95045	.94867	.94689	.94512	.94336
109	.97985	.97893	.97801	.97710	.97619	.97529	.97438	.97348	.97259	.97170

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
0	.03034	.02857	.02700	.02559	.02433	.02321	.02220	.02129	.02047	.01973
1	.02279	.02094	.01929	.01782	.01650	.01533	.01427	.01331	.01246	.01168
2	.02347	.02155	.01983	.01829	.01692	.01569	.01458	.01358	.01268	.01187
3	.02444	.02243	.02065	.01905	.01761	.01632	.01516	.01412	.01317	.01232
4	.02558	.02349	.02163	.01996	.01846	.01712	.01590	.01481	.01382	.01292
5	.02686	.02469	.02275	.02101	.01945	.01804	.01677	.01562	.01458	.01364
6	.02825	.02600	.02398	.02217	.02053	.01906	.01773	.01653	.01544	.01445
7	.02976	.02742	.02532	.02343	.02172	.02019	.01880	.01754	.01640	.01536
8	.03137	.02894	.02675	.02479	.02301	.02140	.01995	.01864	.01744	.01635
9	.03311	.03059	.02832	.02627	.02442	.02274	.02122	.01985	.01859	.01745
10	.03499	.03237	.03001	.02788	.02595	.02420	.02262	.02118	.01987	.01867
11	.03700	.03428	.03183	.02961	.02760	.02578	.02413	.02262	.02125	.02000
12	.03913	.03632	.03377	.03146	.02937	.02748	.02575	.02418	.02275	.02144
13	.04135	.03843	.03579	.03339	.03122	.02924	.02744	.02580	.02431	.02294
14	.04359	.04057	.03783	.03534	.03308	.03102	.02915	.02744	.02587	.02444
15	.04584	.04270	.03986	.03728	.03493	.03279	.03083	.02905	.02742	.02593
16	.04806	.04482	.04187	.03919	.03674	.03452	.03248	.03063	.02892	.02736
17	.05029	.04692	.04387	.04108	.03855	.03623	.03411	.03218	.03040	.02877
18	.05253	.04905	.04588	.04299	.04036	.03795	.03574	.03373	.03187	.03017
19	.05484	.05124	.04796	.04496	.04222	.03972	.03742	.03532	.03339	.03161
20	.05726	.05354	.05013	.04702	.04418	.04158	.03919	.03700	.03498	.03313
21	.05980	.05595	.05242	.04920	.04625	.04354	.04105	.03877	.03667	.03473
22	.06246	.05847	.05482	.05147	.04841	.04559	.04301	.04063	.03844	.03642
23	.06524	.06112	.05734	.05387	.05069	.04777	.04508	.04260	.04032	.03821
24	.06819	.06392	.06001	.05642	.05312	.05008	.04728	.04470	.04232	.04012

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
25	.07131	.06690	.06285	.05913	.05570	.05255	.04964	.04695	.04447	.04218
26	.07460	.07005	.06586	.06200	.05845	.05518	.05215	.04936	.04677	.04438
27	.07810	.07340	.06907	.06508	.06140	.05800	.05485	.05195	.04925	.04676
28	.08179	.07693	.07246	.06833	.06451	.06098	.05772	.05469	.05189	.04929
29	.08566	.08065	.07603	.07176	.06780	.06414	.06075	.05761	.05469	.05198
30	.08973	.08456	.07978	.07536	.07127	.06748	.06396	.06069	.05766	.05483
31	.09398	.08865	.08372	.07915	.07491	.07098	.06733	.06394	.06078	.05785
32	.09843	.09294	.08785	.08313	.07875	.07468	.07089	.06737	.06409	.06103
33	.10310	.09745	.09220	.08732	.08279	.07858	.07466	.07100	.06759	.06441
34	.10799	.10217	.09676	.09173	.08705	.08269	.07862	.07483	.07129	.06798
35	.11314	.10715	.10157	.09638	.09155	.08704	.08283	.07890	.07522	.07179
36	.11852	.11236	.10662	.10127	.09628	.09162	.08726	.08319	.07938	.07581
37	.12416	.11783	.11193	.10641	.10126	.09645	.09194	.08772	.08377	.08006
38	.13009	.12359	.11751	.11183	.10652	.10155	.09689	.09253	.08843	.08459
39	.13629	.12962	.12338	.11753	.11206	.10693	.10212	.09761	.09337	.08938
40	.14281	.13597	.12955	.12355	.11791	.11262	.10766	.10299	.09860	.09447
41	.14966	.14264	.13606	.12989	.12409	.11864	.11352	.10870	.10417	.09989
42	.15685	.14966	.14291	.13657	.13061	.12500	.11972	.11475	.11006	.10564
43	.16437	.15702	.15010	.14360	.13747	.13171	.12627	.12115	.11631	.11174
44	.17224	.16472	.15764	.15098	.14469	.13876	.13317	.12789	.12290	.11819
45	.18042	.17274	.16550	.15867	.15223	.14615	.14040	.13496	.12982	.12496
46	.18893	.18110	.17370	.16671	.16011	.15387	.14796	.14238	.13708	.13207
47	.19775	.18975	.18220	.17505	.16830	.16190	.15584	.15010	.14466	.13950
48	.20688	.19873	.19102	.18373	.17682	.17027	.16406	.15817	.15258	.14727
49	.21633	.20804	.20018	.19274	.18568	.17898	.17262	.16658	.16084	.15539
50	.22612	.21769	.20969	.20210	.19490	.18805	.18155	.17536	.16948	.16388
51	.23625	.22769	.21955	.21182	.20448	.19749	.19084	.18452	.17849	.17275
52	.24669	.23799	.22973	.22186	.21438	.20726	.20047	.19400	.18784	.18196
53	.25742	.24861	.24022	.23222	.22461	.21735	.21043	.20383	.19753	.19151
54	.26845	.25952	.25101	.24290	.23516	.22777	.22072	.21399	.20756	.20140
55	.27978	.27074	.26212	.25389	.24604	.23853	.23136	.22450	.21793	.21166
56	.29140	.28227	.27355	.26522	.25725	.24963	.24233	.23535	.22867	.22227
57	.30333	.29411	.28529	.27686	.26879	.26106	.25365	.24656	.23976	.23324
58	.31551	.30621	.29731	.28878	.28061	.27278	.26528	.25807	.25116	.24453
59	.32790	.31854	.30956	.30095	.29269	.28477	.27716	.26986	.26284	.25610
60	.34050	.33107	.32202	.31334	.30500	.29699	.28929	.28190	.27478	.26794
61	.35331	.34384	.33473	.32598	.31757	.30948	.30170	.29422	.28701	.28007
62	.36639	.35688	.34772	.33892	.33044	.32229	.31443	.30687	.29958	.29255
63	.37974	.37020	.36101	.35216	.34363	.33542	.32750	.31986	.31250	.30539
64	.39334	.38378	.37456	.36568	.35711	.34884	.34087	.33317	.32574	.31857
65	.40718	.39761	.38838	.37947	.37087	.36257	.35455	.34681	.33932	.33208
66	.42128	.41172	.40249	.39357	.38496	.37663	.36858	.36079	.35326	.34597
67	.43569	.42616	.41694	.40803	.39941	.39107	.38299	.37518	.36761	.36028
68	.45038	.44089	.43170	.42281	.41419	.40585	.39777	.38994	.38235	.37499
69	.46531	.45587	.44672	.43786	.42927	.42094	.41286	.40503	.39743	.39006

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
70	.48040	.47103	.46194	.45312	.44456	.43626	.42820	.42038	.41278	.40540
71	.49558	.48629	.47727	.46851	.46000	.45174	.44371	.43591	.42832	.42095
72	.51082	.50162	.49268	.48399	.47554	.46733	.45934	.45157	.44401	.43666
73	.52607	.51697	.50813	.49952	.49114	.48299	.47506	.46733	.45981	.45249
74	.54139	.53241	.52367	.51515	.50686	.49879	.49092	.48325	.47578	.46849
75	.55683	.54798	.53936	.53095	.52276	.51477	.50698	.49938	.49197	.48474
76	.57243	.56373	.55524	.54696	.53888	.53100	.52330	.51579	.50846	.50130
77	.58819	.57965	.57132	.56318	.55523	.54747	.53988	.53247	.52523	.51815
78	.60408	.59572	.58755	.57957	.57177	.56414	.55668	.54939	.54225	.53527
79	.62001	.61184	.60385	.59604	.58840	.58092	.57360	.56644	.55943	.55256
80	.63582	.62786	.62007	.61244	.60497	.59765	.59048	.58347	.57659	.56985
81	.65142	.64367	.63608	.62864	.62135	.61421	.60721	.60034	.59361	.58701
82	.66673	.65920	.65182	.64458	.63748	.63052	.62368	.61698	.61041	.60395
83	.68175	.67444	.66728	.66024	.65334	.64656	.63991	.63338	.62696	.62066
84	.69657	.68950	.68256	.67574	.66904	.66246	.65599	.64964	.64340	.63727
85	.71128	.70446	.69775	.69116	.68467	.67830	.67204	.66587	.65982	.65386
86	.72576	.71919	.71272	.70636	.70010	.69394	.68789	.68193	.67606	.67029
87	.73981	.73349	.72726	.72114	.71511	.70917	.70333	.69757	.69190	.68632
88	.75342	.74735	.74137	.73548	.72968	.72396	.71833	.71279	.70732	.70194
89	.76658	.76076	.75503	.74938	.74381	.73832	.73290	.72757	.72231	.71712
90	.77928	.77371	.76823	.76281	.75748	.75221	.74702	.74190	.73684	.73186
91	.79131	.78600	.78075	.77557	.77046	.76542	.76044	.75553	.75068	.74589
92	.80246	.79737	.79235	.78740	.78250	.77767	.77290	.76818	.76353	.75893
93	.81274	.80788	.80307	.79832	.79363	.78899	.78441	.77989	.77542	.77100
94	.82232	.81766	.81306	.80850	.80401	.79956	.79517	.79082	.78653	.78228
95	.83141	.82695	.82254	.81818	.81387	.80961	.80539	.80122	.79710	.79302
96	.83996	.83569	.83147	.82729	.82316	.81907	.81503	.81103	.80707	.80315
97	.84787	.84378	.83973	.83573	.83176	.82784	.82396	.82012	.81632	.81255
98	.85530	.85138	.84750	.84366	.83985	.83609	.83236	.82867	.82502	.82140
99	.86255	.85880	.85508	.85140	.84776	.84415	.84057	.83703	.83353	.83005
100	.86960	.86601	.86246	.85894	.85546	.85200	.84858	.84519	.84183	.83849
101	.87655	.87313	.86974	.86638	.86305	.85975	.85648	.85324	.85003	.84684
102	.88338	.88012	.87689	.87369	.87052	.86738	.86426	.86116	.85809	.85505
103	.89015	.88706	.88399	.88095	.87793	.87494	.87197	.86903	.86611	.86321
104	.89737	.89446	.89157	.88871	.88586	.88304	.88024	.87745	.87469	.87195
105	.90443	.90170	.89898	.89628	.89360	.89094	.88830	.88568	.88307	.88049
106	.91135	.90871	.90605	.90341	.90079	.90115	.89873	.89632	.89392	.89154
107	.91815	.91557	.91295	.91033	.90771	.91356	.91141	.90927	.90714	.90502
108	.92485	.92230	.91970	.91709	.91448	.92298	.92128	.91958	.91790	.91622
109	.93145	.92892	.92634	.92371	.92108	.93062	.92882	.92712	.92542	.92372

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
0	.01906	.01845	.01790	.01740	.01694	.01652	.01613	.01578	.01546	.01516
1	.01098	.01034	.00977	.00924	.00876	.00833	.00793	.00756	.00722	.00691
2	.01113	.01046	.00986	.00930	.00880	.00834	.00791	.00753	.00717	.00684
3	.01155	.01084	.01020	.00962	.00909	.00860	.00816	.00775	.00737	.00702
4	.01211	.01137	.01069	.01008	.00952	.00900	.00853	.00810	.00770	.00733
5	.01279	.01201	.01130	.01065	.01006	.00952	.00902	.00856	.00814	.00775
6	.01356	.01274	.01199	.01131	.01068	.01011	.00959	.00910	.00865	.00824
7	.01442	.01356	.01277	.01205	.01140	.01079	.01023	.00972	.00925	.00881
8	.01536	.01446	.01363	.01287	.01218	.01154	.01096	.01041	.00991	.00945
9	.01641	.01546	.01460	.01380	.01307	.01240	.01178	.01120	.01068	.01019
10	.01758	.01659	.01567	.01484	.01407	.01336	.01270	.01210	.01154	.01103
11	.01886	.01781	.01686	.01598	.01517	.01442	.01373	.01310	.01251	.01196
12	.02024	.01915	.01814	.01721	.01636	.01558	.01485	.01419	.01357	.01299
13	.02168	.02054	.01948	.01851	.01762	.01679	.01603	.01533	.01467	.01407
14	.02313	.02193	.02083	.01981	.01887	.01801	.01721	.01646	.01578	.01514
15	.02456	.02330	.02214	.02107	.02009	.01918	.01834	.01756	.01684	.01617
16	.02593	.02462	.02340	.02229	.02126	.02030	.01942	.01860	.01785	.01714
17	.02728	.02590	.02463	.02346	.02238	.02138	.02046	.01960	.01880	.01806
18	.02861	.02717	.02584	.02462	.02348	.02243	.02146	.02056	.01972	.01894
19	.02998	.02847	.02708	.02580	.02461	.02351	.02249	.02154	.02066	.01984
20	.03142	.02984	.02839	.02704	.02580	.02465	.02357	.02258	.02165	.02079
21	.03295	.03130	.02978	.02837	.02706	.02585	.02473	.02368	.02271	.02180
22	.03455	.03283	.03124	.02976	.02839	.02712	.02594	.02484	.02382	.02286
23	.03626	.03446	.03279	.03124	.02981	.02847	.02723	.02608	.02500	.02400
24	.03809	.03620	.03446	.03283	.03133	.02993	.02863	.02741	.02628	.02522
25	.04005	.03808	.03625	.03456	.03298	.03151	.03014	.02887	.02768	.02656
26	.04216	.04010	.03819	.03641	.03476	.03322	.03178	.03044	.02919	.02802
27	.04444	.04229	.04029	.03843	.03670	.03508	.03357	.03217	.03085	.02962
28	.04687	.04463	.04254	.04059	.03877	.03708	.03550	.03402	.03263	.03133
29	.04946	.04712	.04493	.04289	.04099	.03922	.03756	.03600	.03455	.03318
30	.05221	.04976	.04748	.04534	.04335	.04149	.03975	.03812	.03659	.03515
31	.05511	.05255	.05017	.04794	.04585	.04390	.04208	.04037	.03876	.03725
32	.05818	.05551	.05302	.05069	.04851	.04647	.04455	.04276	.04107	.03948
33	.06144	.05866	.05606	.05363	.05135	.04921	.04720	.04532	.04355	.04188
34	.06489	.06200	.05928	.05674	.05436	.05212	.05002	.04805	.04619	.04444
35	.06857	.06555	.06273	.06007	.05758	.05524	.05304	.05097	.04902	.04718
36	.07246	.06932	.06638	.06361	.06101	.05856	.05626	.05409	.05205	.05012
37	.07659	.07332	.07025	.06737	.06466	.06210	.05969	.05742	.05528	.05325
38	.08098	.07758	.07439	.07138	.06855	.06588	.06336	.06099	.05874	.05662
39	.08563	.08210	.07878	.07565	.07270	.06992	.06729	.06480	.06245	.06023
40	.09059	.08692	.08347	.08021	.07714	.07423	.07149	.06889	.06643	.06411
41	.09586	.09206	.08848	.08509	.08189	.07886	.07600	.07329	.07072	.06828
42	.10147	.09753	.09381	.09029	.08696	.08381	.08083	.07800	.07531	.07277
43	.10742	.10334	.09948	.09583	.09237	.08909	.08598	.08304	.08024	.07758
44	.11373	.10950	.10551	.10172	.09813	.09472	.09148	.08841	.08549	.08272

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
45	.12035	.11599	.11185	.10792	.10420	.10066	.09730	.09410	.09106	.08817
46	.12732	.12281	.11853	.11447	.11061	.10694	.10345	.10013	.09696	.09395
47	.13460	.12995	.12553	.12133	.11733	.11353	.10991	.10646	.10317	.10004
48	.14223	.13743	.13287	.12853	.12439	.12046	.11671	.11313	.10972	.10646
49	.15020	.14526	.14056	.13608	.13181	.12774	.12385	.12015	.11661	.11322
50	.15855	.15347	.14862	.14401	.13960	.13540	.13138	.12754	.12388	.12037
51	.16727	.16205	.15707	.15232	.14777	.14344	.13929	.13532	.13153	.12789
52	.17634	.17098	.16587	.16097	.15630	.15183	.14755	.14345	.13953	.13577
53	.18576	.18027	.17501	.16999	.16518	.16057	.15616	.15194	.14789	.14400
54	.19552	.18990	.18451	.17935	.17441	.16968	.16514	.16078	.15661	.15260
55	.20564	.19989	.19437	.18908	.18402	.17915	.17449	.17001	.16571	.16157
56	.21613	.21025	.20461	.19919	.19400	.18901	.18422	.17962	.17519	.17093
57	.22698	.22098	.21522	.20968	.20436	.19925	.19434	.18961	.18507	.18069
58	.23816	.23204	.22616	.22051	.21507	.20984	.20481	.19996	.19530	.19080
59	.24962	.24339	.23740	.23163	.22608	.22073	.21558	.21062	.20584	.20123
60	.26136	.25502	.24892	.24304	.23738	.23192	.22666	.22158	.21669	.21196
61	.27339	.26695	.26075	.25477	.24900	.24343	.23806	.23288	.22787	.22304
62	.28578	.27925	.27295	.26687	.26100	.25533	.24985	.24456	.23945	.23451
63	.29854	.29192	.28553	.27935	.27339	.26762	.26205	.25666	.25145	.24641
64	.31164	.30494	.29846	.29221	.28615	.28030	.27463	.26915	.26384	.25870
65	.32508	.31831	.31177	.30543	.29930	.29336	.28761	.28203	.27663	.27140
66	.33891	.33208	.32547	.31906	.31285	.30684	.30101	.29536	.28987	.28456
67	.35318	.34630	.33963	.33316	.32689	.32081	.31491	.30918	.30363	.29823
68	.36785	.36093	.35422	.34770	.34138	.33524	.32928	.32349	.31787	.31240
69	.38290	.37595	.36920	.36265	.35628	.35009	.34408	.33824	.33256	.32703
70	.39823	.39127	.38450	.37791	.37151	.36529	.35924	.35335	.34762	.34204
71	.41378	.40681	.40003	.39343	.38701	.38076	.37467	.36875	.36298	.35736
72	.42950	.42253	.41575	.40914	.40271	.39644	.39034	.38438	.37858	.37293
73	.44535	.43840	.43162	.42502	.41858	.41231	.40619	.40022	.39440	.38872
74	.46139	.45446	.44771	.44112	.43469	.42842	.42230	.41632	.41049	.40479
75	.47769	.47080	.46408	.45752	.45111	.44485	.43874	.43277	.42693	.42123
76	.49430	.48747	.48079	.47427	.46790	.46167	.45558	.44963	.44380	.43811
77	.51123	.50447	.49786	.49139	.48506	.47888	.47282	.46690	.46111	.45543
78	.52845	.52177	.51523	.50884	.50257	.49645	.49044	.48457	.47881	.47317
79	.54584	.53926	.53282	.52650	.52032	.51426	.50833	.50251	.49681	.49122
80	.56325	.55678	.55044	.54423	.53813	.53216	.52630	.52056	.51492	.50939
81	.58054	.57419	.56797	.56186	.55587	.54999	.54422	.53856	.53300	.52754
82	.59762	.59140	.58530	.57931	.57343	.56766	.56198	.55641	.55094	.54557
83	.61448	.60840	.60243	.59657	.59081	.58515	.57958	.57411	.56874	.56346
84	.63124	.62531	.61949	.61376	.60813	.60259	.59715	.59179	.58652	.58134
85	.64800	.64224	.63657	.63099	.62550	.62010	.61478	.60955	.60441	.59934
86	.66461	.65902	.65351	.64810	.64276	.63751	.63233	.62724	.62222	.61728
87	.68083	.67541	.67008	.66483	.65965	.65455	.64953	.64458	.63970	.63489
88	.69663	.69140	.68624	.68116	.67615	.67121	.66634	.66154	.65680	.65213
89	.71201	.70696	.70199	.69708	.69224	.68747	.68276	.67811	.67353	.66900

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
90	.72694	.72209	.71730	.71257	.70791	.70330	.69876	.69427	.68984	.68547
91	.74117	.73650	.73190	.72735	.72286	.71842	.71404	.70972	.70545	.70123
92	.75439	.74991	.74548	.74110	.73678	.73251	.72829	.72412	.72000	.71593
93	.76664	.76233	.75806	.75385	.74969	.74557	.74150	.73748	.73350	.72957
94	.77809	.77394	.76983	.76578	.76177	.75780	.75388	.75000	.74616	.74237
95	.78899	.78500	.78106	.77715	.77329	.76947	.76569	.76195	.75826	.75460
96	.79928	.79544	.79165	.78790	.78418	.78050	.77686	.77326	.76970	.76617
97	.80883	.80514	.80149	.79787	.79430	.79075	.78725	.78377	.78033	.77693
98	.81781	.81427	.81075	.80727	.80382	.80041	.79703	.79368	.79036	.78708
99	.82661	.82320	.81982	.81648	.81316	.80988	.80662	.80340	.80020	.79704
100	.83519	.83192	.82868	.82547	.82228	.81913	.81600	.81290	.80982	.80678
101	.84368	.84055	.83744	.83437	.83131	.82829	.82529	.82231	.81936	.81643
102	.85203	.84904	.84607	.84313	.84021	.83731	.83444	.83159	.82876	.82596
103	.86034	.85748	.85465	.85184	.84906	.84629	.84355	.84082	.83812	.83544
104	.86923	.86653	.86385	.86119	.85855	.85593	.85333	.85074	.84818	.84563
105	.87792	.87537	.87283	.87032	.86782	.86534	.86287	.86042	.85799	.85557
106	.88918	.88683	.88450	.88218	.87987	.87758	.87530	.87304	.87079	.86855
107	.90291	.90082	.89873	.89666	.89460	.89255	.89051	.88849	.88647	.88447
108	.92455	.92288	.92123	.91958	.91794	.91630	.91468	.91306	.91145	.90984
109	.96211	.96125	.96041	.95956	.95872	.95788	.95704	.95620	.95537	.95455

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
0	.01488	.01463	.01439	.01417	.01396	.01377	.01359	.01343	.01327	.01312
1	.00662	.00636	.00612	.00589	.00568	.00548	.00530	.00513	.00497	.00482
2	.00654	.00626	.00600	.00576	.00554	.00533	.00514	.00496	.00479	.00463
3	.00670	.00641	.00613	.00588	.00564	.00542	.00522	.00502	.00484	.00468
4	.00699	.00668	.00639	.00612	.00587	.00563	.00542	.00521	.00502	.00484
5	.00739	.00706	.00675	.00646	.00620	.00595	.00571	.00550	.00529	.00510
6	.00786	.00751	.00718	.00687	.00659	.00633	.00608	.00585	.00563	.00543
7	.00841	.00803	.00769	.00736	.00706	.00678	.00652	.00627	.00604	.00582
8	.00902	.00863	.00826	.00791	.00759	.00730	.00702	.00675	.00651	.00628
9	.00973	.00931	.00892	.00856	.00822	.00790	.00760	.00733	.00706	.00682
10	.01055	.01010	.00969	.00930	.00894	.00861	.00829	.00799	.00772	.00746
11	.01146	.01099	.01055	.01014	.00976	.00940	.00907	.00875	.00846	.00818
12	.01246	.01196	.01150	.01106	.01066	.01028	.00993	.00960	.00928	.00899
13	.01351	.01298	.01249	.01204	.01161	.01121	.01084	.01049	.01016	.00985
14	.01455	.01400	.01348	.01300	.01255	.01213	.01173	.01136	.01102	.01069

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
15	.01555	.01497	.01443	.01392	.01345	.01300	.01259	.01220	.01183	.01148
16	.01648	.01587	.01530	.01477	.01427	.01380	.01336	.01295	.01257	.01220
17	.01737	.01673	.01612	.01556	.01504	.01455	.01408	.01365	.01324	.01286
18	.01822	.01754	.01691	.01632	.01576	.01525	.01476	.01430	.01387	.01347
19	.01908	.01837	.01770	.01708	.01650	.01595	.01544	.01495	.01450	.01407
20	.01999	.01924	.01854	.01788	.01726	.01669	.01615	.01564	.01516	.01471
21	.02096	.02017	.01943	.01874	.01809	.01748	.01691	.01637	.01586	.01539
22	.02197	.02114	.02036	.01963	.01895	.01830	.01770	.01713	.01660	.01610
23	.02306	.02218	.02136	.02059	.01987	.01919	.01855	.01795	.01739	.01686
24	.02424	.02331	.02245	.02163	.02087	.02016	.01948	.01885	.01825	.01769
25	.02552	.02455	.02364	.02278	.02197	.02122	.02051	.01984	.01920	.01861
26	.02692	.02589	.02493	.02403	.02318	.02238	.02162	.02091	.02025	.01961
27	.02846	.02738	.02636	.02541	.02451	.02367	.02287	.02212	.02141	.02074
28	.03012	.02898	.02791	.02690	.02595	.02506	.02422	.02342	.02267	.02196
29	.03190	.03070	.02957	.02851	.02751	.02656	.02567	.02483	.02404	.02329
30	.03381	.03254	.03135	.03023	.02917	.02817	.02723	.02634	.02551	.02471
31	.03583	.03450	.03324	.03206	.03094	.02989	.02890	.02796	.02707	.02623
32	.03799	.03659	.03527	.03402	.03284	.03173	.03068	.02968	.02874	.02785
33	.04031	.03883	.03744	.03612	.03488	.03371	.03260	.03155	.03055	.02961
34	.04279	.04123	.03976	.03838	.03707	.03583	.03465	.03354	.03249	.03149
35	.04545	.04382	.04227	.04081	.03943	.03812	.03688	.03571	.03459	.03354
36	.04830	.04658	.04495	.04341	.04196	.04058	.03927	.03803	.03685	.03573
37	.05134	.04953	.04782	.04620	.04467	.04321	.04183	.04052	.03928	.03809
38	.05462	.05272	.05092	.04921	.04760	.04606	.04461	.04322	.04191	.04066
39	.05812	.05613	.05424	.05245	.05075	.04913	.04760	.04614	.04475	.04343
40	.06190	.05981	.05782	.05594	.05415	.05245	.05083	.04929	.04783	.04643
41	.06597	.06378	.06170	.05972	.05784	.05605	.05435	.05272	.05118	.04970
42	.07035	.06806	.06587	.06380	.06182	.05994	.05815	.05644	.05481	.05326
43	.07505	.07265	.07036	.06818	.06611	.06414	.06225	.06045	.05874	.05710
44	.08008	.07757	.07518	.07290	.07072	.06865	.06667	.06478	.06298	.06125
45	.08542	.08279	.08029	.07791	.07563	.07346	.07138	.06940	.06750	.06569
46	.09108	.08834	.08573	.08324	.08085	.07858	.07640	.07432	.07233	.07043
47	.09705	.09419	.09147	.08886	.08637	.08399	.08172	.07954	.07745	.07545
48	.10335	.10038	.09754	.09482	.09222	.08973	.08735	.08507	.08288	.08078
49	.10999	.10690	.10394	.10111	.09840	.09581	.09332	.09093	.08864	.08644
50	.11701	.11380	.11073	.10778	.10496	.10225	.09965	.09716	.09477	.09247
51	.12441	.12108	.11789	.11482	.11189	.10907	.10636	.10376	.10126	.09886
52	.13217	.12871	.12540	.12222	.11916	.11623	.11341	.11071	.10810	.10560
53	.14028	.13670	.13327	.12997	.12680	.12375	.12082	.11801	.11529	.11268
54	.14875	.14505	.14150	.13808	.13480	.13163	.12859	.12566	.12284	.12012
55	.15760	.15378	.15011	.14657	.14317	.13989	.13674	.13370	.13077	.12794
56	.16684	.16290	.15911	.15546	.15194	.14855	.14528	.14213	.13909	.13615
57	.17648	.17242	.16851	.16474	.16111	.15760	.15422	.15096	.14781	.14477
58	.18647	.18229	.17827	.17438	.17064	.16702	.16353	.16015	.15689	.15374
59	.19678	.19249	.18835	.18435	.18049	.17676	.17316	.16968	.16631	.16305

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
60	.20740	.20300	.19875	.19464	.19066	.18682	.18311	.17952	.17604	.17268
61	.21837	.21385	.20949	.20527	.20119	.19724	.19341	.18971	.18613	.18266
62	.22973	.22511	.22064	.21631	.21212	.20807	.20414	.20033	.19664	.19306
63	.24152	.23680	.23222	.22779	.22350	.21934	.21530	.21139	.20760	.20392
64	.25372	.24890	.24422	.23969	.23529	.23103	.22690	.22289	.21899	.21521
65	.26633	.26141	.25664	.25201	.24752	.24316	.23893	.23482	.23083	.22695
66	.27940	.27439	.26953	.26481	.26023	.25577	.25145	.24724	.24316	.23918
67	.29299	.28790	.28296	.27815	.27348	.26894	.26453	.26024	.25606	.25200
68	.30709	.30193	.29691	.29202	.28728	.28265	.27816	.27378	.26952	.26537
69	.32166	.31643	.31134	.30639	.30157	.29687	.29230	.28785	.28351	.27928
70	.33661	.33133	.32618	.32116	.31628	.31152	.30688	.30235	.29794	.29364
71	.35188	.34654	.34134	.33627	.33133	.32651	.32181	.31722	.31275	.30838
72	.36742	.36204	.35679	.35168	.34668	.34181	.33706	.33241	.32788	.32345
73	.38317	.37776	.37248	.36733	.36229	.35738	.35257	.34788	.34330	.33882
74	.39923	.39380	.38849	.38330	.37823	.37328	.36844	.36370	.35908	.35455
75	.41566	.41021	.40489	.39968	.39459	.38961	.38474	.37997	.37531	.37074
76	.43254	.42709	.42176	.41655	.41144	.40645	.40156	.39677	.39208	.38749
77	.44988	.44444	.43912	.43391	.42880	.42380	.41891	.41411	.40940	.40479
78	.46765	.46224	.45694	.45174	.44665	.44166	.43677	.43197	.42726	.42265
79	.48574	.48037	.47510	.46993	.46487	.45990	.45502	.45024	.44554	.44094
80	.50397	.49865	.49343	.48830	.48327	.47834	.47349	.46873	.46406	.45947
81	.52219	.51693	.51176	.50669	.50171	.49682	.49201	.48729	.48265	.47809
82	.54029	.53510	.53000	.52499	.52007	.51523	.51047	.50580	.50120	.49667
83	.55826	.55315	.54813	.54319	.53834	.53356	.52886	.52424	.51969	.51522
84	.57624	.57123	.56629	.56144	.55666	.55195	.54732	.54277	.53828	.53386
85	.59435	.58944	.58460	.57984	.57516	.57054	.56599	.56151	.55710	.55275
86	.61241	.60762	.60289	.59824	.59365	.58913	.58468	.58029	.57596	.57170
87	.63015	.62548	.62087	.61633	.61185	.60744	.60309	.59880	.59456	.59039
88	.64753	.64299	.63851	.63409	.62973	.62543	.62118	.61700	.61287	.60879
89	.66454	.66013	.65579	.65150	.64726	.64308	.63895	.63488	.63086	.62689
90	.68115	.67689	.67268	.66853	.66442	.66037	.65637	.65241	.64851	.64465
91	.69706	.69294	.68887	.68486	.68089	.67696	.67309	.66925	.66547	.66173
92	.71190	.70792	.70399	.70011	.69627	.69247	.68872	.68501	.68134	.67771
93	.72569	.72184	.71804	.71429	.71057	.70689	.70326	.69967	.69611	.69259
94	.73861	.73490	.73123	.72759	.72400	.72044	.71692	.71344	.71000	.70659
95	.75097	.74739	.74384	.74033	.73686	.73342	.73002	.72665	.72331	.72001
96	.76267	.75922	.75579	.75240	.74905	.74572	.74243	.73917	.73595	.73275
97	.77356	.77022	.76691	.76363	.76039	.75718	.75399	.75084	.74772	.74463
98	.78382	.78059	.77740	.77423	.77110	.76799	.76491	.76186	.75884	.75584
99	.79390	.79079	.78771	.78465	.78162	.77862	.77565	.77270	.76978	.76688
100	.80376	.80076	.79779	.79485	.79193	.78904	.78617	.78333	.78051	.77771
101	.81353	.81066	.80780	.80497	.80217	.79938	.79662	.79388	.79117	.78847
102	.82318	.82042	.81768	.81496	.81227	.80960	.80694	.80431	.80170	.79911
103	.83278	.83014	.82752	.82491	.82233	.81977	.81723	.81470	.81220	.80971
104	.84310	.84059	.83810	.83563	.83317	.83073	.82831	.82591	.82352	.82115

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
105	.85318	.85079	.84843	.84607	.84374	.84142	.83911	.83682	.83455	.83229
106	.86633	.86413	.86193	.85975	.85758	.85543	.85329	.85116	.84904	.84694
107	.88247	.88049	.87852	.87656	.87460	.87266	.87073	.86881	.86690	.86500
108	.90825	.90666	.90507	.90350	.90193	.90037	.89881	.89727	.89572	.89419
109	.95372	.95290	.95208	.95126	.95045	.94964	.94883	.94803	.94723	.94643

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
0	.01298	.01285	.01273	.01261	.01250	.01240	.01230	.01221	.01212	.01203
1	.00468	.00455	.00443	.00431	.00420	.00410	.00400	.00391	.00382	.00374
2	.00448	.00435	.00421	.00409	.00398	.00387	.00376	.00366	.00357	.00348
3	.00452	.00437	.00423	.00410	.00398	.00386	.00375	.00365	.00355	.00345
4	.00468	.00452	.00437	.00423	.00410	.00397	.00386	.00375	.00364	.00354
5	.00493	.00476	.00460	.00445	.00431	.00418	.00405	.00393	.00382	.00371
6	.00524	.00506	.00489	.00473	.00458	.00444	.00430	.00418	.00406	.00394
7	.00562	.00543	.00525	.00508	.00492	.00477	.00462	.00449	.00436	.00423
8	.00606	.00586	.00566	.00548	.00531	.00515	.00499	.00485	.00471	.00458
9	.00659	.00637	.00616	.00597	.00579	.00561	.00545	.00529	.00514	.00500
10	.00721	.00698	.00676	.00655	.00636	.00617	.00600	.00583	.00567	.00552
11	.00792	.00767	.00744	.00722	.00701	.00682	.00663	.00645	.00628	.00612
12	.00871	.00845	.00821	.00797	.00775	.00754	.00735	.00716	.00698	.00681
13	.00955	.00928	.00902	.00877	.00854	.00831	.00810	.00790	.00771	.00753
14	.01038	.01009	.00981	.00955	.00930	.00907	.00885	.00864	.00843	.00824
15	.01116	.01085	.01056	.01028	.01002	.00977	.00954	.00932	.00910	.00890
16	.01186	.01153	.01123	.01094	.01066	.01040	.01015	.00992	.00969	.00948
17	.01250	.01215	.01183	.01152	.01124	.01096	.01070	.01045	.01022	.00999
18	.01308	.01272	.01238	.01206	.01175	.01147	.01119	.01093	.01068	.01044
19	.01367	.01329	.01293	.01259	.01227	.01196	.01167	.01140	.01113	.01088
20	.01428	.01388	.01350	.01314	.01280	.01248	.01217	.01188	.01161	.01134
21	.01494	.01451	.01411	.01373	.01337	.01303	.01271	.01240	.01211	.01183
22	.01562	.01517	.01475	.01435	.01397	.01361	.01326	.01294	.01263	.01233
23	.01635	.01588	.01543	.01501	.01460	.01422	.01386	.01351	.01319	.01287
24	.01716	.01665	.01618	.01573	.01530	.01489	.01451	.01415	.01380	.01347
25	.01804	.01751	.01701	.01653	.01608	.01565	.01524	.01485	.01448	.01413
26	.01902	.01845	.01792	.01741	.01693	.01648	.01604	.01563	.01524	.01487
27	.02011	.01951	.01895	.01841	.01790	.01742	.01696	.01652	.01610	.01571
28	.02129	.02066	.02006	.01949	.01895	.01844	.01795	.01748	.01704	.01662
29	.02258	.02191	.02127	.02067	.02009	.01955	.01903	.01853	.01806	.01762

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
30	.02396	.02325	.02257	.02193	.02132	.02074	.02019	.01966	.01916	.01869
31	.02543	.02467	.02396	.02328	.02263	.02201	.02143	.02087	.02034	.01983
32	.02701	.02621	.02545	.02472	.02404	.02338	.02276	.02217	.02160	.02106
33	.02871	.02786	.02706	.02629	.02556	.02487	.02420	.02357	.02297	.02240
34	.03054	.02964	.02879	.02797	.02720	.02646	.02576	.02509	.02445	.02383
35	.03253	.03158	.03067	.02981	.02898	.02820	.02745	.02674	.02606	.02541
36	.03467	.03366	.03269	.03178	.03090	.03007	.02928	.02852	.02779	.02710
37	.03697	.03590	.03488	.03391	.03298	.03209	.03125	.03044	.02967	.02893
38	.03947	.03833	.03725	.03622	.03524	.03430	.03340	.03254	.03172	.03094
39	.04217	.04096	.03982	.03873	.03768	.03669	.03573	.03482	.03395	.03312
40	.04510	.04383	.04262	.04146	.04035	.03930	.03828	.03732	.03639	.03550
41	.04830	.04695	.04567	.04445	.04327	.04215	.04108	.04005	.03907	.03812
42	.05177	.05035	.04900	.04770	.04646	.04527	.04413	.04304	.04200	.04100
43	.05553	.05404	.05261	.05123	.04992	.04866	.04746	.04630	.04520	.04413
44	.05960	.05802	.05651	.05506	.05368	.05235	.05107	.04985	.04867	.04754
45	.06395	.06229	.06069	.05917	.05770	.05630	.05495	.05365	.05241	.05121
46	.06860	.06685	.06517	.06356	.06202	.06053	.05911	.05774	.05643	.05516
47	.07353	.07169	.06992	.06823	.06660	.06504	.06353	.06209	.06070	.05936
48	.07877	.07684	.07498	.07320	.07149	.06984	.06826	.06673	.06527	.06385
49	.08433	.08231	.08036	.07849	.07669	.07495	.07329	.07168	.07013	.06864
50	.09026	.08814	.08609	.08413	.08224	.08042	.07867	.07698	.07535	.07378
51	.09655	.09433	.09219	.09013	.08815	.08624	.08440	.08262	.08091	.07926
52	.10318	.10086	.09863	.09647	.09439	.09239	.09046	.08860	.08680	.08506
53	.11017	.10774	.10541	.10315	.10098	.09888	.09686	.09491	.09302	.09120
54	.11750	.11498	.11254	.11019	.10792	.10572	.10361	.10156	.09958	.09767
55	.12522	.12258	.12005	.11759	.11522	.11294	.11072	.10859	.10652	.10451
56	.13332	.13059	.12794	.12539	.12292	.12054	.11823	.11599	.11383	.11174
57	.14183	.13899	.13624	.13359	.13102	.12853	.12613	.12380	.12154	.11936
58	.15070	.14775	.14490	.14215	.13948	.13689	.13439	.13197	.12962	.12734
59	.15990	.15685	.15389	.15103	.14826	.14558	.14298	.14046	.13801	.13564
60	.16942	.16626	.16321	.16024	.15737	.15459	.15189	.14927	.14673	.14426
61	.17929	.17603	.17287	.16981	.16684	.16395	.16115	.15844	.15580	.15324
62	.18960	.18623	.18297	.17980	.17673	.17375	.17085	.16803	.16530	.16264
63	.20035	.19688	.19352	.19025	.18708	.18400	.18100	.17809	.17525	.17250
64	.21154	.20797	.20451	.20114	.19787	.19469	.19159	.18859	.18566	.18281
65	.22318	.21951	.21595	.21249	.20912	.20584	.20265	.19955	.19652	.19358
66	.23532	.23156	.22790	.22434	.22088	.21751	.21422	.21102	.20791	.20487
67	.24804	.24419	.24044	.23679	.23324	.22977	.22640	.22311	.21990	.21678
68	.26133	.25740	.25356	.24983	.24618	.24263	.23917	.23579	.23250	.22929
69	.27516	.27114	.26723	.26341	.25969	.25605	.25251	.24905	.24567	.24237
70	.28945	.28536	.28137	.27747	.27367	.26996	.26633	.26279	.25934	.25596
71	.30412	.29996	.29590	.29193	.28806	.28427	.28057	.27696	.27343	.26998
72	.31913	.31491	.31078	.30675	.30281	.29895	.29519	.29150	.28790	.28438
73	.33444	.33016	.32597	.32188	.31788	.31396	.31013	.30638	.30271	.29913
74	.35012	.34579	.34155	.33741	.33335	.32938	.32549	.32168	.31795	.31430

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
75	.36628	.36190	.35762	.35343	.34932	.34530	.34136	.33750	.33372	.33001
76	.38299	.37858	.37427	.37004	.36589	.36183	.35784	.35394	.35011	.34636
77	.40028	.39585	.39151	.38725	.38307	.37898	.37496	.37103	.36716	.36337
78	.41812	.41368	.40933	.40506	.40086	.39675	.39271	.38874	.38485	.38103
79	.43641	.43198	.42762	.42334	.41914	.41502	.41096	.40698	.40308	.39924
80	.45496	.45054	.44619	.44192	.43772	.43360	.42954	.42556	.42164	.41779
81	.47360	.46920	.46487	.46061	.45643	.45231	.44827	.44429	.44038	.43653
82	.49223	.48785	.48355	.47932	.47516	.47106	.46703	.46307	.45916	.45532
83	.51081	.50648	.50221	.49802	.49388	.48982	.48581	.48187	.47799	.47416
84	.52951	.52523	.52101	.51686	.51277	.50874	.50477	.50086	.49701	.49321
85	.54847	.54425	.54009	.53600	.53196	.52798	.52406	.52019	.51638	.51262
86	.56749	.56335	.55926	.55523	.55126	.54734	.54348	.53966	.53591	.53220
87	.58627	.58221	.57820	.57425	.57035	.56650	.56270	.55895	.55526	.55161
88	.60477	.60079	.59688	.59301	.58919	.58542	.58170	.57802	.57439	.57081
89	.62297	.61909	.61527	.61149	.60776	.60408	.60044	.59685	.59330	.58979
90	.64084	.63707	.63335	.62968	.62604	.62246	.61891	.61540	.61194	.60851
91	.65803	.65437	.65076	.64719	.64366	.64017	.63672	.63330	.62993	.62659
92	.67412	.67058	.66707	.66360	.66017	.65678	.65342	.65010	.64682	.64357
93	.68911	.68567	.68227	.67890	.67557	.67227	.66901	.66578	.66258	.65942
94	.70321	.69988	.69657	.69330	.69006	.68686	.68369	.68055	.67744	.67437
95	.71674	.71351	.71031	.70713	.70399	.70088	.69781	.69476	.69174	.68875
96	.72959	.72646	.72335	.72028	.71724	.71422	.71123	.70828	.70534	.70244
97	.74156	.73853	.73552	.73254	.72959	.72666	.72376	.72089	.71804	.71522
98	.75287	.74993	.74702	.74413	.74126	.73842	.73561	.73282	.73006	.72732
99	.76401	.76117	.75834	.75555	.75277	.75002	.74730	.74459	.74191	.73926
100	.77494	.77219	.76946	.76676	.76408	.76142	.75878	.75616	.75357	.75099
101	.78580	.78315	.78052	.77791	.77532	.77275	.77021	.76768	.76517	.76268
102	.79654	.79399	.79146	.78894	.78645	.78397	.78152	.77908	.77666	.77426
103	.80724	.80479	.80236	.79994	.79755	.79517	.79280	.79046	.78813	.78582
104	.81879	.81646	.81413	.81183	.80954	.80726	.80501	.80276	.80054	.79832
105	.83005	.82782	.82560	.82340	.82121	.81904	.81688	.81474	.81260	.81049
106	.84485	.84277	.84071	.83866	.83662	.83459	.83257	.83057	.82857	.82659
107	.86311	.86124	.85937	.85751	.85566	.85382	.85199	.85017	.84835	.84655
108	.89266	.89114	.88963	.88812	.88662	.88513	.88364	.88216	.88068	.87922
109	.94563	.94484	.94405	.94326	.94248	.94170	.94092	.94014	.93937	.93860

(f) *Effective dates.* This section applies after April 30, 1999.

§1.642(c)–6T [Removed]

Par. 6. Section 1.642(c)–6T is removed.

Par. 7. Section 1.664–4 is amended by:

1. Revising paragraphs (a)(1).
2. Removing existing paragraphs (d) through (e)(5).

3. Adding paragraphs (d), (e) heading and (e)(1) through (e)(5).

4. Adding paragraph (e)(7).

5. Revising paragraph (f).

The revisions and additions read as follows:

§1.664–4 Calculation of the fair market value of the remainder interest in a charitable remainder unitrust.

(a) * * *

(1) Life contingencies determined as to each life involved, from the values of l_x set forth in Table 90CM contained in §20.2031–7(d)(7) of this chapter in the case of transfers for which the valuation date is after April 30, 1999; or from Table 80CNSMT contained §20.2031–7A(e)(4) of this chapter in the case of transfer for which the valuation date is after April 30, 1989, and before May 1, 1999. See §20.2031–7A(a)

through (d) of this chapter, whichever is applicable, for transfers for which the valuation date is before May 1, 1989;

* * * * *

(d) *Valuation.* The fair market value of a remainder interest in a charitable remainder

unitrust (as described in §1.664-3) for transfers for which the valuation date is after April 30, 1999, is its present value determined under paragraph (e) of this section. The fair market value of a remainder interest in a charitable remainder unitrust

(as described in §1.664-3) for transfers for which the valuation date is before May 1, 1999, is its present value determined under the following sections:

<u>Valuation Dates</u>		<u>Applicable Regulations</u>
<u>After</u>	<u>Before</u>	
	01-01-52	1.664-4A(a)
12-31-51	01-01-71	1.664-4A(b)
12-31-70	12-01-83	1.664-4A(c)
11-30-83	05-01-89	1.664-4A(d)
04-30-89	05-01-99	1.664-4A(e)

(e) *Valuation of charitable remainder unitrusts having certain payout sequences for transfers for which the valuation date is after April 30, 1999—(1) In general.* Except as otherwise provided in paragraph (e)(2) of this section, in the case of transfers for which the valuation date is after April 30, 1999, the present value of a remainder interest is determined under paragraphs (e)(3) through (e)(7) of this section, provided that the amount of the payout as of any payout date during any taxable year of the trust is not larger than the amount that the trust could distribute on such date under §1.664-3(a)(1)(v) if the taxable year of the trust were to end on such date. See, however, §1.7520-3(b) (relating to exceptions to the use of the prescribed tables under certain circumstances).

(2) *Transitional rules for valuation of charitable remainder unitrusts.* (i) For purposes of sections 2055, 2106, or 2624, if on May 1, 1999, the decedent was mentally incompetent so that the disposition of the property could not be changed, and the decedent died after April 30, 1999, without having regained competency to dispose of the decedent's property, or the decedent died within 90 days of the date that the decedent first regained competency after April 30, 1999, the present value of a remainder interest under this section is determined as if the valuation date with respect to the decedent's gross estate is either before May 1, 1999, or after April 30, 1999, at the option of the decedent's executor.

(ii) For purposes of sections 170, 2055, 2106, 2522, or 2624, in the case of transfers to a charitable remainder unitrust for which the valuation date is after April 30, 1999, and before July 1, 1999, the present

value of a remainder interest based on one or more measuring lives is determined under this section by use of the section 7520 interest rate for the month in which the valuation date occurs (see §§1.7520-1(b) and 1.7520-2(a)(2)) and the appropriate actuarial tables under either paragraph (e)(7) of this section or §1.664-4A(e)(6), at the option of the donor or the decedent's executor, as the case may be.

(iii) For purposes of paragraphs (e)(2)(i) and (ii) of this section, where the donor or decedent's executor is given the option to use the appropriate actuarial tables under either paragraph (e)(7) of this section or §1.664-4A(e)(6), the donor or decedent's executor must use the same actuarial table with respect to each individual transaction and with respect to all transfers occurring on the valuation date (for example, gift and income tax charitable deductions with respect to the same transfer must be determined based on the same tables, and all assets includible in the gross estate and/or estate tax deductions claimed must be valued based on the same tables).

(3) *Adjusted payout rate.* For transfers for which the valuation date is after April 30, 1989, the adjusted payout rate is determined by using the appropriate Table F in paragraph (e)(6) of this section, for the section 7520 interest rate applicable to the transfer. If the interest rate is between 4.2 and 14 percent, see paragraph (e)(6) of this section. If the interest rate is below 4.2 percent or greater than 14 percent, see paragraph (b) of this section. The adjusted payout rate is determined by multiplying the fixed percentage described in §1.664-3(a)(1)(i)(a) by the factor describing the payout sequence of the trust

and the number of months by which the valuation date for the first full taxable year of the trust precedes the first payout date for such taxable year. If the governing instrument does not prescribe when the distribution or distributions shall be made during the taxable year of the trust, see paragraph (a) of this section. In the case of a trust having a payout sequence for which no figures have been provided by the appropriate table, and in the case of a trust that determines the fair market value of the trust assets by taking the average of valuations on more than one date during the taxable year, see paragraph (b) of this section.

(4) *Period is a term of years.* If the period described in §1.664-3(a)(5) is a term of years, the factor that is used in determining the present value of the remainder interest for transfers for which the valuation date is after November 30, 1983, is the factor under the appropriate adjusted payout rate in Table D of paragraph (e)(6) of this section corresponding to the number of years in the term. If the adjusted payout rate is an amount that is between adjusted payout rates for which factors are provided in Table D, a linear interpolation must be made. The present value of the remainder interest is determined by multiplying the net fair market value (as of the appropriate valuation date) of the property placed in trust by the factor determined under this paragraph. For purposes of this section, the valuation date is, in the case of an inter vivos transfer, the date on which the property is transferred to the trust by the donor. However, if an election is made under section 7520 and §1.7520-2(b) to compute the present value of the charitable interest by use of the interest rate component for either of the 2 months preced-

ing the month in which the date of transfer falls, the month so elected is the valuation date for purposes of determining the interest rate and mortality tables. In the case of a testamentary transfer under section 2055, 2106, or 2624, the valuation date is the date of death, unless the alternate valuation date is elected under section 2032, in which event, and within the limitations set forth in section 2032 and the regulations thereunder, the valuation date is the alternate valuation date. If the decedent's estate elects the alternate valuation date under section 2032 and also elects, under section 7520 and §1.7520-2(b), to use the interest rate component for one of the 2 months preceding the alternate valuation date, the month so elected is the valuation date for purposes of determining the interest rate and mortality tables. The application of this paragraph (e)(4) may be illustrated by the following example:

Example. D transfers \$100,000 to a charitable remainder unitrust on January 1. The trust instrument requires that the trust pay 8 percent of the fair market value of the trust assets as of January 1st for a term of 12 years to D in quarterly payments (March 31, June 30, September 30, and December 31). The section 7520 rate for January (the month that the transfer occurred) is 9.6 percent. Under Table F(9.6) in paragraph(e)(6) of this section, the appropriate adjustment factor is .944628 for quarterly payments payable at the end of each quarter. The adjusted payout rate is 7.557 (8% X .944628). Based on the remainder factors in Table D in paragraph(e)(6) of this section, the present value of the remainder interest is \$38,950.30, computed as follows:

Factor at 7.4 percent for 12 years397495
 Factor at 7.6 percent for 12 years387314
 Difference010181

Interpolation adjustment:

$$\frac{7.557\% - 7.4\%}{0.2\%} = \frac{x}{.010181}$$

$$x = .007992$$

Factor at 7.4 percent for 12 years397495
 Less: Interpolation adjustment007992
 Interpolated factor389503

Present value of remainder interest:
 (\$100,000 X .389503) \$38,950.30

(5) *Period is the life of one individual.*

If the period described in §1.664-3(a)(5) is the life of one individual, the factor that is used in determining the present value of the remainder interest for transfers for which the valuation date is after April 30, 1999, is the factor in Table U(1) in paragraph (e)(7) of this section under the appropriate adjusted payout. For purposes of the computations described in this paragraph, the age of an individual is the age of that individual at the individual's nearest birthday. If the adjusted payout rate is an amount that is between adjusted payout rates for which factors are provided in the appropriate table, a linear interpolation must be made. The present value of the remainder interest is determined by multiplying the net fair market value (as of the valuation date as determined in paragraph (e)(4) of this section) of the property placed in trust by the factor determined under this paragraph (e)(5). If the adjusted payout rate is between 4.2 and 14 percent, see paragraph (e)(7) of this section. If the adjusted payout rate is below 4.2 percent or greater than 14 percent, see paragraph (b) of this section. The application of this paragraph (e)(5) may be illustrated by the following example:

Example. A, who is 44 years and 11 months old, transfers \$100,000 to a charitable remainder unitrust on January 1st. The trust instrument requires that the trust pay to A semiannually (on June 30 and December 31) 9 percent of the fair market value of the trust assets as of January 1st during A's life. The section 7520 rate for January is 9.6 percent. Under Table F(9.6) in paragraph (e)(6) of this section, the appropriate adjustment factor is .933805 for semiannual payments payable at the end of the semiannual

period. The adjusted payout rate is 8.404 (9% X .933805). Based on the remainder factors in Table U(1) in paragraph (e)(7) of this section, the present value of the remainder interest is \$10,109.00, computed as follows:

Factor at 8.4 percent at age 4510117
 Factor at 8.6 percent at age 4509715
 Difference00402

Interpolation adjustment:

$$\frac{8.404\% - 8.4\%}{0.2\%} = \frac{x}{.00402}$$

$$x = .00008$$

Factor at 8.4 percent at age 4510117
 Less: Interpolation adjustment00008
 Interpolated Factor10109

Present value of remainder interest:
 (\$100,000 X .10109) \$10,109.00

* * * * *

(7) *Actuarial Table U(1) for transfers for which the valuation date is after April 30, 1999.* For transfers for which the valuation date is after April 30, 1999, the present value of a charitable remainder unitrust interest that is dependent on the termination of a life interest is determined by using the section 7520 rate, Table U(1) in this paragraph (e)(7), and Table F(4.2) through (14.0) in paragraph (e)(6) of this section. See, however, §1.7520-3(b) (relating to exceptions to the use of prescribed tables under certain circumstances). Many actuarial factors not contained in the following tables are contained in Internal Revenue Service Publication 1458, "Actuarial Values, Book Beth," (7-1999). A copy of this publication is available for purchase from the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402.

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE										
AGE	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
0	.06177	.05580	.05061	.04609	.04215	.03871	.03570	.03307	.03075	.02872
1	.05543	.04925	.04388	.03919	.03509	.03151	.02838	.02563	.02321	.02109
2	.05716	.05081	.04528	.04045	.03622	.03252	.02927	.02642	.02391	.02170
3	.05920	.05268	.04699	.04201	.03765	.03382	.03046	.02750	.02490	.02260
4	.06143	.05475	.04889	.04376	.03926	.03530	.03182	.02876	.02605	.02366
5	.06384	.05697	.05095	.04567	.04103	.03694	.03334	.03016	.02735	.02487
6	.06637	.05933	.05315	.04771	.04292	.03870	.03497	.03168	.02876	.02618
7	.06905	.06183	.05547	.04987	.04494	.04058	.03673	.03332	.03029	.02761
8	.07186	.06445	.05792	.05216	.04708	.04258	.03859	.03506	.03192	.02914
9	.07482	.06722	.06052	.05460	.04936	.04471	.04060	.03694	.03369	.03079
10	.07793	.07015	.06327	.05718	.05179	.04700	.04274	.03896	.03559	.03259
11	.08120	.07323	.06617	.05991	.05435	.04942	.04502	.04111	.03762	.03450
12	.08461	.07645	.06920	.06277	.05706	.05197	.04744	.04339	.03978	.03655
13	.08812	.07976	.07234	.06574	.05985	.05461	.04993	.04576	.04202	.03867
14	.09168	.08313	.07552	.06874	.06269	.05729	.05247	.04815	.04428	.04081
15	.09527	.08652	.07872	.07176	.06554	.05999	.05501	.05055	.04655	.04296
16	.09886	.08991	.08192	.07478	.06839	.06267	.05754	.05294	.04880	.04508
17	.10249	.09334	.08515	.07782	.07126	.06537	.06008	.05533	.05105	.04720
18	.10616	.09680	.08842	.08090	.07415	.06809	.06264	.05774	.05332	.04933
19	.10994	.10037	.09178	.08407	.07714	.07091	.06529	.06023	.05566	.05153
20	.11384	.10406	.09527	.08737	.08025	.07383	.06805	.06283	.05811	.05384
21	.11790	.10790	.09891	.09080	.08349	.07690	.07094	.06555	.06068	.05626
22	.12208	.11188	.10267	.09436	.08686	.08008	.07395	.06839	.06336	.05879
23	.12643	.11601	.10659	.09808	.09038	.08342	.07710	.07138	.06618	.06146
24	.13095	.12031	.11069	.10197	.09408	.08692	.08042	.07452	.06915	.06427
25	.13567	.12481	.11497	.10605	.09795	.09060	.08392	.07784	.07230	.06726
26	.14058	.12950	.11945	.11032	.10202	.09447	.08760	.08134	.07563	.07042
27	.14571	.13442	.12415	.11481	.10631	.09856	.09149	.08505	.07916	.07379
28	.15104	.13953	.12904	.11949	.11078	.10284	.09558	.08895	.08288	.07733
29	.15656	.14484	.13414	.12438	.11546	.10731	.09986	.09304	.08679	.08106
30	.16229	.15034	.13943	.12946	.12034	.11198	.10433	.09732	.09089	.08498
31	.16821	.15605	.14493	.13474	.12541	.11685	.10900	.10179	.09517	.08909
32	.17433	.16196	.15063	.14023	.13069	.12193	.11387	.10647	.09966	.09339
33	.18068	.16810	.15655	.14595	.13620	.12723	.11897	.11137	.10437	.09791
34	.18724	.17446	.16270	.15189	.14193	.13275	.12430	.11650	.10930	.10265
35	.19405	.18107	.16910	.15808	.14791	.13853	.12987	.12187	.11448	.10764
36	.20109	.18791	.17574	.16451	.15414	.14456	.13569	.12749	.11990	.11287
37	.20838	.19500	.18263	.17120	.16062	.15083	.14177	.13337	.12558	.11835
38	.21593	.20236	.18979	.17816	.16739	.15739	.14813	.13953	.13154	.12412
39	.22374	.20998	.19723	.18540	.17443	.16423	.15477	.14597	.13779	.13017
40	.23183	.21789	.20496	.19294	.18177	.17138	.16172	.15272	.14434	.13653
41	.24021	.22611	.21299	.20079	.18943	.17885	.16899	.15980	.15123	.14322
42	.24889	.23463	.22134	.20896	.19741	.18665	.17660	.16721	.15845	.15025
43	.25786	.24344	.23000	.21744	.20572	.19477	.18453	.17496	.16601	.15762
44	.26712	.25257	.23896	.22625	.21435	.20322	.19281	.18305	.17391	.16534

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE

AGE	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
45	.27665	.26196	.24821	.23534	.22328	.21198	.20139	.19145	.18213	.17338
46	.28644	.27163	.25774	.24472	.23251	.22105	.21028	.20018	.19068	.18174
47	.29647	.28155	.26754	.25438	.24201	.23040	.21947	.20919	.19952	.19041
48	.30676	.29173	.27760	.26431	.25181	.24004	.22896	.21852	.20868	.19941
49	.31729	.30217	.28794	.27453	.26190	.24999	.23876	.22817	.21817	.20873
50	.32808	.31289	.29856	.28505	.27229	.26026	.24889	.23814	.22799	.21839
51	.33912	.32387	.30946	.29585	.28299	.27083	.25933	.24845	.23815	.22840
52	.35038	.33507	.32060	.30691	.29395	.28168	.27005	.25904	.24861	.23872
53	.36185	.34651	.33198	.31821	.30517	.29280	.28106	.26993	.25937	.24934
54	.37352	.35815	.34358	.32976	.31664	.30418	.29234	.28110	.27042	.26026
55	.38539	.37002	.35542	.34155	.32836	.31583	.30390	.29256	.28177	.27149
56	.39746	.38209	.36748	.35358	.34034	.32774	.31574	.30431	.29342	.28303
57	.40971	.39437	.37976	.36584	.35257	.33992	.32785	.31634	.30536	.29488
58	.42212	.40682	.39222	.37829	.36500	.35231	.34019	.32862	.31756	.30699
59	.43464	.41939	.40482	.39090	.37759	.36488	.35272	.34109	.32996	.31932
60	.44726	.43207	.41754	.40364	.39034	.37761	.36542	.35375	.34257	.33186
61	.45999	.44488	.43041	.41655	.40326	.39053	.37833	.36662	.35540	.34463
62	.47286	.45785	.44345	.42964	.41639	.40367	.39146	.37974	.36848	.35767
63	.48589	.47098	.45667	.44293	.42972	.41703	.40484	.39311	.38184	.37100
64	.49903	.48426	.47005	.45638	.44324	.43060	.41843	.40671	.39544	.38458
65	.51229	.49766	.48357	.47001	.45694	.44435	.43223	.42054	.40927	.39841
66	.52568	.51121	.49726	.48381	.47084	.45833	.44626	.43461	.42337	.41252
67	.53924	.52495	.51115	.49784	.48498	.47256	.46056	.44898	.43778	.42696
68	.55293	.53883	.52521	.51205	.49932	.48701	.47511	.46360	.45246	.44169
69	.56671	.55283	.53940	.52640	.51382	.50165	.48985	.47844	.46738	.45666
70	.58052	.56687	.55365	.54084	.52843	.51639	.50473	.49342	.48245	.47181
71	.59431	.58091	.56791	.55529	.54306	.53118	.51966	.50847	.49761	.48707
72	.60804	.59490	.58213	.56973	.55768	.54598	.53461	.52357	.51283	.50239
73	.62168	.60881	.59629	.58411	.57227	.56076	.54955	.53866	.52806	.51774
74	.63528	.62268	.61042	.59848	.58686	.57555	.56453	.55380	.54335	.53316
75	.64887	.63657	.62458	.61290	.60151	.59041	.57959	.56904	.55875	.54872
76	.66249	.65049	.63880	.62739	.61625	.60538	.59478	.58443	.57432	.56446
77	.67612	.66446	.65307	.64194	.63108	.62046	.61009	.59995	.59005	.58037
78	.68975	.67843	.66736	.65654	.64596	.63561	.62548	.61558	.60590	.59643
79	.70330	.69233	.68160	.67109	.66081	.65074	.64088	.63123	.62178	.61253
80	.71666	.70605	.69566	.68548	.67550	.66573	.65615	.64676	.63755	.62853
81	.72975	.71950	.70946	.69961	.68995	.68047	.67117	.66205	.65310	.64433
82	.74250	.73263	.72293	.71342	.70407	.69490	.68589	.67705	.66837	.65984
83	.75493	.74542	.73608	.72690	.71788	.70902	.70031	.69175	.68333	.67506
84	.76712	.75798	.74900	.74016	.73147	.72292	.71451	.70624	.69810	.69010
85	.77913	.77037	.76175	.75326	.74491	.73668	.72859	.72061	.71276	.70503
86	.79086	.78248	.77423	.76610	.75808	.75019	.74241	.73474	.72719	.71974
87	.80218	.79418	.78628	.77850	.77083	.76326	.75580	.74844	.74118	.73402
88	.81307	.80544	.79790	.79047	.78313	.77589	.76874	.76169	.75473	.74786
89	.82355	.81628	.80909	.80200	.79500	.78808	.78125	.77450	.76783	.76125

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE										
AGE	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
90	.83360	.82668	.81985	.81309	.80642	.79982	.79330	.78685	.78048	.77418
91	.84308	.83650	.83000	.82357	.81721	.81092	.80470	.79855	.79246	.78645
92	.85182	.84556	.83937	.83325	.82718	.82119	.81525	.80937	.80356	.79780
93	.85985	.85390	.84800	.84215	.83637	.83064	.82497	.81936	.81379	.80829
94	.86732	.86164	.85601	.85044	.84491	.83944	.83402	.82865	.82333	.81806
95	.87437	.86895	.86359	.85827	.85300	.84778	.84260	.83746	.83237	.82733
96	.88097	.87582	.87070	.86563	.86060	.85561	.85066	.84575	.84088	.83605
97	.88708	.88216	.87727	.87243	.86762	.86285	.85811	.85341	.84875	.84413
98	.89280	.88810	.88343	.87880	.87420	.86964	.86511	.86061	.85614	.85171
99	.89836	.89388	.88943	.88501	.88062	.87626	.87193	.86763	.86336	.85911
100	.90375	.89948	.89525	.89103	.88685	.88269	.87856	.87445	.87037	.86632
101	.90905	.90500	.90097	.89696	.89298	.88902	.88509	.88118	.87729	.87342
102	.91424	.91040	.90658	.90278	.89900	.89524	.89150	.88778	.88408	.88040
103	.91939	.91575	.91214	.90854	.90496	.90139	.89785	.89432	.89081	.88732
104	.92485	.92144	.91805	.91467	.91131	.90796	.90463	.90131	.89800	.89471
105	.93020	.92701	.92383	.92067	.91751	.91437	.91125	.90813	.90502	.90193
106	.93701	.93411	.93122	.92834	.92546	.92260	.91974	.91689	.91405	.91122
107	.94522	.94268	.94013	.93760	.93507	.93254	.93002	.92750	.92499	.92249
108	.95782	.95583	.95385	.95187	.94989	.94791	.94593	.94396	.94199	.94002
109	.97900	.97800	.97700	.97600	.97500	.97400	.97300	.97200	.97100	.97000

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE										
AGE	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
0	.02693	.02534	.02395	.02271	.02161	.02063	.01976	.01898	.01828	.01765
1	.01922	.01756	.01610	.01480	.01365	.01263	.01171	.01090	.01017	.00951
2	.01975	.01802	.01650	.01514	.01393	.01286	.01190	.01104	.01028	.00959
3	.02056	.01876	.01717	.01575	.01449	.01336	.01235	.01145	.01064	.00992
4	.02155	.01967	.01800	.01652	.01520	.01401	.01296	.01201	.01116	.01039
5	.02266	.02071	.01896	.01741	.01603	.01479	.01368	.01269	.01179	.01098
6	.02389	.02184	.02003	.01841	.01696	.01566	.01450	.01345	.01251	.01166
7	.02522	.02309	.02120	.01950	.01799	.01663	.01540	.01431	.01332	.01242
8	.02665	.02444	.02246	.02069	.01910	.01768	.01640	.01524	.01420	.01326
9	.02821	.02590	.02384	.02199	.02033	.01884	.01750	.01629	.01520	.01421
10	.02990	.02750	.02535	.02342	.02169	.02013	.01872	.01745	.01631	.01526
11	.03172	.02922	.02698	.02497	.02316	.02153	.02006	.01872	.01752	.01643
12	.03365	.03106	.02872	.02663	.02474	.02303	.02149	.02010	.01884	.01769
13	.03566	.03297	.03054	.02835	.02638	.02460	.02299	.02154	.02021	.01901
14	.03770	.03490	.03237	.03010	.02804	.02619	.02450	.02298	.02159	.02033

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE

AGE	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
15	.03973	.03682	.03419	.03182	.02968	.02775	.02599	.02439	.02294	.02162
16	.04173	.03871	.03598	.03352	.03129	.02926	.02743	.02576	.02424	.02286
17	.04372	.04059	.03775	.03519	.03287	.03076	.02884	.02710	.02551	.02406
18	.04573	.04248	.03953	.03686	.03444	.03224	.03024	.02842	.02676	.02524
19	.04780	.04443	.04137	.03859	.03607	.03378	.03169	.02978	.02804	.02646
20	.04997	.04647	.04329	.04040	.03778	.03539	.03321	.03122	.02940	.02773
21	.05226	.04862	.04532	.04232	.03958	.03709	.03481	.03274	.03083	.02909
22	.05465	.05088	.04745	.04432	.04148	.03888	.03650	.03433	.03234	.03052
23	.05716	.05325	.04969	.04645	.04348	.04077	.03830	.03603	.03394	.03203
24	.05983	.05578	.05208	.04871	.04562	.04280	.04021	.03784	.03566	.03367
25	.06266	.05846	.05463	.05112	.04791	.04497	.04227	.03980	.03752	.03543
26	.06566	.06131	.05734	.05369	.05035	.04729	.04448	.04189	.03951	.03732
27	.06887	.06436	.06024	.05646	.05298	.04979	.04686	.04416	.04168	.03939
28	.07225	.06758	.06331	.05938	.05577	.05245	.04940	.04658	.04398	.04159
29	.07581	.07099	.06656	.06248	.05873	.05528	.05210	.04916	.04645	.04394
30	.07956	.07457	.06998	.06575	.06186	.05827	.05495	.05189	.04906	.04644
31	.08348	.07833	.07358	.06920	.06515	.06142	.05797	.05478	.05182	.04908
32	.08761	.08228	.07736	.07282	.06863	.06475	.06116	.05783	.05475	.05189
33	.09195	.08645	.08136	.07666	.07231	.06828	.06454	.06108	.05786	.05488
34	.09651	.09082	.08557	.08070	.07619	.07200	.06812	.06452	.06117	.05805
35	.10131	.09545	.09002	.08498	.08030	.07596	.07193	.06818	.06469	.06144
36	.10635	.10031	.09470	.08949	.08465	.08015	.07596	.07206	.06842	.06503
37	.11165	.10542	.09963	.09424	.08923	.08457	.08022	.07617	.07238	.06885
38	.11722	.11081	.10484	.09927	.09409	.08926	.08475	.08054	.07661	.07293
39	.12308	.11648	.11032	.10458	.09922	.09422	.08955	.08518	.08109	.07726
40	.12925	.12246	.11612	.11020	.10466	.09949	.09465	.09011	.08587	.08189
41	.13575	.12877	.12225	.11614	.11043	.10508	.10007	.09537	.09097	.08683
42	.14259	.13542	.12871	.12243	.11654	.11101	.10583	.10097	.09640	.09210
43	.14977	.14242	.13552	.12905	.12298	.11729	.11193	.10690	.10217	.09771
44	.15731	.14976	.14269	.13604	.12979	.12391	.11838	.11318	.10828	.10367
45	.16516	.15743	.15017	.14334	.13691	.13086	.12516	.11979	.11472	.10994
46	.17334	.16544	.15800	.15099	.14438	.13816	.13228	.12674	.12150	.11656
47	.18184	.17375	.16613	.15895	.15217	.14576	.13972	.13400	.12860	.12349
48	.19066	.18240	.17461	.16724	.16029	.15371	.14749	.14161	.13604	.13077
49	.19981	.19138	.18342	.17588	.16875	.16201	.15562	.14956	.14383	.13839
50	.20931	.20072	.19259	.18489	.17759	.17067	.16412	.15790	.15199	.14639
51	.21917	.21042	.20212	.19426	.18679	.17971	.17299	.16660	.16054	.15477
52	.22933	.22043	.21198	.20395	.19633	.18909	.18220	.17566	.16943	.16350
53	.23981	.23076	.22216	.21399	.20621	.19881	.19176	.18506	.17867	.17258
54	.25060	.24141	.23267	.22434	.21642	.20886	.20166	.19480	.18826	.18201
55	.26171	.25239	.24351	.23504	.22697	.21927	.21192	.20491	.19821	.19182
56	.27313	.26369	.25468	.24608	.23787	.23003	.22254	.21538	.20854	.20199
57	.28487	.27531	.26618	.25746	.24912	.24114	.23351	.22621	.21923	.21254
58	.29688	.28722	.27798	.26914	.26067	.25257	.24481	.23738	.23025	.22343
59	.30913	.29937	.29002	.28107	.27249	.26427	.25639	.24882	.24157	.23461

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE										
AGE	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
60	.32159	.31175	.30231	.29325	.28457	.27623	.26823	.26055	.25317	.24608
61	.33429	.32437	.31485	.30571	.29692	.28848	.28037	.27257	.26507	.25786
62	.34728	.33730	.32770	.31847	.30960	.30106	.29285	.28495	.27734	.27001
63	.36057	.35053	.34087	.33157	.32262	.31400	.30569	.29769	.28998	.28255
64	.37412	.36404	.35433	.34498	.33596	.32726	.31887	.31078	.30298	.29545
65	.38794	.37783	.36809	.35868	.34961	.34085	.33239	.32422	.31633	.30871
66	.40205	.39193	.38216	.37272	.36361	.35479	.34628	.33804	.33008	.32238
67	.41650	.40639	.39661	.38715	.37800	.36915	.36059	.35230	.34428	.33651
68	.43126	.42117	.41139	.40193	.39277	.38390	.37530	.36697	.35890	.35108
69	.44628	.43622	.42648	.41703	.40787	.39898	.39037	.38201	.37391	.36604
70	.46150	.45149	.44178	.43236	.42321	.41433	.40571	.39735	.38922	.38132
71	.47683	.46689	.45723	.44785	.43873	.42987	.42126	.41290	.40476	.39685
72	.49225	.48238	.47279	.46346	.45439	.44556	.43697	.42862	.42048	.41257
73	.50770	.49793	.48841	.47915	.47013	.46135	.45280	.44447	.43635	.42844
74	.52324	.51358	.50416	.49498	.48603	.47731	.46880	.46051	.45242	.44454
75	.53894	.52939	.52008	.51100	.50214	.49349	.48505	.47681	.46877	.46092
76	.55483	.54543	.53624	.52728	.51852	.50996	.50160	.49344	.48546	.47766
77	.57091	.56167	.55263	.54380	.53516	.52671	.51845	.51038	.50247	.49475
78	.58716	.57809	.56922	.56053	.55203	.54372	.53557	.52760	.51980	.51216
79	.60346	.59459	.58590	.57738	.56904	.56086	.55286	.54501	.53732	.52978
80	.61969	.61102	.60252	.59419	.58601	.57800	.57014	.56243	.55487	.54745
81	.63571	.62726	.61897	.61082	.60283	.59499	.58729	.57974	.57232	.56503
82	.65146	.64324	.63515	.62722	.61942	.61176	.60423	.59683	.58957	.58242
83	.66693	.65893	.65108	.64335	.63575	.62828	.62093	.61371	.60660	.59962
84	.68222	.67447	.66684	.65934	.65195	.64468	.63753	.63049	.62356	.61674
85	.69742	.68993	.68255	.67528	.66812	.66106	.65411	.64727	.64053	.63389
86	.71241	.70517	.69805	.69102	.68410	.67727	.67054	.66390	.65736	.65091
87	.72696	.72000	.71313	.70635	.69967	.69307	.68656	.68014	.67381	.66756
88	.74108	.73438	.72777	.72125	.71480	.70845	.70217	.69597	.68985	.68380
89	.75475	.74832	.74198	.73571	.72951	.72339	.71734	.71137	.70547	.69963
90	.76796	.76180	.75572	.74971	.74376	.73788	.73207	.72633	.72065	.71503
91	.78049	.77460	.76878	.76302	.75732	.75168	.74610	.74058	.73512	.72972
92	.79211	.78647	.78089	.77537	.76990	.76449	.75913	.75383	.74858	.74338
93	.80283	.79743	.79208	.78679	.78154	.77634	.77119	.76610	.76105	.75604
94	.81283	.80765	.80253	.79744	.79240	.78741	.78247	.77756	.77270	.76789
95	.82233	.81737	.81245	.80757	.80274	.79795	.79320	.78849	.78382	.77918
96	.83126	.82651	.82180	.81712	.81248	.80788	.80332	.79880	.79431	.78985
97	.83953	.83498	.83046	.82597	.82152	.81710	.81271	.80836	.80404	.79976
98	.84731	.84294	.83860	.83429	.83002	.82577	.82155	.81737	.81321	.80908
99	.85490	.85071	.84656	.84243	.83832	.83425	.83020	.82618	.82219	.81822
100	.86229	.85828	.85431	.85035	.84642	.84252	.83864	.83478	.83095	.82714
101	.86958	.86575	.86195	.85818	.85442	.85069	.84698	.84329	.83962	.83597
102	.87674	.87310	.86947	.86587	.86229	.85873	.85518	.85166	.84815	.84466
103	.88384	.88038	.87694	.87351	.87010	.86671	.86334	.85998	.85663	.85331
104	.89143	.88817	.88492	.88169	.87847	.87526	.87207	.86889	.86573	.86258

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE

AGE	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
105	.89885	.89578	.89272	.88967	.88664	.88361	.88060	.87760	.87461	.87163
106	.90840	.90559	.90278	.89999	.89720	.89442	.89165	.88888	.88613	.88338
107	.91999	.91750	.91501	.91253	.91005	.90758	.90511	.90265	.90019	.89774
108	.93805	.93609	.93412	.93216	.93020	.92824	.92629	.92434	.92239	.92044
109	.96900	.96800	.96700	.96600	.96500	.96400	.96300	.96200	.96100	.96000

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE

AGE	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
0	.01709	.01658	.01612	.01570	.01532	.01497	.01466	.01437	.01410	.01386
1	.00892	.00839	.00791	.00747	.00708	.00672	.00639	.00609	.00582	.00557
2	.00896	.00840	.00790	.00744	.00702	.00664	.00629	.00598	.00569	.00542
3	.00926	.00867	.00814	.00765	.00721	.00681	.00644	.00611	.00580	.00552
4	.00970	.00908	.00851	.00800	.00753	.00711	.00672	.00636	.00604	.00574
5	.01026	.00960	.00900	.00846	.00796	.00751	.00710	.00672	.00637	.00606
6	.01089	.01019	.00956	.00899	.00846	.00799	.00755	.00715	.00678	.00644
7	.01161	.01088	.01021	.00960	.00905	.00854	.00808	.00765	.00726	.00690
8	.01241	.01163	.01093	.01029	.00970	.00917	.00867	.00822	.00781	.00743
9	.01331	.01249	.01175	.01107	.01045	.00988	.00936	.00889	.00845	.00804
10	.01432	.01346	.01268	.01196	.01131	.01071	.01016	.00965	.00918	.00875
11	.01543	.01453	.01370	.01295	.01226	.01162	.01104	.01051	.01001	.00956
12	.01664	.01569	.01482	.01403	.01330	.01263	.01202	.01145	.01093	.01045
13	.01791	.01691	.01600	.01516	.01440	.01369	.01304	.01245	.01190	.01139
14	.01918	.01813	.01717	.01629	.01548	.01474	.01406	.01343	.01285	.01231
15	.02041	.01931	.01831	.01738	.01653	.01576	.01504	.01437	.01376	.01320
16	.02160	.02044	.01938	.01841	.01752	.01670	.01595	.01525	.01460	.01401
17	.02274	.02152	.02041	.01940	.01846	.01760	.01680	.01607	.01539	.01476
18	.02386	.02258	.02142	.02035	.01936	.01846	.01762	.01685	.01613	.01547
19	.02500	.02367	.02245	.02132	.02029	.01933	.01845	.01764	.01689	.01619
20	.02621	.02481	.02353	.02235	.02126	.02025	.01933	.01847	.01768	.01694
21	.02749	.02603	.02468	.02344	.02229	.02124	.02026	.01936	.01852	.01774
22	.02884	.02730	.02589	.02458	.02338	.02227	.02124	.02029	.01940	.01859
23	.03028	.02867	.02718	.02581	.02454	.02337	.02229	.02128	.02035	.01949
24	.03183	.03013	.02857	.02713	.02580	.02456	.02342	.02236	.02138	.02047
25	.03350	.03172	.03008	.02857	.02717	.02587	.02467	.02355	.02251	.02155
26	.03530	.03344	.03172	.03013	.02865	.02729	.02602	.02484	.02375	.02273
27	.03727	.03532	.03351	.03183	.03028	.02885	.02751	.02627	.02511	.02404
28	.03937	.03732	.03543	.03367	.03204	.03052	.02911	.02780	.02658	.02545
29	.04162	.03947	.03748	.03564	.03392	.03233	.03084	.02946	.02818	.02698
30	.04401	.04176	.03967	.03773	.03593	.03425	.03269	.03124	.02988	.02861
31	.04654	.04419	.04200	.03996	.03807	.03630	.03466	.03312	.03169	.03035
32	.04923	.04676	.04447	.04233	.04034	.03849	.03676	.03514	.03363	.03221
33	.05210	.04952	.04711	.04487	.04278	.04083	.03901	.03731	.03571	.03422

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE

AGE	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
34	.05515	.05245	.04993	.04758	.04538	.04333	.04142	.03962	.03794	.03637
35	.05841	.05558	.05295	.05048	.04818	.04603	.04401	.04212	.04035	.03869
36	.06187	.05892	.05616	.05358	.05116	.04890	.04678	.04480	.04293	.04118
37	.06555	.06247	.05958	.05688	.05435	.05198	.04975	.04766	.04570	.04385
38	.06949	.06627	.06325	.06043	.05777	.05528	.05295	.05075	.04868	.04674
39	.07368	.07032	.06717	.06421	.06143	.05882	.05637	.05406	.05189	.04984
40	.07816	.07465	.07137	.06827	.06537	.06263	.06006	.05764	.05535	.05320
41	.08295	.07930	.07587	.07264	.06960	.06674	.06405	.06150	.05910	.05683
42	.08807	.08427	.08069	.07733	.07415	.07116	.06833	.06567	.06315	.06077
43	.09352	.08957	.08585	.08233	.07902	.07589	.07294	.07014	.06750	.06500
44	.09932	.09521	.09134	.08768	.08423	.08096	.07787	.07495	.07218	.06956
45	.10543	.10117	.09715	.09334	.08974	.08634	.08311	.08005	.07716	.07441
46	.11189	.10747	.10329	.09933	.09559	.09204	.08867	.08548	.08245	.07958
47	.11866	.11408	.10974	.10564	.10174	.09805	.09454	.09121	.08805	.08504
48	.12577	.12103	.11654	.11228	.10823	.10439	.10074	.09727	.09397	.09083
49	.13323	.12833	.12368	.11926	.11506	.11107	.10728	.10366	.10022	.09695
50	.14107	.13601	.13120	.12663	.12228	.11813	.11419	.11043	.10685	.10344
51	.14928	.14407	.13910	.13437	.12987	.12558	.12149	.11758	.11386	.11031
52	.15785	.15248	.14735	.14247	.13781	.13337	.12913	.12508	.12122	.11752
53	.16678	.16124	.15597	.15093	.14612	.14153	.13714	.13294	.12893	.12509
54	.17606	.17037	.16493	.15974	.15478	.15004	.14550	.14116	.13700	.13302
55	.18570	.17986	.17428	.16893	.16382	.15893	.15424	.14976	.14546	.14134
56	.19573	.18974	.18400	.17851	.17325	.16821	.16338	.15875	.15430	.15004
57	.20613	.20000	.19412	.18848	.18307	.17789	.17291	.16814	.16355	.15914
58	.21688	.21060	.20458	.19880	.19325	.18792	.18280	.17788	.17316	.16861
59	.22793	.22151	.21535	.20943	.20374	.19827	.19301	.18795	.18309	.17840
60	.23927	.23272	.22642	.22036	.21454	.20893	.20354	.19834	.19334	.18851
61	.25092	.24425	.23782	.23163	.22567	.21993	.21440	.20907	.20393	.19898
62	.26295	.25616	.24961	.24329	.23721	.23134	.22568	.22021	.21494	.20985
63	.27538	.26847	.26180	.25537	.24916	.24316	.23738	.23179	.22639	.22117
64	.28817	.28116	.27438	.26783	.26150	.25539	.24949	.24377	.23825	.23291
65	.30134	.29423	.28735	.28069	.27426	.26803	.26201	.25618	.25054	.24508
66	.31493	.30772	.30075	.29399	.28746	.28113	.27500	.26906	.26331	.25774
67	.32899	.32170	.31464	.30780	.30118	.29475	.28852	.28248	.27663	.27095
68	.34349	.33614	.32901	.32209	.31538	.30887	.30256	.29643	.29047	.28469
69	.35841	.35100	.34381	.33683	.33005	.32346	.31707	.31085	.30481	.29894
70	.37366	.36620	.35896	.35193	.34509	.33844	.33197	.32568	.31957	.31362
71	.38916	.38167	.37440	.36732	.36043	.35372	.34720	.34084	.33466	.32864
72	.40486	.39736	.39006	.38295	.37602	.36927	.36270	.35629	.35005	.34396
73	.42074	.41323	.40591	.39878	.39182	.38504	.37843	.37198	.36568	.35955
74	.43685	.42934	.42202	.41488	.40791	.40110	.39446	.38798	.38165	.37547
75	.45326	.44577	.43846	.43132	.42435	.41754	.41088	.40438	.39802	.39181
76	.47004	.46259	.45530	.44818	.44122	.43442	.42776	.42125	.41488	.40865
77	.48718	.47979	.47255	.46547	.45853	.45175	.44511	.43861	.43225	.42601
78	.50467	.49735	.49017	.48314	.47626	.46951	.46290	.45643	.45008	.44386
79	.52239	.51515	.50806	.50110	.49427	.48758	.48102	.47459	.46828	.46209

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE										
AGE	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
80	.54018	.53304	.52603	.51916	.51242	.50580	.49930	.49292	.48666	.48052
81	.55788	.55085	.54396	.53718	.53053	.52399	.51757	.51126	.50507	.49898
82	.57540	.56851	.56173	.55506	.54851	.54207	.53574	.52951	.52339	.51737
83	.59274	.58598	.57933	.57279	.56635	.56001	.55378	.54765	.54161	.53567
84	.61002	.60341	.59690	.59049	.58418	.57796	.57184	.56582	.55988	.55403
85	.62734	.62090	.61454	.60828	.60211	.59603	.59004	.58414	.57832	.57258
86	.64455	.63828	.63210	.62600	.61999	.61406	.60821	.60244	.59675	.59113
87	.66139	.65531	.64930	.64337	.63752	.63175	.62605	.62043	.61488	.60939
88	.67783	.67194	.66612	.66037	.65469	.64908	.64354	.63807	.63267	.62733
89	.69387	.68817	.68254	.67698	.67148	.66605	.66068	.65537	.65012	.64493
90	.70947	.70398	.69855	.69318	.68786	.68261	.67742	.67228	.66719	.66217
91	.72437	.71908	.71385	.70867	.70354	.69847	.69345	.68848	.68357	.67870
92	.73823	.73314	.72810	.72310	.71816	.71326	.70841	.70361	.69886	.69415
93	.75109	.74618	.74132	.73650	.73173	.72700	.72232	.71768	.71308	.70852
94	.76312	.75839	.75370	.74905	.74445	.73988	.73536	.73087	.72643	.72202
95	.77459	.77004	.76552	.76104	.75660	.75220	.74783	.74350	.73920	.73494
96	.78543	.78105	.77670	.77238	.76810	.76386	.75964	.75546	.75131	.74720
97	.79550	.79128	.78709	.78293	.77880	.77470	.77063	.76659	.76258	.75860
98	.80498	.80091	.79687	.79286	.78888	.78492	.78099	.77709	.77322	.76937
99	.81428	.81036	.80647	.80261	.79877	.79496	.79117	.78741	.78367	.77995
100	.82336	.81959	.81586	.81214	.80845	.80478	.80113	.79751	.79390	.79032
101	.83234	.82873	.82515	.82158	.81804	.81451	.81101	.80753	.80406	.80062
102	.84119	.83774	.83431	.83089	.82750	.82412	.82076	.81742	.81409	.81078
103	.84999	.84670	.84342	.84016	.83691	.83368	.83046	.82726	.82408	.82091
104	.85944	.85632	.85321	.85011	.84703	.84396	.84090	.83786	.83483	.83182
105	.86866	.86570	.86276	.85982	.85690	.85399	.85109	.84820	.84532	.84245
106	.88065	.87792	.87520	.87248	.86978	.86708	.86440	.86172	.85905	.85638
107	.89530	.89286	.89042	.88799	.88557	.88315	.88073	.87833	.87592	.87352
108	.91849	.91654	.91460	.91266	.91072	.90879	.90685	.90492	.90299	.90106
109	.95900	.95800	.95700	.95600	.95500	.95400	.95300	.95200	.95100	.95000

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE										
AGE	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
0	.01363	.01342	.01323	.01305	.01288	.01272	.01258	.01244	.01231	.01219
1	.00534	.00512	.00493	.00474	.00458	.00442	.00427	.00414	.00401	.00389
2	.00518	.00495	.00474	.00455	.00437	.00421	.00405	.00391	.00377	.00365
3	.00526	.00502	.00480	.00459	.00440	.00422	.00406	.00391	.00376	.00363
4	.00546	.00521	.00497	.00475	.00455	.00436	.00419	.00402	.00387	.00373

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE										
AGE	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
5	.00576	.00549	.00524	.00501	.00479	.00459	.00440	.00423	.00406	.00391
6	.00613	.00584	.00557	.00532	.00509	.00488	.00468	.00449	.00432	.00415
7	.00657	.00626	.00598	.00571	.00547	.00524	.00502	.00482	.00464	.00446
8	.00707	.00675	.00644	.00616	.00590	.00565	.00542	.00521	.00501	.00482
9	.00766	.00732	.00699	.00669	.00641	.00615	.00591	.00568	.00547	.00527
10	.00835	.00798	.00764	.00732	.00702	.00675	.00649	.00624	.00602	.00580
11	.00913	.00874	.00838	.00804	.00772	.00743	.00715	.00689	.00665	.00642
12	.01000	.00959	.00920	.00884	.00851	.00819	.00790	.00762	.00737	.00712
13	.01091	.01048	.01007	.00969	.00933	.00900	.00869	.00840	.00813	.00787
14	.01181	.01135	.01092	.01052	.01014	.00979	.00947	.00916	.00887	.00860
15	.01267	.01218	.01173	.01130	.01091	.01054	.01019	.00987	.00956	.00928
16	.01345	.01294	.01246	.01201	.01160	.01121	.01084	.01050	.01018	.00988
17	.01418	.01364	.01313	.01266	.01222	.01181	.01143	.01107	.01073	.01041
18	.01486	.01429	.01375	.01326	.01279	.01236	.01196	.01158	.01122	.01088
19	.01554	.01494	.01438	.01385	.01336	.01291	.01248	.01208	.01170	.01135
20	.01626	.01562	.01503	.01448	.01396	.01348	.01303	.01260	.01220	.01183
21	.01702	.01635	.01573	.01514	.01460	.01409	.01361	.01316	.01274	.01235
22	.01782	.01711	.01645	.01584	.01526	.01472	.01422	.01374	.01330	.01288
23	.01868	.01793	.01724	.01658	.01597	.01540	.01487	.01437	.01390	.01345
24	.01962	.01883	.01809	.01740	.01675	.01615	.01558	.01505	.01455	.01408
25	.02065	.01981	.01903	.01830	.01762	.01698	.01638	.01581	.01528	.01478
26	.02178	.02089	.02006	.01929	.01856	.01789	.01725	.01665	.01609	.01556
27	.02303	.02209	.02122	.02040	.01963	.01891	.01824	.01760	.01700	.01644
28	.02439	.02339	.02247	.02160	.02079	.02002	.01931	.01863	.01800	.01740
29	.02585	.02480	.02382	.02290	.02204	.02123	.02047	.01976	.01908	.01845
30	.02742	.02631	.02527	.02430	.02339	.02253	.02172	.02096	.02025	.01957
31	.02910	.02793	.02683	.02579	.02482	.02391	.02306	.02225	.02149	.02077
32	.03089	.02965	.02849	.02739	.02636	.02540	.02449	.02363	.02282	.02206
33	.03282	.03151	.03028	.02912	.02803	.02701	.02604	.02513	.02427	.02346
34	.03489	.03350	.03220	.03097	.02982	.02873	.02771	.02674	.02583	.02497
35	.03713	.03567	.03429	.03299	.03177	.03061	.02953	.02850	.02753	.02661
36	.03953	.03798	.03653	.03515	.03386	.03263	.03148	.03039	.02936	.02838
37	.04211	.04048	.03894	.03748	.03611	.03481	.03359	.03243	.03134	.03030
38	.04490	.04318	.04155	.04001	.03856	.03719	.03589	.03466	.03350	.03239
39	.04791	.04609	.04437	.04274	.04120	.03975	.03837	.03707	.03583	.03466
40	.05116	.04924	.04742	.04571	.04408	.04254	.04108	.03970	.03839	.03714
41	.05469	.05267	.05075	.04894	.04722	.04559	.04405	.04258	.04119	.03987
42	.05851	.05638	.05436	.05245	.05063	.04891	.04728	.04573	.04425	.04285
43	.06263	.06039	.05827	.05625	.05433	.05252	.05079	.04915	.04759	.04610
44	.06707	.06472	.06248	.06035	.05834	.05642	.05459	.05286	.05121	.04963
45	.07180	.06933	.06698	.06474	.06262	.06059	.05867	.05684	.05509	.05342
46	.07685	.07425	.07178	.06943	.06720	.06507	.06304	.06110	.05926	.05750
47	.08218	.07946	.07687	.07440	.07205	.06981	.06768	.06564	.06369	.06183
48	.08784	.08499	.08228	.07969	.07722	.07487	.07262	.07047	.06842	.06646
49	.09382	.09085	.08801	.08530	.08271	.08024	.07788	.07562	.07346	.07140

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE

AGE	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
50	.10018	.09707	.09410	.09127	.08856	.08597	.08349	.08112	.07885	.07667
51	.10691	.10367	.10057	.09761	.09477	.09206	.08946	.08697	.08459	.08231
52	.11399	.11061	.10738	.10429	.10132	.09849	.09577	.09316	.09066	.08826
53	.12142	.11791	.11454	.11132	.10823	.10526	.10242	.09969	.09707	.09456
54	.12921	.12556	.12206	.11870	.11548	.11239	.10942	.10657	.10383	.10120
55	.13738	.13359	.12995	.12646	.12311	.11989	.11679	.11382	.11096	.10820
56	.14595	.14202	.13824	.13462	.13113	.12778	.12456	.12146	.11847	.11560
57	.15491	.15084	.14693	.14317	.13955	.13607	.13272	.12949	.12638	.12338
58	.16424	.16004	.15599	.15209	.14834	.14473	.14125	.13789	.13465	.13153
59	.17390	.16955	.16537	.16134	.15746	.15371	.15010	.14662	.14325	.14001
60	.18387	.17939	.17507	.17091	.16689	.16302	.15927	.15566	.15217	.14880
61	.19420	.18958	.18513	.18084	.17669	.17268	.16881	.16506	.16145	.15795
62	.20494	.20020	.19561	.19119	.18691	.18277	.17877	.17490	.17115	.16753
63	.21613	.21126	.20654	.20199	.19758	.19331	.18918	.18518	.18131	.17757
64	.22774	.22274	.21791	.21322	.20869	.20429	.20004	.19592	.19192	.18805
65	.23979	.23467	.22971	.22490	.22025	.21573	.21135	.20710	.20299	.19899
66	.25233	.24709	.24202	.23709	.23231	.22767	.22318	.21881	.21457	.21045
67	.26543	.26009	.25489	.24985	.24496	.24021	.23560	.23111	.22676	.22252
68	.27908	.27363	.26833	.26319	.25819	.25332	.24860	.24400	.23954	.23519
69	.29324	.28769	.28230	.27705	.27195	.26699	.26216	.25746	.25288	.24843
70	.30783	.30219	.29671	.29137	.28618	.28112	.27619	.27139	.26672	.26216
71	.32277	.31706	.31150	.30608	.30079	.29564	.29063	.28573	.28096	.27631
72	.33803	.33225	.32661	.32112	.31575	.31052	.30542	.30044	.29559	.29084
73	.35356	.34772	.34201	.33645	.33101	.32571	.32053	.31547	.31053	.30571
74	.36943	.36354	.35778	.35215	.34666	.34129	.33604	.33091	.32590	.32100
75	.38574	.37980	.37400	.36833	.36278	.35735	.35205	.34686	.34178	.33681
76	.40256	.39660	.39076	.38505	.37947	.37400	.36864	.36340	.35827	.35324
77	.41991	.41394	.40808	.40235	.39674	.39124	.38585	.38056	.37539	.37032
78	.43777	.43180	.42594	.42020	.41457	.40906	.40365	.39834	.39314	.38803
79	.45602	.45007	.44422	.43849	.43287	.42735	.42193	.41661	.41139	.40627
80	.47449	.46856	.46275	.45704	.45143	.44592	.44051	.43519	.42997	.42484
81	.49300	.48712	.48134	.47566	.47008	.46460	.45921	.45391	.44870	.44357
82	.51145	.50563	.49990	.49427	.48873	.48328	.47792	.47265	.46746	.46235
83	.52983	.52407	.51841	.51284	.50735	.50195	.49663	.49139	.48624	.48116
84	.54828	.54261	.53702	.53151	.52609	.52075	.51549	.51030	.50519	.50015
85	.56693	.56135	.55586	.55044	.54510	.53983	.53464	.52952	.52447	.51949
86	.58560	.58013	.57474	.56943	.56418	.55901	.55390	.54886	.54389	.53898
87	.60398	.59864	.59337	.58817	.58303	.57795	.57294	.56799	.56310	.55828
88	.62206	.61685	.61170	.60662	.60159	.59663	.59173	.58688	.58209	.57736
89	.63980	.63474	.62972	.62477	.61987	.61503	.61024	.60551	.60083	.59620
90	.65719	.65227	.64741	.64259	.63783	.63312	.62846	.62385	.61928	.61477
91	.67388	.66912	.66440	.65973	.65511	.65053	.64600	.64152	.63708	.63269
92	.68949	.68487	.68030	.67577	.67129	.66685	.66245	.65809	.65378	.64950
93	.70401	.69954	.69511	.69072	.68637	.68205	.67778	.67355	.66935	.66519
94	.71765	.71332	.70902	.70477	.70055	.69636	.69222	.68810	.68403	.67998

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE										
AGE	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
95	.73072	.72653	.72237	.71825	.71416	.71010	.70608	.70209	.69813	.69421
96	.74311	.73906	.73504	.73105	.72709	.72316	.71926	.71539	.71155	.70774
97	.75465	.75073	.74684	.74297	.73914	.73533	.73155	.72780	.72407	.72037
98	.76555	.76175	.75798	.75424	.75052	.74683	.74317	.73953	.73591	.73232
99	.77626	.77260	.76895	.76534	.76174	.75817	.75462	.75109	.74759	.74411
100	.78676	.78323	.77971	.77622	.77274	.76929	.76586	.76245	.75906	.75569
101	.79719	.79379	.79040	.78703	.78368	.78035	.77704	.77375	.77048	.76722
102	.80749	.80422	.80096	.79772	.79450	.79130	.78811	.78494	.78178	.77864
103	.81775	.81461	.81149	.80838	.80529	.80221	.79914	.79609	.79306	.79003
104	.82881	.82582	.82284	.81988	.81693	.81399	.81106	.80815	.80525	.80236
105	.83959	.83674	.83391	.83108	.82826	.82546	.82267	.81988	.81711	.81435
106	.85373	.85108	.84844	.84581	.84319	.84058	.83797	.83537	.83278	.83020
107	.87113	.86875	.86636	.86399	.86161	.85925	.85689	.85453	.85218	.84984
108	.89913	.89721	.89529	.89337	.89145	.88953	.88762	.88571	.88380	.88189
109	.94900	.94800	.94700	.94600	.94500	.94400	.94300	.94200	.94100	.94000

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE										
AGE	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
0	.01208	.01197	.01187	.01177	.01168	.01159	.01151	.01143	.01135	.01128
1	.00378	.00367	.00358	.00348	.00340	.00331	.00323	.00316	.00309	.00302
2	.00353	.00342	.00331	.00322	.00312	.00304	.00295	.00288	.00280	.00273
3	.00350	.00339	.00327	.00317	.00307	.00298	.00289	.00281	.00273	.00265
4	.00359	.00347	.00335	.00324	.00313	.00303	.00294	.00285	.00276	.00268
5	.00377	.00363	.00351	.00339	.00327	.00317	.00306	.00297	.00288	.00279
6	.00400	.00386	.00372	.00359	.00347	.00335	.00325	.00314	.00305	.00295
7	.00430	.00414	.00400	.00386	.00373	.00360	.00349	.00338	.00327	.00317
8	.00465	.00448	.00432	.00417	.00403	.00390	.00378	.00366	.00354	.00344
9	.00508	.00490	.00473	.00457	.00442	.00428	.00414	.00402	.00389	.00378
10	.00560	.00541	.00523	.00506	.00490	.00475	.00460	.00446	.00433	.00421
11	.00620	.00600	.00581	.00563	.00546	.00529	.00514	.00499	.00485	.00472
12	.00689	.00668	.00647	.00628	.00610	.00593	.00576	.00560	.00545	.00531
13	.00763	.00740	.00718	.00698	.00678	.00660	.00642	.00626	.00610	.00595
14	.00834	.00810	.00787	.00766	.00745	.00726	.00707	.00689	.00673	.00657
15	.00901	.00875	.00851	.00828	.00807	.00786	.00767	.00748	.00730	.00714
16	.00959	.00932	.00907	.00883	.00860	.00839	.00818	.00799	.00780	.00762
17	.01011	.00983	.00956	.00930	.00907	.00884	.00862	.00842	.00822	.00804
18	.01057	.01027	.00999	.00972	.00947	.00923	.00900	.00879	.00858	.00839
19	.01101	.01070	.01040	.01012	.00985	.00960	.00936	.00914	.00892	.00871

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE

AGE	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
20	.01148	.01115	.01083	.01054	.01026	.00999	.00974	.00950	.00927	.00905
21	.01197	.01162	.01129	.01098	.01068	.01040	.01014	.00988	.00964	.00941
22	.01249	.01211	.01176	.01143	.01112	.01082	.01054	.01027	.01002	.00978
23	.01304	.01264	.01227	.01192	.01159	.01127	.01098	.01069	.01042	.01017
24	.01364	.01322	.01283	.01246	.01210	.01177	.01145	.01115	.01087	.01060
25	.01431	.01387	.01345	.01306	.01268	.01233	.01199	.01168	.01137	.01109
26	.01506	.01459	.01415	.01373	.01333	.01295	.01260	.01226	.01194	.01163
27	.01591	.01541	.01494	.01449	.01407	.01367	.01329	.01293	.01259	.01226
28	.01684	.01631	.01580	.01533	.01488	.01445	.01405	.01367	.01330	.01296
29	.01785	.01728	.01675	.01624	.01577	.01531	.01488	.01447	.01408	.01372
30	.01893	.01833	.01776	.01723	.01672	.01623	.01578	.01534	.01493	.01453
31	.02010	.01946	.01885	.01828	.01773	.01722	.01673	.01627	.01582	.01540
32	.02134	.02066	.02002	.01940	.01883	.01828	.01776	.01726	.01679	.01634
33	.02270	.02197	.02128	.02063	.02002	.01943	.01887	.01835	.01784	.01736
34	.02415	.02338	.02265	.02195	.02130	.02067	.02008	.01951	.01897	.01846
35	.02574	.02492	.02414	.02340	.02270	.02203	.02140	.02080	.02022	.01967
36	.02746	.02658	.02575	.02496	.02422	.02350	.02283	.02218	.02157	.02098
37	.02932	.02838	.02750	.02666	.02586	.02510	.02438	.02369	.02303	.02241
38	.03135	.03035	.02941	.02851	.02766	.02685	.02608	.02534	.02464	.02397
39	.03355	.03249	.03149	.03053	.02962	.02876	.02793	.02715	.02640	.02568
40	.03596	.03484	.03377	.03275	.03178	.03086	.02998	.02914	.02833	.02757
41	.03861	.03742	.03628	.03520	.03416	.03318	.03224	.03134	.03048	.02966
42	.04152	.04025	.03903	.03788	.03678	.03573	.03473	.03377	.03285	.03198
43	.04468	.04333	.04205	.04082	.03965	.03853	.03746	.03644	.03546	.03453
44	.04813	.04670	.04533	.04403	.04278	.04159	.04045	.03936	.03832	.03732
45	.05183	.05032	.04887	.04748	.04616	.04489	.04368	.04252	.04141	.04034
46	.05582	.05421	.05267	.05121	.04980	.04846	.04717	.04593	.04475	.04362
47	.06006	.05836	.05673	.05518	.05369	.05226	.05089	.04958	.04832	.04711
48	.06459	.06279	.06107	.05943	.05785	.05634	.05488	.05349	.05216	.05087
49	.06942	.06752	.06571	.06397	.06230	.06070	.05916	.05768	.05626	.05490
50	.07459	.07259	.07068	.06884	.06708	.06538	.06376	.06219	.06069	.05924
51	.08012	.07801	.07599	.07406	.07220	.07041	.06869	.06703	.06544	.06391
52	.08596	.08375	.08163	.07959	.07763	.07574	.07392	.07218	.07049	.06887
53	.09214	.08982	.08759	.08544	.08338	.08139	.07948	.07763	.07586	.07415
54	.09867	.09623	.09389	.09164	.08946	.08737	.08536	.08342	.08154	.07974
55	.10556	.10301	.10055	.09819	.09591	.09371	.09159	.08955	.08757	.08567
56	.11283	.11016	.10759	.10511	.10272	.10042	.09819	.09605	.09397	.09197
57	.12050	.11771	.11502	.11243	.10993	.10751	.10518	.10293	.10075	.09864
58	.12852	.12562	.12281	.12011	.11749	.11496	.11252	.11016	.10787	.10567
59	.13687	.13385	.13092	.12810	.12537	.12273	.12017	.11770	.11531	.11299
60	.14554	.14240	.13935	.13641	.13356	.13080	.12813	.12555	.12305	.12063
61	.15457	.15130	.14813	.14507	.14210	.13923	.13644	.13375	.13113	.12860
62	.16402	.16063	.15734	.15415	.15107	.14808	.14518	.14237	.13964	.13699
63	.17393	.17042	.16700	.16370	.16049	.15738	.15437	.15144	.14860	.14584
64	.18429	.18065	.17712	.17369	.17036	.16714	.16400	.16096	.15800	.15513

TABLE U(1)
 BASED ON LIFE TABLE 90CM
 UNITRUST SINGLE LIFE REMAINDER FACTORS
 APPLICABLE FOR TRANSFERS AFTER APRIL 30, 1999

ADJUSTED PAYOUT RATE

AGE	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
65	.19511	.19135	.18769	.18415	.18070	.17735	.17410	.17094	.16787	.16488
66	.20645	.20257	.19880	.19513	.19157	.18810	.18473	.18146	.17827	.17517
67	.21841	.21441	.21052	.20673	.20305	.19947	.19599	.19259	.18929	.18608
68	.23096	.22685	.22284	.21895	.21515	.21146	.20786	.20436	.20094	.19762
69	.24409	.23987	.23575	.23175	.22784	.22404	.22033	.21672	.21320	.20976
70	.25772	.25339	.24918	.24507	.24106	.23715	.23333	.22961	.22598	.22244
71	.27178	.26735	.26304	.25882	.25471	.25070	.24679	.24296	.23923	.23559
72	.28622	.28170	.27729	.27298	.26877	.26467	.26065	.25673	.25290	.24915
73	.30100	.29639	.29189	.28749	.28320	.27899	.27489	.27087	.26694	.26310
74	.31621	.31152	.30694	.30246	.29807	.29378	.28959	.28548	.28146	.27753
75	.33195	.32719	.32253	.31797	.31351	.30914	.30486	.30067	.29657	.29255
76	.34832	.34350	.33877	.33415	.32961	.32517	.32082	.31656	.31238	.30828
77	.36535	.36047	.35570	.35101	.34642	.34192	.33750	.33317	.32892	.32475
78	.38302	.37811	.37329	.36856	.36392	.35937	.35490	.35051	.34621	.34198
79	.40124	.39630	.39145	.38669	.38201	.37742	.37291	.36848	.36413	.35985
80	.41980	.41485	.40998	.40520	.40050	.39588	.39134	.38688	.38249	.37818
81	.43854	.43358	.42871	.42392	.41921	.41457	.41001	.40553	.40112	.39678
82	.45733	.45238	.44752	.44273	.43802	.43338	.42881	.42431	.41989	.41553
83	.47616	.47123	.46638	.46161	.45690	.45227	.44770	.44320	.43877	.43441
84	.49519	.49030	.48548	.48073	.47604	.47143	.46688	.46239	.45797	.45361
85	.51458	.50974	.50496	.50025	.49560	.49102	.48650	.48204	.47763	.47329
86	.53413	.52935	.52463	.51998	.51538	.51084	.50636	.50194	.49758	.49327
87	.55351	.54881	.54416	.53957	.53503	.53055	.52613	.52176	.51744	.51317
88	.57268	.56806	.56349	.55898	.55451	.55010	.54574	.54144	.53718	.53296
89	.59162	.58710	.58262	.57819	.57382	.56949	.56520	.56097	.55678	.55263
90	.61030	.60588	.60151	.59718	.59290	.58866	.58447	.58032	.57621	.57214
91	.62834	.62403	.61977	.61554	.61136	.60722	.60312	.59907	.59505	.59107
92	.64527	.64107	.63692	.63280	.62872	.62468	.62068	.61672	.61279	.60890
93	.66107	.65699	.65294	.64893	.64495	.64101	.63711	.63323	.62940	.62559
94	.67597	.67200	.66806	.66415	.66027	.65643	.65262	.64884	.64509	.64138
95	.69031	.68645	.68262	.67881	.67504	.67130	.66759	.66390	.66025	.65662
96	.70396	.70021	.69648	.69279	.68912	.68548	.68186	.67828	.67471	.67118
97	.71670	.71305	.70943	.70584	.70227	.69872	.69520	.69171	.68824	.68480
98	.72875	.72521	.72169	.71819	.71472	.71127	.70784	.70444	.70106	.69770
99	.74065	.73721	.73379	.73040	.72703	.72368	.72035	.71704	.71375	.71048
100	.75234	.74901	.74570	.74241	.73914	.73589	.73265	.72944	.72625	.72307
101	.76399	.76077	.75757	.75438	.75122	.74807	.74494	.74183	.73873	.73565
102	.77552	.77241	.76932	.76625	.76319	.76015	.75712	.75411	.75111	.74813
103	.78703	.78404	.78106	.77809	.77514	.77221	.76929	.76638	.76348	.76060
104	.79948	.79662	.79377	.79093	.78810	.78528	.78248	.77969	.77691	.77414
105	.81159	.80885	.80612	.80340	.80069	.79799	.79530	.79262	.78995	.78729
106	.82763	.82506	.82250	.81995	.81741	.81488	.81235	.80983	.80732	.80482
107	.84749	.84516	.84283	.84051	.83819	.83587	.83356	.83126	.82896	.82666
108	.87999	.87808	.87618	.87428	.87238	.87049	.86859	.86670	.86481	.86293
109	.93900	.93800	.93700	.93600	.93500	.93400	.93300	.93200	.93100	.93000

(f) *Effective dates.* This section applies after April 30, 1999.

§1.664-4T [Removed]

Par. 8. Section 1.664-4T is removed.

Par. 9. Section 1.7520-1 is amended by:

1. Revising paragraph (b)(2).
2. Revising paragraphs (c)(1) and (c)(2).
3. Revising paragraph (d).

The revisions read as follows:

§1.7520-1 Valuation of annuities, unitrust interests, interests for life or terms of years, and remainder or reversionary interests.

(b) ***

(2) *Mortality component.* The mortality component reflects the mortality data most recently available from the United States census. As new mortality data becomes available after each decennial census, the mortality component described in this section will be revised periodically and the revised mortality component tables will be published in the regulations at that time. For transactions with valuation dates after April 30, 1999, the mortality component table (Table 90CM) is contained in §20.2031-7(d)(7) of this chapter. See §20.2031-7A of this chapter for mortality component tables applicable to transactions for which the valuation date falls before May 1, 1999.

(c) ***

(1) *Regulation sections containing tables with interest rates between 4.2 and 14 percent for valuation dates after April 30, 1999.* Section 1.642(c)-6(e)(6) contains Table S used for determining the present value of a single life remainder interest in a pooled income fund as defined in §1.642(c)-5. See §1.642(c)-6A for actuarial factors for one life applicable to valuation dates before May 1, 1999. Section 1.664-4(e)(6) contains Table F (payout factors) and Table D (actuarial factors used in determining the present value of a remainder interest postponed for a term of years). Section 1.664-4(e)(7) contains Table U(1) (unitrust single life remainder factors). These tables are used in determining the present value of a remainder interest in a charitable remainder unitrust as defined in §1.664-3. See §1.664-4A

for unitrust single life remainder factors applicable to valuation dates before May 1, 1999. Section 20.2031-7(d)(6) of this chapter contains Table B (actuarial factors used in determining the present value of an interest for a term of years), Table K (annuity end-of-interval adjustment factors), and Table J (term certain annuity beginning-of-interval adjustment factors). Section 20.2031-7(d)(7) of this chapter contains Table S (single life remainder factors), and Table 90CM (mortality components). These tables are used in determining the present value of annuities, life estates, remainders, and reversions. See §20.2031-7A of this chapter for single life remainder factors and mortality components applicable to valuation dates before May 1, 1999.

(2) *Internal Revenue Service publications containing tables with interest rates between 2.2 and 22 percent for valuation dates after April 30, 1999.* The following documents are available for purchase from the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402:

(i) Internal Revenue Service Publication 1457, "Actuarial Values, Book Aleph," (7-1999). This publication includes tables of valuation factors, as well as examples that show how to compute other valuation factors, for determining the present value of annuities, life estates, terms of years, remainders, and reversions, measured by one or two lives. These factors may also be used in the valuation of interests in a charitable remainder annuity trust as defined in §1.664-2 and a pooled income fund as defined in §1.642(c)-5. See §20.2031-7A of this chapter for publications containing tables for valuation dates before May 1, 1999.

(ii) Internal Revenue Service Publication 1458, "Actuarial Values, Book Beth," (7-1999). This publication includes term certain tables and tables of one and two life valuation factors for determining the present value of remainder interests in a charitable remainder unitrust as defined in §1.664-3. See §1.664-4A for publications containing tables for valuation dates before May 1, 1999.

(iii) Internal Revenue Service Publication 1459, "Actuarial Values, Book Gimel," (7-1999). This publication in-

cludes tables for computing depreciation adjustment factors. See §1.170A-12.

(d) *Effective date.* This section applies after April 30, 1989.

§1.7520-1T [Removed]

Par. 10. Section 1.7520-1T is removed.

PART 20—ESTATE TAX; ESTATES OF DECEDENTS DYING AFTER AUGUST 16, 1954

Par. 11. The authority citation for part 20 is amended by removing entries for sections 20.2031-7T and 20.7520-1T to read in part as follows:

Authority: 26 U.S.C. 7805 *****

§20.2031-0 [Amended]

Par. 12. Section 20.2031-0 is amended by removing the entry for §20.2031-7T from the contents listing.

Par. 13. Section 20.2031-7 is amended by:

1. Removing existing paragraphs (c) through (d)(5).
2. Adding paragraphs (c), (d) heading, and (d)(1) through (d)(5).
3. Revising the introductory text of paragraph (d)(6).
4. Adding paragraph (d)(7).
5. Revising paragraph (e).

The revisions and additions read as follows:

§20.2031-7 Valuation of annuities, interests for life or term of years, and remainder or reversionary interests.

(c) *Actuarial valuations.* The present value of annuities, life estates, terms of years, remainders, and reversions for estates of decedents for which the valuation date of the gross estate is after April 30, 1999, is determined under paragraph (d) of this section. The present value of annuities, life estates, terms of years, remainders, and reversions for estates of decedents for which the valuation date of the gross estate is before May 1, 1999, is determined under the following sections:

<u>Valuation Date</u>		<u>Applicable Regulations</u>
<u>After</u>	<u>Before</u>	
	01-01-52	20.2031-7A(a)
12-31-51	01-01-71	20.2031-7A(b)
12-31-70	12-01-83	20.2031-7A(c)
11-30-83	05-01-89	20.2031-7A(d)
04-30-89	05-01-99	20.2031-7A(e)

(d) *Actuarial valuations after April 30, 1999*—(1) *In general.* Except as otherwise provided in paragraph (b) of this section and §20.7520-3(b) (pertaining to certain limitations on the use of prescribed tables), if the valuation date for the gross estate of the decedent is after April 30, 1999, the fair market value of annuities, life estates, terms of years, remainders, and reversionary interests is the present value determined by use of standard or special section 7520 actuarial factors. These factors are derived by using the appropriate section 7520 interest rate and, if applicable, the mortality component for the valuation date of the interest that is being valued. For purposes of the computations described in this section, the age of an individual is the age of that individual at the individual's nearest birthday. See §§20.7520-1 through 20.7520-4.

(2) *Specific interests*—(i) *Charitable remainder trusts.* The fair market value of a remainder interest in a pooled income fund, as defined in §1.642(c)-5 of this chapter, is its value determined under §1.642(c)-6(e) of this chapter. The fair market value of a remainder interest in a charitable remainder annuity trust, as defined in §1.664-2(a) of this chapter, is the present value determined under §1.664-2(c) of this chapter. The fair market value of a remainder interest in a charitable remainder unitrust, as defined in §1.664-3 of this chapter, is its present value determined under §1.664-4(e) of this chapter. The fair market value of a life interest or term of years in a charitable remainder unitrust is the fair market value of the property as of the date of valuation less the fair market value of the remainder interest on that date determined under §1.664-4(e)(4) and (5) of this chapter.

(ii) *Ordinary remainder and reversionary interests.* If the interest to be valued is to take effect after a definite number of years or after the death of one individual, the present value of the interest is computed by multiplying the value of the property by the appropriate remainder interest actuarial factor (that corresponds to the applicable section 7520 interest rate and remainder in-

terest period) in Table B (for a term certain or the appropriate Table S (for one measuring life), as the case may be. Table B is contained in paragraph (d)(6) of this section and Table S (for one measuring life when the valuation date is after April 30, 1999) is contained in paragraph (d)(7) of this section and in Internal Revenue Service Publication 1457. For information about obtaining actuarial factors for other types of remainder interests, see paragraph (d)(4) of this section.

(iii) *Ordinary term-of-years and life interests.* If the interest to be valued is the right of a person to receive the income of certain property, or to use certain nonincome-producing property, for a term of years or for the life of one individual, the present value of the interest is computed by multiplying the value of the property by the appropriate term-of-years or life interest actuarial factor (that corresponds to the applicable section 7520 interest rate and term-of-years or life interest period). Internal Revenue Service Publication 1457 includes actuarial factors for an interest for a term of years in Table B and for the life of one individual in Table S (for one measuring life when the valuation date is after April 30, 1999). However, term-of-years and life interest actuarial factors are not included in Table B in paragraph (d)(6) of this section or Table S in paragraph (d)(7) of this section. If Internal Revenue Service Publication 1457 (or any other reliable source of term-of-years and life interest actuarial factors) is not conveniently available, an actuarial factor for the interest may be derived mathematically. This actuarial factor may be derived by subtracting the correlative remainder factor (that corresponds to the applicable section 7520 interest rate and the term of years or the life) in Table B (for a term of years) in paragraph (d)(6) of this section or in Table S (for the life of one individual) in paragraph (d)(7) of this section, as the case may be, from 1.000000. For information about obtaining actuarial factors for other types of term-of-years and life interests, see paragraph (d)(4) of this section.

(iv) *Annuities.* (A) If the interest to be valued is the right of a person to receive an annuity that is payable at the end of each year for a term of years or for the life of one individual, the present value of the interest is computed by multiplying the aggregate amount payable annually by the appropriate annuity actuarial factor (that corresponds to the applicable section 7520 interest rate and annuity period). Internal Revenue Publication 1457 includes actuarial factors in Table B (for an annuity payable for a term of years) and in Table S (for an annuity payable for the life of one individual when the valuation date is after April 30, 1999). However, annuity actuarial factors are not included in Table B in paragraph (d)(6) of this section or Table S in paragraph (d)(7) of this section. If Internal Revenue Service Publication 1457 (or any other reliable source of annuity actuarial factors) is not conveniently available, a required annuity factor for a term of years or for one life may be mathematically derived. This annuity factor may be derived by subtracting the applicable remainder factor (that corresponds to the applicable section 7520 interest rate and annuity period) in Table B (in the case of a term-of-years annuity) in paragraph (d)(6) of this section or in Table S (in the case of a one-life annuity when the valuation date is after April 30, 1999) in paragraph (d)(7) of this section, as the case may be, from 1.000000 and then dividing the result by the applicable section 7520 interest rate expressed as a decimal number.

(B) If the annuity is payable at the end of semiannual, quarterly, monthly, or weekly periods, the product obtained by multiplying the annuity factor by the aggregate amount payable annually is then multiplied by the applicable adjustment factor as contained in Table K in paragraph (d)(6) of this section for payments made at the end of the specified periods. The provisions of this paragraph (d)(2)(iv)(B) are illustrated by the following example:

Example. At the time of the decedent's death, the survivor/annuitant, age 72, is entitled to receive an an-

nunity of \$15,000 a year for life payable in equal monthly installments at the end of each period. The section 7520 rate for the month in which the decedent died is 9.6 percent. Under Table S in paragraph (d)(7) of this section, the remainder factor at 9.6 percent for an individual aged 72 is .38438. By converting the remainder factor to an annuity factor, as described above, the annuity factor at 9.6 percent for an individual aged 72 is 6.4127 (1.00000 minus .38438, divided by .096). Under Table K in paragraph (d)(6) of this section, the adjustment factor under the column for payments made at the end of each monthly period at the rate of 9.6 percent is 1.0433. The aggregate annual amount, \$15,000, is multiplied by the factor 6.4127 and the product multiplied by 1.0433. The present value of the annuity at the date of the decedent's death is, therefore, \$100,355.55 (\$15,000 x 6.4127 x 1.0433).

(C) If an annuity is payable at the beginning of annual, semiannual, quarterly, monthly, or weekly periods for a term of years, the value of the annuity is computed by multiplying the aggregate amount payable annually by the annuity factor described in paragraph (d)(2)(iv)(A) of this section; and the product so obtained is then multiplied by the adjustment factor in Table J in paragraph (d)(6) of this section at the appropriate interest rate component for payments made at the beginning of specified periods. If an annuity is payable at the beginning of annual, semiannual, quarterly, monthly, or weekly periods for one or more lives, the value of the annuity is the sum of the first payment plus the present value of a similar annuity, the first payment of which is not to be made until the end of the payment period, determined as provided in this paragraph (d)(2)(iv).

(v) *Annuity and unitrust interests for a term of years or until the prior death of an individual.* See §25.2512-5(d)(2)(v) of this chapter for examples explaining how to compute the present value of an annuity or unitrust interest that is payable until the earlier of the lapse of a specific number of years or the death of an individual.

(3) *Transitional rule.* (i) If a decedent dies after April 30, 1999, and if on May 1, 1999, the decedent was mentally incompetent so that the disposition of the decedent's property could not be changed, and the decedent dies without having regained competency to dispose of the decedent's property or dies within 90 days of the date on which the decedent first regains competency, the fair market value of annuities, life estates, terms for years, remainders, and reversions included in the gross estate of the decedent is their present value determined either under this section or under the

corresponding section applicable at the time the decedent became mentally incompetent, at the option of the decedent's executor. For example, see §20.2031-7A(e)(2).

(ii) If a decedent dies after April 30, 1999, and before July 1, 1999, the fair market value of annuities, life estates, remainders, and reversions based on one or more measuring lives included in the gross estate of the decedent is their present value determined under this section by use of the section 7520 interest rate for the month in which the valuation date occurs (see §§20.7520-1(b) and 20.7520-2(a)(2)) and the appropriate actuarial tables under either paragraph (d)(7) of this section or §20.2031-7A(e)(4), at the option of the decedent's executor.

(iii) For purposes of paragraphs (d)(3)(i) and (ii) of this section, where the decedent's executor is given the option to use the appropriate actuarial tables under either paragraph (d)(7) of this section or §20.2031-7A(e)(4), the decedent's executor must use the same actuarial table with respect to each individual transaction and with respect to all transfers occurring on the valuation date (for example, gift and income tax charitable deductions with respect to the same transfer must be determined based on the same tables, and all assets includible in the gross estate and/or estate tax deductions claimed must be valued based on the same tables).

(4) *Publications and actuarial computations by the Internal Revenue Service.* Many standard actuarial factors not included in paragraphs (d)(6) or (d)(7) of this section are included in Internal Revenue Service Publication 1457, "Actuarial Values, Book Aleph," (7-1999). Publication 1457 also includes examples that illustrate how to compute many special factors for more unusual situations. A copy of this publication is available for purchase from the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402. See §20.2031-7A for publications containing actuarial factors for valuing interests for which the valuation date is before May 1, 1999. If a special factor is required in the case of an actual decedent, the Internal Revenue Service may furnish the factor to the executor upon a request for a ruling. The request for a ruling must be accompanied by a recitation of the facts including a statement of the date

of birth for each measuring life, the date of the decedent's death, any other applicable dates, and a copy of the will, trust, or other relevant documents. A request for a ruling must comply with the instructions for requesting a ruling published periodically in the Internal Revenue Bulletin (see §§601.201 and 601.601(d)(2)(ii)(b) of this chapter) and include payment of the required user fee.

(5) *Examples.* The provisions of this section are illustrated by the following examples:

Example 1. Remainder payable at an individual's death. The decedent, or the decedent's estate, was entitled to receive certain property worth \$50,000 upon the death of A, to whom the income was bequeathed for life. At the time of the decedent's death, A was 47 years 5 months old. In the month in which the decedent died, the section 7520 rate was 9.8 percent. Under Table S in paragraph (d)(7) of this section, the remainder factor at 9.8 percent for determining the present value of the remainder interest due at the death of a person aged 47, the number of years nearest A's actual age at the decedent's death, is .10317. The present value of the remainder interest at the date of the decedent's death is, therefore, \$5,158.50 (\$50,000 X .10317).

Example 2. Income payable for an individual's life. A's parent bequeathed an income interest in property to A for life, with the remainder interest passing to B at A's death. At the time of the parent's death, the value of the property was \$50,000 and A was 30 years 10 months old. The section 7520 rate at the time of the parent's death was 10.2 percent. Under Table S in paragraph (d)(7) of this section, the remainder factor at 10.2 percent for determining the present value of the remainder interest due at the death of a person aged 31, the number of years closest to A's age at the decedent's death, is .03583. Converting this remainder factor to an income factor, as described in paragraph (d)(2)(iii) of this section, the factor for determining the present value of an income interest for the life of a person aged 31 is .96417. The present value of A's interest at the time of the parent's death is, therefore, \$48,208.50 (\$50,000 X .96417).

Example 3. Annuity payable for an individual's life. A purchased an annuity for the benefit of both A and B. Under the terms of the annuity contract, at A's death, a survivor annuity of \$10,000 a year payable in equal semiannual installments made at the end of each interval is payable to B for life. At A's death, B was 45 years 7 months old. Also, at A's death, the section 7520 rate was 9.6 percent. Under Table S in paragraph (d)(7) of this section, the factor at 9.6 percent for determining the present value of the remainder interest at the death of a person age 46 (the number of years nearest B's actual age) is .10013. By converting the factor to an annuity factor, as described in paragraph (d)(2)(iv)(A) of this section, the factor for the present value of an annuity payable until the death of a person age 46 is 9.3736 (1.00000 minus .10013, divided by .096). The adjustment factor from Table K in paragraph (d)(6) of this section at an interest rate of 9.6 percent for semiannual annuity payments made at the end of the period is 1.0235. The present value of the annuity at the date of A's death is, therefore,

\$95,938.80 (\$10,000 X 9.3736 X 1.0235).

Example 4. Annuity payable for a term of years. The decedent, or the decedent's estate, was entitled to receive an annuity of \$10,000 a year payable in equal quarterly installments at the end of each quarter throughout a term certain. At the time of the decedent's death, the section 7520 rate was 9.8 percent. A quarterly payment had just been made prior to the decedent's death and payments were to continue for 5 more years. Under Table B in paragraph (d)(6) of this section for the interest rate of 9.8 percent, the factor for the present value of a remainder interest due after a term of 5 years is .626597. Converting the factor to an annuity factor, as described in paragraph (d)(2)(iv)(A) of this section, the factor for the present value of an annuity for a term of 5 years is 3.8102. The adjustment factor from Table K in paragraph (d)(6) of this section at an interest rate of 9.8 percent for quarterly annuity payments made at the end of the period is 1.0360. The present value of the annuity is, therefore,

\$39,473.67 (\$10,000 X 3.8102 X 1.0360).

(6) *Actuarial Table B, Table J, and Table K where the valuation date is after April 30, 1989.* Except as provided in §20.7520-3(b) (pertaining to certain limitations on prescribed tables), for determination of the present value of an interest that is dependent on a term of years, the tables in this paragraph (d)(6) must be used in the application of the provisions of this section when the section 7520 interest rate component is between 4.2 and 14 percent.

* * * * *

(7) *Actuarial Table S and Table 90CM where the valuation date is after April 30, 1999.* Except as provided in §20.7520-2(b) (pertaining to certain limita-

tions on the use of prescribed tables), for determination of the present value of an interest that is dependent on the termination of a life interest, Table 90CM and Table S, single life remainder factors applicable where the valuation date is after April 30, 1999, contained in this paragraph (d)(7) (or Table S and Table 80CNSMT contained in §20.2031-7A(e)(4) for valuation dates after April 30, 1989, and before May 1, 1999) and Table J and Table K contained in paragraph (d)(6) of this section, must be used in the application of the provisions of this section when the section 7520 interest rate component is between 4.2 and 14 percent.

TABLE S
BASED ON LIFE TABLE 90CM
SINGLE LIFE REMAINDER FACTORS
APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
0	.06752	.06130	.05586	.05109	.04691	.04322	.03998	.03711	.03458	.03233
1	.06137	.05495	.04932	.04438	.04003	.03620	.03283	.02985	.02721	.02487
2	.06325	.05667	.05088	.04580	.04132	.03737	.03388	.03079	.02806	.02563
3	.06545	.05869	.05275	.04752	.04291	.03883	.03523	.03203	.02920	.02668
4	.06784	.06092	.05482	.04944	.04469	.04048	.03676	.03346	.03052	.02791
5	.07040	.06331	.05705	.05152	.04662	.04229	.03845	.03503	.03199	.02928
6	.07310	.06583	.05941	.05372	.04869	.04422	.04025	.03672	.03357	.03076
7	.07594	.06849	.06191	.05607	.05089	.04628	.04219	.03854	.03528	.03236
8	.07891	.07129	.06453	.05853	.05321	.04846	.04424	.04046	.03709	.03407
9	.08203	.07423	.06731	.06115	.05567	.05079	.04643	.04253	.03904	.03592
10	.08532	.07734	.07024	.06392	.05829	.05326	.04877	.04474	.04114	.03790
11	.08875	.08059	.07331	.06683	.06104	.05587	.05124	.04709	.04336	.04002
12	.09233	.08398	.07653	.06989	.06394	.05862	.05385	.04957	.04572	.04226
13	.09601	.08748	.07985	.07304	.06693	.06146	.05655	.05214	.04816	.04458
14	.09974	.09102	.08322	.07624	.06997	.06435	.05929	.05474	.05064	.04694
15	.10350	.09460	.08661	.07946	.07303	.06725	.06204	.05735	.05312	.04930
16	.10728	.09818	.09001	.08268	.07608	.07014	.06479	.05996	.05559	.05164
17	.11108	.10179	.09344	.08592	.07916	.07306	.06755	.06257	.05807	.05399
18	.11494	.10545	.09691	.08921	.08227	.07601	.07034	.06521	.06057	.05636
19	.11889	.10921	.10047	.09259	.08548	.07904	.07322	.06794	.06315	.05880
20	.12298	.11310	.10417	.09610	.08881	.08220	.07622	.07078	.06584	.06135
21	.12722	.11713	.10801	.09976	.09228	.08550	.07935	.07375	.06866	.06403
22	.13159	.12130	.11199	.10354	.09588	.08893	.08260	.07685	.07160	.06682
23	.13613	.12563	.11612	.10748	.09964	.09250	.08601	.08009	.07468	.06975
24	.14084	.13014	.12043	.11160	.10357	.09625	.08958	.08349	.07793	.07284
25	.14574	.13484	.12493	.11591	.10768	.10018	.09334	.08708	.08135	.07611
26	.15084	.13974	.12963	.12041	.11199	.10431	.09728	.09085	.08496	.07956
27	.15615	.14485	.13454	.12513	.11652	.10865	.10144	.09484	.08878	.08322
28	.16166	.15016	.13965	.13004	.12124	.11319	.10580	.09901	.09279	.08706
29	.16737	.15567	.14497	.13516	.12617	.11792	.11035	.10339	.09699	.09109

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
30	.17328	.16138	.15048	.14047	.13129	.12286	.11510	.10796	.10138	.09532
31	.17938	.16728	.15618	.14599	.13661	.12799	.12004	.11272	.10597	.09974
32	.18568	.17339	.16210	.15171	.14214	.13333	.12520	.11769	.11076	.10435
33	.19220	.17972	.16824	.15766	.14790	.13889	.13058	.12289	.11578	.10920
34	.19894	.18627	.17460	.16383	.15388	.14468	.13618	.12831	.12102	.11426
35	.20592	.19307	.18121	.17025	.16011	.15073	.14204	.13399	.12652	.11958
36	.21312	.20010	.18805	.17691	.16658	.15701	.14814	.13990	.13225	.12514
37	.22057	.20737	.19514	.18382	.17331	.16356	.15450	.14608	.13825	.13096
38	.22827	.21490	.20251	.19100	.18031	.17038	.16113	.15253	.14452	.13705
39	.23623	.22270	.21013	.19845	.18759	.17747	.16805	.15927	.15108	.14344
40	.24446	.23078	.21805	.20620	.19516	.18487	.17527	.16631	.15795	.15013
41	.25298	.23915	.22626	.21425	.20305	.19259	.18282	.17368	.16514	.15715
42	.26178	.24782	.23478	.22262	.21125	.20062	.19069	.18138	.17267	.16450
43	.27087	.25678	.24360	.23129	.21977	.20898	.19888	.18941	.18053	.17220
44	.28025	.26603	.25273	.24027	.22860	.21766	.20740	.19777	.18873	.18023
45	.28987	.27555	.26212	.24953	.23772	.22664	.21622	.20644	.19724	.18858
46	.29976	.28533	.27179	.25908	.24714	.23591	.22536	.21542	.20606	.19725
47	.30987	.29535	.28171	.26889	.25682	.24546	.23476	.22468	.21518	.20621
48	.32023	.30563	.29190	.27897	.26678	.25530	.24447	.23425	.22460	.21549
49	.33082	.31615	.30234	.28931	.27702	.26543	.25447	.24412	.23434	.22509
50	.34166	.32694	.31306	.29995	.28756	.27586	.26479	.25432	.24441	.23502
51	.35274	.33798	.32404	.31085	.29838	.28658	.27541	.26482	.25479	.24528
52	.36402	.34924	.33525	.32200	.30946	.29757	.28630	.27561	.26547	.25584
53	.37550	.36070	.34668	.33339	.32078	.30882	.29746	.28667	.27643	.26669
54	.38717	.37237	.35833	.34500	.33234	.32031	.30888	.29801	.28766	.27782
55	.39903	.38424	.37019	.35683	.34413	.33205	.32056	.30961	.29918	.28925
56	.41108	.39631	.38227	.36890	.35617	.34405	.33250	.32149	.31099	.30097
57	.42330	.40857	.39455	.38118	.36844	.35629	.34469	.33363	.32306	.31297
58	.43566	.42098	.40699	.39364	.38089	.36873	.35710	.34600	.33538	.32522
59	.44811	.43351	.41956	.40623	.39350	.38133	.36968	.35855	.34789	.33768
60	.46066	.44613	.43224	.41896	.40624	.39408	.38243	.37127	.36058	.35033
61	.47330	.45887	.44505	.43182	.41914	.40699	.39535	.38418	.37347	.36318
62	.48608	.47175	.45802	.44485	.43223	.42011	.40848	.39732	.38660	.37629
63	.49898	.48478	.47115	.45807	.44550	.43343	.42184	.41069	.39997	.38966
64	.51200	.49793	.48442	.47143	.45895	.44694	.43539	.42427	.41357	.40326
65	.52512	.51121	.49782	.48495	.47255	.46062	.44912	.43805	.42738	.41709
66	.53835	.52461	.51137	.49862	.48634	.47449	.46307	.45206	.44143	.43118
67	.55174	.53818	.52511	.51250	.50034	.48860	.47727	.46633	.45576	.44556
68	.56524	.55188	.53899	.52654	.51452	.50291	.49168	.48083	.47034	.46020
69	.57882	.56568	.55299	.54071	.52885	.51737	.50627	.49552	.48513	.47506
70	.59242	.57951	.56703	.55495	.54325	.53193	.52096	.51034	.50004	.49007
71	.60598	.59332	.58106	.56918	.55767	.54651	.53569	.52520	.51503	.50516
72	.61948	.60707	.59504	.58338	.57206	.56108	.55043	.54009	.53004	.52029
73	.63287	.62073	.60895	.59751	.58640	.57561	.56513	.55495	.54505	.53543
74	.64621	.63435	.62282	.61162	.60073	.59015	.57985	.56984	.56009	.55061

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	4.2%	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%	5.8%	6.0%
75	.65953	.64796	.63671	.62575	.61510	.60473	.59463	.58480	.57523	.56591
76	.67287	.66160	.65063	.63995	.62954	.61940	.60952	.59989	.59050	.58135
77	.68622	.67526	.66459	.65419	.64404	.63415	.62450	.61509	.60590	.59694
78	.69954	.68892	.67856	.66845	.65858	.64895	.63955	.63036	.62140	.61264
79	.71278	.70250	.69246	.68265	.67308	.66372	.65457	.64563	.63690	.62836
80	.72581	.71588	.70618	.69668	.68740	.67833	.66945	.66077	.65227	.64396
81	.73857	.72899	.71962	.71045	.70147	.69268	.68408	.67566	.66741	.65933
82	.75101	.74178	.73274	.72389	.71522	.70672	.69840	.69024	.68225	.67441
83	.76311	.75423	.74553	.73700	.72864	.72044	.71240	.70451	.69678	.68919
84	.77497	.76645	.75809	.74988	.74183	.73393	.72618	.71857	.71110	.70377
85	.78665	.77848	.77047	.76260	.75487	.74728	.73982	.73250	.72530	.71823
86	.79805	.79025	.78258	.77504	.76764	.76036	.75320	.74617	.73925	.73245
87	.80904	.80159	.79427	.78706	.77998	.77301	.76615	.75940	.75277	.74624
88	.81962	.81251	.80552	.79865	.79188	.78521	.77865	.77220	.76584	.75958
89	.82978	.82302	.81636	.80980	.80335	.79699	.79072	.78455	.77847	.77248
90	.83952	.83309	.82676	.82052	.81437	.80831	.80234	.79645	.79064	.78492
91	.84870	.84260	.83658	.83064	.82479	.81902	.81332	.80771	.80217	.79671
92	.85716	.85136	.84563	.83998	.83441	.82891	.82348	.81812	.81283	.80761
93	.86494	.85942	.85396	.84858	.84326	.83801	.83283	.82771	.82266	.81767
94	.87216	.86690	.86170	.85657	.85149	.84648	.84153	.83664	.83181	.82704
95	.87898	.87397	.86902	.86412	.85928	.85450	.84977	.84510	.84049	.83592
96	.88537	.88060	.87587	.87121	.86659	.86203	.85751	.85305	.84864	.84427
97	.89127	.88672	.88221	.87775	.87335	.86898	.86467	.86040	.85618	.85200
98	.89680	.89245	.88815	.88389	.87968	.87551	.87138	.86730	.86326	.85926
99	.90217	.89803	.89393	.88987	.88585	.88187	.87793	.87402	.87016	.86633
100	.90738	.90344	.89953	.89567	.89183	.88804	.88428	.88056	.87687	.87322
101	.91250	.90876	.90504	.90137	.89772	.89412	.89054	.88699	.88348	.88000
102	.91751	.91396	.91045	.90696	.90350	.90007	.89668	.89331	.88997	.88666
103	.92247	.91912	.91579	.91249	.90922	.90598	.90276	.89957	.89640	.89326
104	.92775	.92460	.92148	.91839	.91532	.91227	.90924	.90624	.90326	.90031
105	.93290	.92996	.92704	.92415	.92127	.91841	.91558	.91276	.90997	.90719
106	.93948	.93680	.93415	.93151	.92889	.92628	.92370	.92113	.91857	.91604
107	.94739	.94504	.94271	.94039	.93808	.93579	.93351	.93124	.92899	.92675
108	.95950	.95767	.95585	.95404	.95224	.95045	.94867	.94689	.94512	.94336
109	.97985	.97893	.97801	.97710	.97619	.97529	.97438	.97348	.97259	.97170

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
0	.03034	.02857	.02700	.02559	.02433	.02321	.02220	.02129	.02047	.01973
1	.02279	.02094	.01929	.01782	.01650	.01533	.01427	.01331	.01246	.01168
2	.02347	.02155	.01983	.01829	.01692	.01569	.01458	.01358	.01268	.01187
3	.02444	.02243	.02065	.01905	.01761	.01632	.01516	.01412	.01317	.01232
4	.02558	.02349	.02163	.01996	.01846	.01712	.01590	.01481	.01382	.01292
5	.02686	.02469	.02275	.02101	.01945	.01804	.01677	.01562	.01458	.01364
6	.02825	.02600	.02398	.02217	.02053	.01906	.01773	.01653	.01544	.01445
7	.02976	.02742	.02532	.02343	.02172	.02019	.01880	.01754	.01640	.01536
8	.03137	.02894	.02675	.02479	.02301	.02140	.01995	.01864	.01744	.01635
9	.03311	.03059	.02832	.02627	.02442	.02274	.02122	.01985	.01859	.01745
10	.03499	.03237	.03001	.02788	.02595	.02420	.02262	.02118	.01987	.01867
11	.03700	.03428	.03183	.02961	.02760	.02578	.02413	.02262	.02125	.02000
12	.03913	.03632	.03377	.03146	.02937	.02748	.02575	.02418	.02275	.02144
13	.04135	.03843	.03579	.03339	.03122	.02924	.02744	.02580	.02431	.02294
14	.04359	.04057	.03783	.03534	.03308	.03102	.02915	.02744	.02587	.02444
15	.04584	.04270	.03986	.03728	.03493	.03279	.03083	.02905	.02742	.02593
16	.04806	.04482	.04187	.03919	.03674	.03452	.03248	.03063	.02892	.02736
17	.05029	.04692	.04387	.04108	.03855	.03623	.03411	.03218	.03040	.02877
18	.05253	.04905	.04588	.04299	.04036	.03795	.03574	.03373	.03187	.03017
19	.05484	.05124	.04796	.04496	.04222	.03972	.03742	.03532	.03339	.03161
20	.05726	.05354	.05013	.04702	.04418	.04158	.03919	.03700	.03498	.03313
21	.05980	.05595	.05242	.04920	.04625	.04354	.04105	.03877	.03667	.03473
22	.06246	.05847	.05482	.05147	.04841	.04559	.04301	.04063	.03844	.03642
23	.06524	.06112	.05734	.05387	.05069	.04777	.04508	.04260	.04032	.03821
24	.06819	.06392	.06001	.05642	.05312	.05008	.04728	.04470	.04232	.04012
25	.07131	.06690	.06285	.05913	.05570	.05255	.04964	.04695	.04447	.04218
26	.07460	.07005	.06586	.06200	.05845	.05518	.05215	.04936	.04677	.04438
27	.07810	.07340	.06907	.06508	.06140	.05800	.05485	.05195	.04925	.04676
28	.08179	.07693	.07246	.06833	.06451	.06098	.05772	.05469	.05189	.04929
29	.08566	.08065	.07603	.07176	.06780	.06414	.06075	.05761	.05469	.05198
30	.08973	.08456	.07978	.07536	.07127	.06748	.06396	.06069	.05766	.05483
31	.09398	.08865	.08372	.07915	.07491	.07098	.06733	.06394	.06078	.05785
32	.09843	.09294	.08785	.08313	.07875	.07468	.07089	.06737	.06409	.06103
33	.10310	.09745	.09220	.08732	.08279	.07858	.07466	.07100	.06759	.06441
34	.10799	.10217	.09676	.09173	.08705	.08269	.07862	.07483	.07129	.06798
35	.11314	.10715	.10157	.09638	.09155	.08704	.08283	.07890	.07522	.07179
36	.11852	.11236	.10662	.10127	.09628	.09162	.08726	.08319	.07938	.07581
37	.12416	.11783	.11193	.10641	.10126	.09645	.09194	.08772	.08377	.08006
38	.13009	.12359	.11751	.11183	.10652	.10155	.09689	.09253	.08843	.08459
39	.13629	.12962	.12338	.11753	.11206	.10693	.10212	.09761	.09337	.08938
40	.14281	.13597	.12955	.12355	.11791	.11262	.10766	.10299	.09860	.09447
41	.14966	.14264	.13606	.12989	.12409	.11864	.11352	.10870	.10417	.09989
42	.15685	.14966	.14291	.13657	.13061	.12500	.11972	.11475	.11006	.10564
43	.16437	.15702	.15010	.14360	.13747	.13171	.12627	.12115	.11631	.11174
44	.17224	.16472	.15764	.15098	.14469	.13876	.13317	.12789	.12290	.11819

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
45	.18042	.17274	.16550	.15867	.15223	.14615	.14040	.13496	.12982	.12496
46	.18893	.18110	.17370	.16671	.16011	.15387	.14796	.14238	.13708	.13207
47	.19775	.18975	.18220	.17505	.16830	.16190	.15584	.15010	.14466	.13950
48	.20688	.19873	.19102	.18373	.17682	.17027	.16406	.15817	.15258	.14727
49	.21633	.20804	.20018	.19274	.18568	.17898	.17262	.16658	.16084	.15539
50	.22612	.21769	.20969	.20210	.19490	.18805	.18155	.17536	.16948	.16388
51	.23625	.22769	.21955	.21182	.20448	.19749	.19084	.18452	.17849	.17275
52	.24669	.23799	.22973	.22186	.21438	.20726	.20047	.19400	.18784	.18196
53	.25742	.24861	.24022	.23222	.22461	.21735	.21043	.20383	.19753	.19151
54	.26845	.25952	.25101	.24290	.23516	.22777	.22072	.21399	.20756	.20140
55	.27978	.27074	.26212	.25389	.24604	.23853	.23136	.22450	.21793	.21166
56	.29140	.28227	.27355	.26522	.25725	.24963	.24233	.23535	.22867	.22227
57	.30333	.29411	.28529	.27686	.26879	.26106	.25365	.24656	.23976	.23324
58	.31551	.30621	.29731	.28878	.28061	.27278	.26528	.25807	.25116	.24453
59	.32790	.31854	.30956	.30095	.29269	.28477	.27716	.26986	.26284	.25610
60	.34050	.33107	.32202	.31334	.30500	.29699	.28929	.28190	.27478	.26794
61	.35331	.34384	.33473	.32598	.31757	.30948	.30170	.29422	.28701	.28007
62	.36639	.35688	.34772	.33892	.33044	.32229	.31443	.30687	.29958	.29255
63	.37974	.37020	.36101	.35216	.34363	.33542	.32750	.31986	.31250	.30539
64	.39334	.38378	.37456	.36568	.35711	.34884	.34087	.33317	.32574	.31857
65	.40718	.39761	.38838	.37947	.37087	.36257	.35455	.34681	.33932	.33208
66	.42128	.41172	.40249	.39357	.38496	.37663	.36858	.36079	.35326	.34597
67	.43569	.42616	.41694	.40803	.39941	.39107	.38299	.37518	.36761	.36028
68	.45038	.44089	.43170	.42281	.41419	.40585	.39777	.38994	.38235	.37499
69	.46531	.45587	.44672	.43786	.42927	.42094	.41286	.40503	.39743	.39006
70	.48040	.47103	.46194	.45312	.44456	.43626	.42820	.42038	.41278	.40540
71	.49558	.48629	.47727	.46851	.46000	.45174	.44371	.43591	.42832	.42095
72	.51082	.50162	.49268	.48399	.47554	.46733	.45934	.45157	.44401	.43666
73	.52607	.51697	.50813	.49952	.49114	.48299	.47506	.46733	.45981	.45249
74	.54139	.53241	.52367	.51515	.50686	.49879	.49092	.48325	.47578	.46849
75	.55683	.54798	.53936	.53095	.52276	.51477	.50698	.49938	.49197	.48474
76	.57243	.56373	.55524	.54696	.53888	.53100	.52330	.51579	.50846	.50130
77	.58819	.57965	.57132	.56318	.55523	.54747	.53988	.53247	.52523	.51815
78	.60408	.59572	.58755	.57957	.57177	.56414	.55668	.54939	.54225	.53527
79	.62001	.61184	.60385	.59604	.58840	.58092	.57360	.56644	.55943	.55256
80	.63582	.62786	.62007	.61244	.60497	.59765	.59048	.58347	.57659	.56985
81	.65142	.64367	.63608	.62864	.62135	.61421	.60721	.60034	.59361	.58701
82	.66673	.65920	.65182	.64458	.63748	.63052	.62368	.61698	.61041	.60395
83	.68175	.67444	.66728	.66024	.65334	.64656	.63991	.63338	.62696	.62066
84	.69657	.68950	.68256	.67574	.66904	.66246	.65599	.64964	.64340	.63727
85	.71128	.70446	.69775	.69116	.68467	.67830	.67204	.66587	.65982	.65386
86	.72576	.71919	.71272	.70636	.70010	.69394	.68789	.68193	.67606	.67029
87	.73981	.73349	.72726	.72114	.71511	.70917	.70333	.69757	.69190	.68632
88	.75342	.74735	.74137	.73548	.72968	.72396	.71833	.71279	.70732	.70194
89	.76658	.76076	.75503	.74938	.74381	.73832	.73290	.72757	.72231	.71712

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	6.2%	6.4%	6.6%	6.8%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%
90	.77928	.77371	.76823	.76281	.75748	.75221	.74702	.74190	.73684	.73186
91	.79131	.78600	.78075	.77557	.77046	.76542	.76044	.75553	.75068	.74589
92	.80246	.79737	.79235	.78740	.78250	.77767	.77290	.76818	.76353	.75893
93	.81274	.80788	.80307	.79832	.79363	.78899	.78441	.77989	.77542	.77100
94	.82232	.81766	.81306	.80850	.80401	.79956	.79517	.79082	.78653	.78228
95	.83141	.82695	.82254	.81818	.81387	.80961	.80539	.80122	.79710	.79302
96	.83996	.83569	.83147	.82729	.82316	.81907	.81503	.81103	.80707	.80315
97	.84787	.84378	.83973	.83573	.83176	.82784	.82396	.82012	.81632	.81255
98	.85530	.85138	.84750	.84366	.83985	.83609	.83236	.82867	.82502	.82140
99	.86255	.85880	.85508	.85140	.84776	.84415	.84057	.83703	.83353	.83005
100	.86960	.86601	.86246	.85894	.85546	.85200	.84858	.84519	.84183	.83849
101	.87655	.87313	.86974	.86638	.86305	.85975	.85648	.85324	.85003	.84684
102	.88338	.88012	.87689	.87369	.87052	.86738	.86426	.86116	.85809	.85505
103	.89015	.88706	.88399	.88095	.87793	.87494	.87197	.86903	.86611	.86321
104	.89737	.89446	.89157	.88871	.88586	.88304	.88024	.87745	.87469	.87195
105	.90443	.90170	.89898	.89628	.89360	.89094	.88830	.88568	.88307	.88049
106	.91351	.91101	.90852	.90605	.90359	.90115	.89873	.89632	.89392	.89154
107	.92452	.92230	.92010	.91791	.91573	.91356	.91141	.90927	.90714	.90502
108	.94161	.93987	.93814	.93641	.93469	.93298	.93128	.92958	.92790	.92622
109	.97081	.96992	.96904	.96816	.96729	.96642	.96555	.96468	.96382	.96296

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
0	.01906	.01845	.01790	.01740	.01694	.01652	.01613	.01578	.01546	.01516
1	.01098	.01034	.00977	.00924	.00876	.00833	.00793	.00756	.00722	.00691
2	.01113	.01046	.00986	.00930	.00880	.00834	.00791	.00753	.00717	.00684
3	.01155	.01084	.01020	.00962	.00909	.00860	.00816	.00775	.00737	.00702
4	.01211	.01137	.01069	.01008	.00952	.00900	.00853	.00810	.00770	.00733
5	.01279	.01201	.01130	.01065	.01006	.00952	.00902	.00856	.00814	.00775
6	.01356	.01274	.01199	.01131	.01068	.01011	.00959	.00910	.00865	.00824
7	.01442	.01356	.01277	.01205	.01140	.01079	.01023	.00972	.00925	.00881
8	.01536	.01446	.01363	.01287	.01218	.01154	.01096	.01041	.00991	.00945
9	.01641	.01546	.01460	.01380	.01307	.01240	.01178	.01120	.01068	.01019
10	.01758	.01659	.01567	.01484	.01407	.01336	.01270	.01210	.01154	.01103
11	.01886	.01781	.01686	.01598	.01517	.01442	.01373	.01310	.01251	.01196
12	.02024	.01915	.01814	.01721	.01636	.01558	.01485	.01419	.01357	.01299
13	.02168	.02054	.01948	.01851	.01762	.01679	.01603	.01533	.01467	.01407
14	.02313	.02193	.02083	.01981	.01887	.01801	.01721	.01646	.01578	.01514

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
15	.02456	.02330	.02214	.02107	.02009	.01918	.01834	.01756	.01684	.01617
16	.02593	.02462	.02340	.02229	.02126	.02030	.01942	.01860	.01785	.01714
17	.02728	.02590	.02463	.02346	.02238	.02138	.02046	.01960	.01880	.01806
18	.02861	.02717	.02584	.02462	.02348	.02243	.02146	.02056	.01972	.01894
19	.02998	.02847	.02708	.02580	.02461	.02351	.02249	.02154	.02066	.01984
20	.03142	.02984	.02839	.02704	.02580	.02465	.02357	.02258	.02165	.02079
21	.03295	.03130	.02978	.02837	.02706	.02585	.02473	.02368	.02271	.02180
22	.03455	.03283	.03124	.02976	.02839	.02712	.02594	.02484	.02382	.02286
23	.03626	.03446	.03279	.03124	.02981	.02847	.02723	.02608	.02500	.02400
24	.03809	.03620	.03446	.03283	.03133	.02993	.02863	.02741	.02628	.02522
25	.04005	.03808	.03625	.03456	.03298	.03151	.03014	.02887	.02768	.02656
26	.04216	.04010	.03819	.03641	.03476	.03322	.03178	.03044	.02919	.02802
27	.04444	.04229	.04029	.03843	.03670	.03508	.03357	.03217	.03085	.02962
28	.04687	.04463	.04254	.04059	.03877	.03708	.03550	.03402	.03263	.03133
29	.04946	.04712	.04493	.04289	.04099	.03922	.03756	.03600	.03455	.03318
30	.05221	.04976	.04748	.04534	.04335	.04149	.03975	.03812	.03659	.03515
31	.05511	.05255	.05017	.04794	.04585	.04390	.04208	.04037	.03876	.03725
32	.05818	.05551	.05302	.05069	.04851	.04647	.04455	.04276	.04107	.03948
33	.06144	.05866	.05606	.05363	.05135	.04921	.04720	.04532	.04355	.04188
34	.06489	.06200	.05928	.05674	.05436	.05212	.05002	.04805	.04619	.04444
35	.06857	.06555	.06273	.06007	.05758	.05524	.05304	.05097	.04902	.04718
36	.07246	.06932	.06638	.06361	.06101	.05856	.05626	.05409	.05205	.05012
37	.07659	.07332	.07025	.06737	.06466	.06210	.05969	.05742	.05528	.05325
38	.08098	.07758	.07439	.07138	.06855	.06588	.06336	.06099	.05874	.05662
39	.08563	.08210	.07878	.07565	.07270	.06992	.06729	.06480	.06245	.06023
40	.09059	.08692	.08347	.08021	.07714	.07423	.07149	.06889	.06643	.06411
41	.09586	.09206	.08848	.08509	.08189	.07886	.07600	.07329	.07072	.06828
42	.10147	.09753	.09381	.09029	.08696	.08381	.08083	.07800	.07531	.07277
43	.10742	.10334	.09948	.09583	.09237	.08909	.08598	.08304	.08024	.07758
44	.11373	.10950	.10551	.10172	.09813	.09472	.09148	.08841	.08549	.08272
45	.12035	.11599	.11185	.10792	.10420	.10066	.09730	.09410	.09106	.08817
46	.12732	.12281	.11853	.11447	.11061	.10694	.10345	.10013	.09696	.09395
47	.13460	.12995	.12553	.12133	.11733	.11353	.10991	.10646	.10317	.10004
48	.14223	.13743	.13287	.12853	.12439	.12046	.11671	.11313	.10972	.10646
49	.15020	.14526	.14056	.13608	.13181	.12774	.12385	.12015	.11661	.11322
50	.15855	.15347	.14862	.14401	.13960	.13540	.13138	.12754	.12388	.12037
51	.16727	.16205	.15707	.15232	.14777	.14344	.13929	.13532	.13153	.12789
52	.17634	.17098	.16587	.16097	.15630	.15183	.14755	.14345	.13953	.13577
53	.18576	.18027	.17501	.16999	.16518	.16057	.15616	.15194	.14789	.14400
54	.19552	.18990	.18451	.17935	.17441	.16968	.16514	.16078	.15661	.15260
55	.20564	.19989	.19437	.18908	.18402	.17915	.17449	.17001	.16571	.16157
56	.21613	.21025	.20461	.19919	.19400	.18901	.18422	.17962	.17519	.17093
57	.22698	.22098	.21522	.20968	.20436	.19925	.19434	.18961	.18507	.18069
58	.23816	.23204	.22616	.22051	.21507	.20984	.20481	.19996	.19530	.19080
59	.24962	.24339	.23740	.23163	.22608	.22073	.21558	.21062	.20584	.20123

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
60	.26136	.25502	.24892	.24304	.23738	.23192	.22666	.22158	.21669	.21196
61	.27339	.26695	.26075	.25477	.24900	.24343	.23806	.23288	.22787	.22304
62	.28578	.27925	.27295	.26687	.26100	.25533	.24985	.24456	.23945	.23451
63	.29854	.29192	.28553	.27935	.27339	.26762	.26205	.25666	.25145	.24641
64	.31164	.30494	.29846	.29221	.28615	.28030	.27463	.26915	.26384	.25870
65	.32508	.31831	.31177	.30543	.29930	.29336	.28761	.28203	.27663	.27140
66	.33891	.33208	.32547	.31906	.31285	.30684	.30101	.29536	.28987	.28456
67	.35318	.34630	.33963	.33316	.32689	.32081	.31491	.30918	.30363	.29823
68	.36785	.36093	.35422	.34770	.34138	.33524	.32928	.32349	.31787	.31240
69	.38290	.37595	.36920	.36265	.35628	.35009	.34408	.33824	.33256	.32703
70	.39823	.39127	.38450	.37791	.37151	.36529	.35924	.35335	.34762	.34204
71	.41378	.40681	.40003	.39343	.38701	.38076	.37467	.36875	.36298	.35736
72	.42950	.42253	.41575	.40914	.40271	.39644	.39034	.38438	.37858	.37293
73	.44535	.43840	.43162	.42502	.41858	.41231	.40619	.40022	.39440	.38872
74	.46139	.45446	.44771	.44112	.43469	.42842	.42230	.41632	.41049	.40479
75	.47769	.47080	.46408	.45752	.45111	.44485	.43874	.43277	.42693	.42123
76	.49430	.48747	.48079	.47427	.46790	.46167	.45558	.44963	.44380	.43811
77	.51123	.50447	.49786	.49139	.48506	.47888	.47282	.46690	.46111	.45543
78	.52845	.52177	.51523	.50884	.50257	.49645	.49044	.48457	.47881	.47317
79	.54584	.53926	.53282	.52650	.52032	.51426	.50833	.50251	.49681	.49122
80	.56325	.55678	.55044	.54423	.53813	.53216	.52630	.52056	.51492	.50939
81	.58054	.57419	.56797	.56186	.55587	.54999	.54422	.53856	.53300	.52754
82	.59762	.59140	.58530	.57931	.57343	.56766	.56198	.55641	.55094	.54557
83	.61448	.60840	.60243	.59657	.59081	.58515	.57958	.57411	.56874	.56346
84	.63124	.62531	.61949	.61376	.60813	.60259	.59715	.59179	.58652	.58134
85	.64800	.64224	.63657	.63099	.62550	.62010	.61478	.60955	.60441	.59934
86	.66461	.65902	.65351	.64810	.64276	.63751	.63233	.62724	.62222	.61728
87	.68083	.67541	.67008	.66483	.65965	.65455	.64953	.64458	.63970	.63489
88	.69663	.69140	.68624	.68116	.67615	.67121	.66634	.66154	.65680	.65213
89	.71201	.70696	.70199	.69708	.69224	.68747	.68276	.67811	.67353	.66900
90	.72694	.72209	.71730	.71257	.70791	.70330	.69876	.69427	.68984	.68547
91	.74117	.73650	.73190	.72735	.72286	.71842	.71404	.70972	.70545	.70123
92	.75439	.74991	.74548	.74110	.73678	.73251	.72829	.72412	.72000	.71593
93	.76664	.76233	.75806	.75385	.74969	.74557	.74150	.73748	.73350	.72957
94	.77809	.77394	.76983	.76578	.76177	.75780	.75388	.75000	.74616	.74237
95	.78899	.78500	.78106	.77715	.77329	.76947	.76569	.76195	.75826	.75460
96	.79928	.79544	.79165	.78790	.78418	.78050	.77686	.77326	.76970	.76617
97	.80883	.80514	.80149	.79787	.79430	.79075	.78725	.78377	.78033	.77693
98	.81781	.81427	.81075	.80727	.80382	.80041	.79703	.79368	.79036	.78708
99	.82661	.82320	.81982	.81648	.81316	.80988	.80662	.80340	.80020	.79704

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	8.2%	8.4%	8.6%	8.8%	9.0%	9.2%	9.4%	9.6%	9.8%	10.0%
100	.83519	.83192	.82868	.82547	.82228	.81913	.81600	.81290	.80982	.80678
101	.84368	.84055	.83744	.83437	.83131	.82829	.82529	.82231	.81936	.81643
102	.85203	.84904	.84607	.84313	.84021	.83731	.83444	.83159	.82876	.82596
103	.86034	.85748	.85465	.85184	.84906	.84629	.84355	.84082	.83812	.83544
104	.86923	.86653	.86385	.86119	.85855	.85593	.85333	.85074	.84818	.84563
105	.87792	.87537	.87283	.87032	.86782	.86534	.86287	.86042	.85799	.85557
106	.88918	.88683	.88450	.88218	.87987	.87758	.87530	.87304	.87079	.86855
107	.90291	.90082	.89873	.89666	.89460	.89255	.89051	.88849	.88647	.88447
108	.92455	.92288	.92123	.91958	.91794	.91630	.91468	.91306	.91145	.90984
109	.96211	.96125	.96041	.95956	.95872	.95788	.95704	.95620	.95537	.95455

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
0	.01488	.01463	.01439	.01417	.01396	.01377	.01359	.01343	.01327	.01312
1	.00662	.00636	.00612	.00589	.00568	.00548	.00530	.00513	.00497	.00482
2	.00654	.00626	.00600	.00576	.00554	.00533	.00514	.00496	.00479	.00463
3	.00670	.00641	.00613	.00588	.00564	.00542	.00522	.00502	.00484	.00468
4	.00699	.00668	.00639	.00612	.00587	.00563	.00542	.00521	.00502	.00484
5	.00739	.00706	.00675	.00646	.00620	.00595	.00571	.00550	.00529	.00510
6	.00786	.00751	.00718	.00687	.00659	.00633	.00608	.00585	.00563	.00543
7	.00841	.00803	.00769	.00736	.00706	.00678	.00652	.00627	.00604	.00582
8	.00902	.00863	.00826	.00791	.00759	.00730	.00702	.00675	.00651	.00628
9	.00973	.00931	.00892	.00856	.00822	.00790	.00760	.00733	.00706	.00682
10	.01055	.01010	.00969	.00930	.00894	.00861	.00829	.00799	.00772	.00746
11	.01146	.01099	.01055	.01014	.00976	.00940	.00907	.00875	.00846	.00818
12	.01246	.01196	.01150	.01106	.01066	.01028	.00993	.00960	.00928	.00899
13	.01351	.01298	.01249	.01204	.01161	.01121	.01084	.01049	.01016	.00985
14	.01455	.01400	.01348	.01300	.01255	.01213	.01173	.01136	.01102	.01069
15	.01555	.01497	.01443	.01392	.01345	.01300	.01259	.01220	.01183	.01148
16	.01648	.01587	.01530	.01477	.01427	.01380	.01336	.01295	.01257	.01220
17	.01737	.01673	.01612	.01556	.01504	.01455	.01408	.01365	.01324	.01286
18	.01822	.01754	.01691	.01632	.01576	.01525	.01476	.01430	.01387	.01347
19	.01908	.01837	.01770	.01708	.01650	.01595	.01544	.01495	.01450	.01407
20	.01999	.01924	.01854	.01788	.01726	.01669	.01615	.01564	.01516	.01471
21	.02096	.02017	.01943	.01874	.01809	.01748	.01691	.01637	.01586	.01539
22	.02197	.02114	.02036	.01963	.01895	.01830	.01770	.01713	.01660	.01610
23	.02306	.02218	.02136	.02059	.01987	.01919	.01855	.01795	.01739	.01686
24	.02424	.02331	.02245	.02163	.02087	.02016	.01948	.01885	.01825	.01769

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
25	.02552	.02455	.02364	.02278	.02197	.02122	.02051	.01984	.01920	.01861
26	.02692	.02589	.02493	.02403	.02318	.02238	.02162	.02091	.02025	.01961
27	.02846	.02738	.02636	.02541	.02451	.02367	.02287	.02212	.02141	.02074
28	.03012	.02898	.02791	.02690	.02595	.02506	.02422	.02342	.02267	.02196
29	.03190	.03070	.02957	.02851	.02751	.02656	.02567	.02483	.02404	.02329
30	.03381	.03254	.03135	.03023	.02917	.02817	.02723	.02634	.02551	.02471
31	.03583	.03450	.03324	.03206	.03094	.02989	.02890	.02796	.02707	.02623
32	.03799	.03659	.03527	.03402	.03284	.03173	.03068	.02968	.02874	.02785
33	.04031	.03883	.03744	.03612	.03488	.03371	.03260	.03155	.03055	.02961
34	.04279	.04123	.03976	.03838	.03707	.03583	.03465	.03354	.03249	.03149
35	.04545	.04382	.04227	.04081	.03943	.03812	.03688	.03571	.03459	.03354
36	.04830	.04658	.04495	.04341	.04196	.04058	.03927	.03803	.03685	.03573
37	.05134	.04953	.04782	.04620	.04467	.04321	.04183	.04052	.03928	.03809
38	.05462	.05272	.05092	.04921	.04760	.04606	.04461	.04322	.04191	.04066
39	.05812	.05613	.05424	.05245	.05075	.04913	.04760	.04614	.04475	.04343
40	.06190	.05981	.05782	.05594	.05415	.05245	.05083	.04929	.04783	.04643
41	.06597	.06378	.06170	.05972	.05784	.05605	.05435	.05272	.05118	.04970
42	.07035	.06806	.06587	.06380	.06182	.05994	.05815	.05644	.05481	.05326
43	.07505	.07265	.07036	.06818	.06611	.06414	.06225	.06045	.05874	.05710
44	.08008	.07757	.07518	.07290	.07072	.06865	.06667	.06478	.06298	.06125
45	.08542	.08279	.08029	.07791	.07563	.07346	.07138	.06940	.06750	.06569
46	.09108	.08834	.08573	.08324	.08085	.07858	.07640	.07432	.07233	.07043
47	.09705	.09419	.09147	.08886	.08637	.08399	.08172	.07954	.07745	.07545
48	.10335	.10038	.09754	.09482	.09222	.08973	.08735	.08507	.08288	.08078
49	.10999	.10690	.10394	.10111	.09840	.09581	.09332	.09093	.08864	.08644
50	.11701	.11380	.11073	.10778	.10496	.10225	.09965	.09716	.09477	.09247
51	.12441	.12108	.11789	.11482	.11189	.10907	.10636	.10376	.10126	.09886
52	.13217	.12871	.12540	.12222	.11916	.11623	.11341	.11071	.10810	.10560
53	.14028	.13670	.13327	.12997	.12680	.12375	.12082	.11801	.11529	.11268
54	.14875	.14505	.14150	.13808	.13480	.13163	.12859	.12566	.12284	.12012
55	.15760	.15378	.15011	.14657	.14317	.13989	.13674	.13370	.13077	.12794
56	.16684	.16290	.15911	.15546	.15194	.14855	.14528	.14213	.13909	.13615
57	.17648	.17242	.16851	.16474	.16111	.15760	.15422	.15096	.14781	.14477
58	.18647	.18229	.17827	.17438	.17064	.16702	.16353	.16015	.15689	.15374
59	.19678	.19249	.18835	.18435	.18049	.17676	.17316	.16968	.16631	.16305
60	.20740	.20300	.19875	.19464	.19066	.18682	.18311	.17952	.17604	.17268
61	.21837	.21385	.20949	.20527	.20119	.19724	.19341	.18971	.18613	.18266
62	.22973	.22511	.22064	.21631	.21212	.20807	.20414	.20033	.19664	.19306
63	.24152	.23680	.23222	.22779	.22350	.21934	.21530	.21139	.20760	.20392
64	.25372	.24890	.24422	.23969	.23529	.23103	.22690	.22289	.21899	.21521
65	.26633	.26141	.25664	.25201	.24752	.24316	.23893	.23482	.23083	.22695
66	.27940	.27439	.26953	.26481	.26023	.25577	.25145	.24724	.24316	.23918
67	.29299	.28790	.28296	.27815	.27348	.26894	.26453	.26024	.25606	.25200
68	.30709	.30193	.29691	.29202	.28728	.28265	.27816	.27378	.26952	.26537
69	.32166	.31643	.31134	.30639	.30157	.29687	.29230	.28785	.28351	.27928

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	10.2%	10.4%	10.6%	10.8%	11.0%	11.2%	11.4%	11.6%	11.8%	12.0%
70	.33661	.33133	.32618	.32116	.31628	.31152	.30688	.30235	.29794	.29364
71	.35188	.34654	.34134	.33627	.33133	.32651	.32181	.31722	.31275	.30838
72	.36742	.36204	.35679	.35168	.34668	.34181	.33706	.33241	.32788	.32345
73	.38317	.37776	.37248	.36733	.36229	.35738	.35257	.34788	.34330	.33882
74	.39923	.39380	.38849	.38330	.37823	.37328	.36844	.36370	.35908	.35455
75	.41566	.41021	.40489	.39968	.39459	.38961	.38474	.37997	.37531	.37074
76	.43254	.42709	.42176	.41655	.41144	.40645	.40156	.39677	.39208	.38749
77	.44988	.44444	.43912	.43391	.42880	.42380	.41891	.41411	.40940	.40479
78	.46765	.46224	.45694	.45174	.44665	.44166	.43677	.43197	.42726	.42265
79	.48574	.48037	.47510	.46993	.46487	.45990	.45502	.45024	.44554	.44094
80	.50397	.49865	.49343	.48830	.48327	.47834	.47349	.46873	.46406	.45947
81	.52219	.51693	.51176	.50669	.50171	.49682	.49201	.48729	.48265	.47809
82	.54029	.53510	.53000	.52499	.52007	.51523	.51047	.50580	.50120	.49667
83	.55826	.55315	.54813	.54319	.53834	.53356	.52886	.52424	.51969	.51522
84	.57624	.57123	.56629	.56144	.55666	.55195	.54732	.54277	.53828	.53386
85	.59435	.58944	.58460	.57984	.57516	.57054	.56599	.56151	.55710	.55275
86	.61241	.60762	.60289	.59824	.59365	.58913	.58468	.58029	.57596	.57170
87	.63015	.62548	.62087	.61633	.61185	.60744	.60309	.59880	.59456	.59039
88	.64753	.64299	.63851	.63409	.62973	.62543	.62118	.61700	.61287	.60879
89	.66454	.66013	.65579	.65150	.64726	.64308	.63895	.63488	.63086	.62689
90	.68115	.67689	.67268	.66853	.66442	.66037	.65637	.65241	.64851	.64465
91	.69706	.69294	.68887	.68486	.68089	.67696	.67309	.66925	.66547	.66173
92	.71190	.70792	.70399	.70011	.69627	.69247	.68872	.68501	.68134	.67771
93	.72569	.72184	.71804	.71429	.71057	.70689	.70326	.69967	.69611	.69259
94	.73861	.73490	.73123	.72759	.72400	.72044	.71692	.71344	.71000	.70659
95	.75097	.74739	.74384	.74033	.73686	.73342	.73002	.72665	.72331	.72001
96	.76267	.75922	.75579	.75240	.74905	.74572	.74243	.73917	.73595	.73275
97	.77356	.77022	.76691	.76363	.76039	.75718	.75399	.75084	.74772	.74463
98	.78382	.78059	.77740	.77423	.77110	.76799	.76491	.76186	.75884	.75584
99	.79390	.79079	.78771	.78465	.78162	.77862	.77565	.77270	.76978	.76688
100	.80376	.80076	.79779	.79485	.79193	.78904	.78617	.78333	.78051	.77771
101	.81353	.81066	.80780	.80497	.80217	.79938	.79662	.79388	.79117	.78847
102	.82318	.82042	.81768	.81496	.81227	.80960	.80694	.80431	.80170	.79911
103	.83278	.83014	.82752	.82491	.82233	.81977	.81723	.81470	.81220	.80971
104	.84310	.84059	.83810	.83563	.83317	.83073	.82831	.82591	.82352	.82115
105	.85318	.85079	.84843	.84607	.84374	.84142	.83911	.83682	.83455	.83229
106	.86633	.86413	.86193	.85975	.85758	.85543	.85329	.85116	.84904	.84694
107	.88247	.88049	.87852	.87656	.87460	.87266	.87073	.86881	.86690	.86500
108	.90825	.90666	.90507	.90350	.90193	.90037	.89881	.89727	.89572	.89419
109	.95372	.95290	.95208	.95126	.95045	.94964	.94883	.94803	.94723	.94643

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
0	.01298	.01285	.01273	.01261	.01250	.01240	.01230	.01221	.01212	.01203
1	.00468	.00455	.00443	.00431	.00420	.00410	.00400	.00391	.00382	.00374
2	.00448	.00435	.00421	.00409	.00398	.00387	.00376	.00366	.00357	.00348
3	.00452	.00437	.00423	.00410	.00398	.00386	.00375	.00365	.00355	.00345
4	.00468	.00452	.00437	.00423	.00410	.00397	.00386	.00375	.00364	.00354
5	.00493	.00476	.00460	.00445	.00431	.00418	.00405	.00393	.00382	.00371
6	.00524	.00506	.00489	.00473	.00458	.00444	.00430	.00418	.00406	.00394
7	.00562	.00543	.00525	.00508	.00492	.00477	.00462	.00449	.00436	.00423
8	.00606	.00586	.00566	.00548	.00531	.00515	.00499	.00485	.00471	.00458
9	.00659	.00637	.00616	.00597	.00579	.00561	.00545	.00529	.00514	.00500
10	.00721	.00698	.00676	.00655	.00636	.00617	.00600	.00583	.00567	.00552
11	.00792	.00767	.00744	.00722	.00701	.00682	.00663	.00645	.00628	.00612
12	.00871	.00845	.00821	.00797	.00775	.00754	.00735	.00716	.00698	.00681
13	.00955	.00928	.00902	.00877	.00854	.00831	.00810	.00790	.00771	.00753
14	.01038	.01009	.00981	.00955	.00930	.00907	.00885	.00864	.00843	.00824
15	.01116	.01085	.01056	.01028	.01002	.00977	.00954	.00932	.00910	.00890
16	.01186	.01153	.01123	.01094	.01066	.01040	.01015	.00992	.00969	.00948
17	.01250	.01215	.01183	.01152	.01124	.01096	.01070	.01045	.01022	.00999
18	.01308	.01272	.01238	.01206	.01175	.01147	.01119	.01093	.01068	.01044
19	.01367	.01329	.01293	.01259	.01227	.01196	.01167	.01140	.01113	.01088
20	.01428	.01388	.01350	.01314	.01280	.01248	.01217	.01188	.01161	.01134
21	.01494	.01451	.01411	.01373	.01337	.01303	.01271	.01240	.01211	.01183
22	.01562	.01517	.01475	.01435	.01397	.01361	.01326	.01294	.01263	.01233
23	.01635	.01588	.01543	.01501	.01460	.01422	.01386	.01351	.01319	.01287
24	.01716	.01665	.01618	.01573	.01530	.01489	.01451	.01415	.01380	.01347
25	.01804	.01751	.01701	.01653	.01608	.01565	.01524	.01485	.01448	.01413
26	.01902	.01845	.01792	.01741	.01693	.01648	.01604	.01563	.01524	.01487
27	.02011	.01951	.01895	.01841	.01790	.01742	.01696	.01652	.01610	.01571
28	.02129	.02066	.02006	.01949	.01895	.01844	.01795	.01748	.01704	.01662
29	.02258	.02191	.02127	.02067	.02009	.01955	.01903	.01853	.01806	.01762
30	.02396	.02325	.02257	.02193	.02132	.02074	.02019	.01966	.01916	.01869
31	.02543	.02467	.02396	.02328	.02263	.02201	.02143	.02087	.02034	.01983
32	.02701	.02621	.02545	.02472	.02404	.02338	.02276	.02217	.02160	.02106
33	.02871	.02786	.02706	.02629	.02556	.02487	.02420	.02357	.02297	.02240
34	.03054	.02964	.02879	.02797	.02720	.02646	.02576	.02509	.02445	.02383
35	.03253	.03158	.03067	.02981	.02898	.02820	.02745	.02674	.02606	.02541
36	.03467	.03366	.03269	.03178	.03090	.03007	.02928	.02852	.02779	.02710
37	.03697	.03590	.03488	.03391	.03298	.03209	.03125	.03044	.02967	.02893
38	.03947	.03833	.03725	.03622	.03524	.03430	.03340	.03254	.03172	.03094
39	.04217	.04096	.03982	.03873	.03768	.03669	.03573	.03482	.03395	.03312
40	.04510	.04383	.04262	.04146	.04035	.03930	.03828	.03732	.03639	.03550
41	.04830	.04695	.04567	.04445	.04327	.04215	.04108	.04005	.03907	.03812
42	.05177	.05035	.04900	.04770	.04646	.04527	.04413	.04304	.04200	.04100
43	.05553	.05404	.05261	.05123	.04992	.04866	.04746	.04630	.04520	.04413
44	.05960	.05802	.05651	.05506	.05368	.05235	.05107	.04985	.04867	.04754

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

AGE	INTEREST RATE									
	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
45	.06395	.06229	.06069	.05917	.05770	.05630	.05495	.05365	.05241	.05121
46	.06860	.06685	.06517	.06356	.06202	.06053	.05911	.05774	.05643	.05516
47	.07353	.07169	.06992	.06823	.06660	.06504	.06353	.06209	.06070	.05936
48	.07877	.07684	.07498	.07320	.07149	.06984	.06826	.06673	.06527	.06385
49	.08433	.08231	.08036	.07849	.07669	.07495	.07329	.07168	.07013	.06864
50	.09026	.08814	.08609	.08413	.08224	.08042	.07867	.07698	.07535	.07378
51	.09655	.09433	.09219	.09013	.08815	.08624	.08440	.08262	.08091	.07926
52	.10318	.10086	.09863	.09647	.09439	.09239	.09046	.08860	.08680	.08506
53	.11017	.10774	.10541	.10315	.10098	.09888	.09686	.09491	.09302	.09120
54	.11750	.11498	.11254	.11019	.10792	.10572	.10361	.10156	.09958	.09767
55	.12522	.12258	.12005	.11759	.11522	.11294	.11072	.10859	.10652	.10451
56	.13332	.13059	.12794	.12539	.12292	.12054	.11823	.11599	.11383	.11174
57	.14183	.13899	.13624	.13359	.13102	.12853	.12613	.12380	.12154	.11936
58	.15070	.14775	.14490	.14215	.13948	.13689	.13439	.13197	.12962	.12734
59	.15990	.15685	.15389	.15103	.14826	.14558	.14298	.14046	.13801	.13564
60	.16942	.16626	.16321	.16024	.15737	.15459	.15189	.14927	.14673	.14426
61	.17929	.17603	.17287	.16981	.16684	.16395	.16115	.15844	.15580	.15324
62	.18960	.18623	.18297	.17980	.17673	.17375	.17085	.16803	.16530	.16264
63	.20035	.19688	.19352	.19025	.18708	.18400	.18100	.17809	.17525	.17250
64	.21154	.20797	.20451	.20114	.19787	.19469	.19159	.18859	.18566	.18281
65	.22318	.21951	.21595	.21249	.20912	.20584	.20265	.19955	.19652	.19358
66	.23532	.23156	.22790	.22434	.22088	.21751	.21422	.21102	.20791	.20487
67	.24804	.24419	.24044	.23679	.23324	.22977	.22640	.22311	.21990	.21678
68	.26133	.25740	.25356	.24983	.24618	.24263	.23917	.23579	.23250	.22929
69	.27516	.27114	.26723	.26341	.25969	.25605	.25251	.24905	.24567	.24237
70	.28945	.28536	.28137	.27747	.27367	.26996	.26633	.26279	.25934	.25596
71	.30412	.29996	.29590	.29193	.28806	.28427	.28057	.27696	.27343	.26998
72	.31913	.31491	.31078	.30675	.30281	.29895	.29519	.29150	.28790	.28438
73	.33444	.33016	.32597	.32188	.31788	.31396	.31013	.30638	.30271	.29913
74	.35012	.34579	.34155	.33741	.33335	.32938	.32549	.32168	.31795	.31430
75	.36628	.36190	.35762	.35343	.34932	.34530	.34136	.33750	.33372	.33001
76	.38299	.37858	.37427	.37004	.36589	.36183	.35784	.35394	.35011	.34636
77	.40028	.39585	.39151	.38725	.38307	.37898	.37496	.37103	.36716	.36337
78	.41812	.41368	.40933	.40506	.40086	.39675	.39271	.38874	.38485	.38103
79	.43641	.43198	.42762	.42334	.41914	.41502	.41096	.40698	.40308	.39924
80	.45496	.45054	.44619	.44192	.43772	.43360	.42954	.42556	.42164	.41779
81	.47360	.46920	.46487	.46061	.45643	.45231	.44827	.44429	.44038	.43653
82	.49223	.48785	.48355	.47932	.47516	.47106	.46703	.46307	.45916	.45532
83	.51081	.50648	.50221	.49802	.49388	.48982	.48581	.48187	.47799	.47416
84	.52951	.52523	.52101	.51686	.51277	.50874	.50477	.50086	.49701	.49321
85	.54847	.54425	.54009	.53600	.53196	.52798	.52406	.52019	.51638	.51262
86	.56749	.56335	.55926	.55523	.55126	.54734	.54348	.53966	.53591	.53220
87	.58627	.58221	.57820	.57425	.57035	.56650	.56270	.55895	.55526	.55161
88	.60477	.60079	.59688	.59301	.58919	.58542	.58170	.57802	.57439	.57081
89	.62297	.61909	.61527	.61149	.60776	.60408	.60044	.59685	.59330	.58979

TABLE S
 BASED ON LIFE TABLE 90CM
 SINGLE LIFE REMAINDER FACTORS
 APPLICABLE AFTER APRIL 30, 1999

INTEREST RATE

AGE	12.2%	12.4%	12.6%	12.8%	13.0%	13.2%	13.4%	13.6%	13.8%	14.0%
90	.64084	.63707	.63335	.62968	.62604	.62246	.61891	.61540	.61194	.60851
91	.65803	.65437	.65076	.64719	.64366	.64017	.63672	.63330	.62993	.62659
92	.67412	.67058	.66707	.66360	.66017	.65678	.65342	.65010	.64682	.64357
93	.68911	.68567	.68227	.67890	.67557	.67227	.66901	.66578	.66258	.65942
94	.70321	.69988	.69657	.69330	.69006	.68686	.68369	.68055	.67744	.67437
95	.71674	.71351	.71031	.70713	.70399	.70088	.69781	.69476	.69174	.68875
96	.72959	.72646	.72335	.72028	.71724	.71422	.71123	.70828	.70534	.70244
97	.74156	.73853	.73552	.73254	.72959	.72666	.72376	.72089	.71804	.71522
98	.75287	.74993	.74702	.74413	.74126	.73842	.73561	.73282	.73006	.72732
99	.76401	.76117	.75834	.75555	.75277	.75002	.74730	.74459	.74191	.73926
100	.77494	.77219	.76946	.76676	.76408	.76142	.75878	.75616	.75357	.75099
101	.78580	.78315	.78052	.77791	.77532	.77275	.77021	.76768	.76517	.76268
102	.79654	.79399	.79146	.78894	.78645	.78397	.78152	.77908	.77666	.77426
103	.80724	.80479	.80236	.79994	.79755	.79517	.79280	.79046	.78813	.78582
104	.81879	.81646	.81413	.81183	.80954	.80726	.80501	.80276	.80054	.79832
105	.83005	.82782	.82560	.82340	.82121	.81904	.81688	.81474	.81260	.81049
106	.84485	.84277	.84071	.83866	.83662	.83459	.83257	.83057	.82857	.82659
107	.86311	.86124	.85937	.85751	.85566	.85382	.85199	.85017	.84835	.84655
108	.89266	.89114	.88963	.88812	.88662	.88513	.88364	.88216	.88068	.87922
109	.94563	.94484	.94405	.94326	.94248	.94170	.94092	.94014	.93937	.93860

LIFE TABLE
TABLE 90CM
APPLICABLE AFTER APRIL 30, 1999

Age x	l(x)	Age x	l(x)	Age x	l(x)
(1)	(2)	(1)	(2)	(1)	(2)
0	100000	37	95969	74	62852
1	99064	38	95780	75	60449
2	98992	39	95581	76	57955
3	98944	40	95373	77	55373
4	98907	41	95156	78	52704
5	98877	42	94928	79	49943
6	98850	43	94687	80	47084
7	98826	44	94431	81	44129
8	98803	45	94154	82	41091
9	98783	46	93855	83	37994
10	98766	47	93528	84	34876
11	98750	48	93173	85	31770
12	98734	49	92787	86	28687
13	98713	50	92370	87	25638
14	98681	51	91918	88	22658
15	98635	52	91424	89	19783
16	98573	53	90885	90	17046
17	98497	54	90297	91	14466
18	98409	55	89658	92	12066
19	98314	56	88965	93	9884
20	98215	57	88214	94	7951
21	98113	58	87397	95	6282
22	98006	59	86506	96	4868
23	97896	60	85537	97	3694
24	97784	61	84490	98	2745
25	97671	62	83368	99	1999
26	97556	63	82169	100	1424
27	97441	64	80887	101	991
28	97322	65	79519	102	672
29	97199	66	78066	103	443
30	97070	67	76531	104	284
31	96934	68	74907	105	175
32	96791	69	73186	106	105
33	96642	70	71357	107	60
34	96485	71	69411	108	33
35	96322	72	67344	109	17
36	96150	73	65154	110	0

(e) *Effective dates.* This section applies after April 30, 1999.

§20.2031-7T [Removed]

Par. 13a. Section 20.2031-7T is removed.

Par. 14. Section 20.7520-1 is amended by revising paragraphs (a)(2), (b)(2), (c)(1), (c)(2) and (d) to read as follows:

§20.7520-1 Valuation of annuities, unitrust interests, interests for life or term of years, and remainder or reversionary interests.

(a) * * *

(2) In the case of a transfer to a pooled income fund with a valuation date after April 30, 1999, see §1.642(c)-6(e) (or, for certain prior periods, §1.642(c)-6A of this chapter) of this chapter with respect to the valuation of the remainder interest.

* * * * *

(b) * * *

(2) *Mortality component.* The mortality component reflects the mortality data most recently available from the United States Census. As new mortality data becomes available after each decennial census, the mortality component described in this section will be revised periodically and the mortality component tables will be published in the regulations at that time. For decedents' estates with valuation dates after April 30, 1999, the mortality component table (Table 90CM) is included in §20.2031-7(d)(7). See §20.2031-7A for mortality component tables applicable to decedent's estates with valuation dates before May 1, 1999.

(c) * * *

(1) *Regulation sections containing tables with interest rates between 4.2 and 14 percent for valuation dates after April 30, 1999.* Section 1.642(c)-6(e)(6) of this chapter contains Table S used for determining the present value of a single life remainder interest in a pooled income fund as defined in §1.642(c)-5 of this chapter. See §1.642(c)-6A of this chapter for single life remainder factors applicable to valuation dates before May 1, 1999. Section 1.664-4(e)(6) of this chapter contains Table F (payout factors) and Table D (actuarial factors used in determining the present value of a remainder interest post-

poned for a term of years). Section 1.664-4(e)(7) of this chapter contains Table U(1) (unitrust single life remainder factors). These tables are used in determining the present value of a remainder interest in a charitable remainder unitrust as defined in §1.664-3 of this chapter. See §1.664-4A of this chapter for unitrust single life remainder factors applicable to valuation dates before May 1, 1999. Section 20.2031-7(d)(6) contains Table B (actuarial factors used in determining the present value of an interest for a term of years), Table K (annuity end-of-interval adjustment factors), and Table J (term certain annuity beginning-of-interval adjustment factors). Section 20.2031-7(d)(7) contains Table S (single life remainder factors) and Table 90CM (mortality components). These tables are used in determining the present value of annuities, life estates, remainders, and reversions. See §20.2031-7A for single life remainder factors and mortality components applicable to valuation dates before May 1, 1999.

(2) *Internal Revenue Service publications containing tables with interest rates between 2.2 and 22 percent for valuation dates after April 30, 1999.* The following documents are available for purchase from the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402:

(i) Internal Revenue Service Publication 1457, "Actuarial Values, Book Aleph," (7-1999). This publication includes tables of valuation factors, as well as examples that show how to compute other valuation factors, for determining the present value of annuities, life estates, terms of years, remainders, and reversions, measured by one or two lives. These factors may also be used in the valuation of interests in a charitable remainder annuity trust as defined in §1.664-2 of this chapter and a pooled income fund as defined in §1.642(c)-5 of this chapter. See §20.2031-7A for publications containing tables for valuation dates before May 1, 1999.

(ii) Internal Revenue Service Publication 1458, "Actuarial Values, Book Beth," (7-1999). This publication includes term certain tables and tables of one and two

life valuation factors for determining the present value of remainder interests in a charitable remainder unitrust as defined in §1.664-3 of this chapter. See §1.664-4A of this chapter for publications containing tables for valuation dates before May 1, 1999.

(iii) Internal Revenue Service Publication 1459, "Actuarial Values, Book Gimel," (7-1999). This publication includes tables for computing depreciation adjustment factors. See §1.170A-12 of this chapter.

(d) *Effective date.* This section applies after April 30, 1989.

§20.7520-1T [Removed]

Par. 15. Section 20.7520-1T is removed.

PART 25—GIFT TAX; GIFTS MADE AFTER DECEMBER 31, 1954

Par. 16. The authority citation for part 25 is amended by removing the entries for Sections 25-2512-5T and 25.7520-1T to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

§25.2512-0 [Amended]

Par. 17. Section 25.2512-0 is amended by removing the entry for §25.2512-5T from the contents listing.

Par. 18. Section 25.2512-5 is amended by revising paragraphs (c), (d) and (e) to read as follows:

§25.2512-5 Valuation of annuities, unitrust interests, interests for life or term of years, and remainder or reversionary interests.

* * * * *

(c) *Actuarial valuations.* The present value of annuities, unitrust interests, life estates, terms of years, remainders, and reversions transferred by gift after April 30, 1999, is determined under paragraph (d) of this section. The present value of annuities, unitrust interests, life estates, terms of years, remainders, and reversions transferred by gift before May 1, 1999, is determined under the following sections:

<u>After</u>	<u>Transfers</u>	<u>Before</u>	<u>Applicable Regulations</u>
		01-01-52	25.2512-5A(a)
12-31-51		01-01-71	25.2512-5A(b)
12-31-70		12-01-83	25.2512-5A(c)
11-30-83		05-01-89	25.2512-5A(d)
04-30-89		05-01-99	25.2512-5A(e)

(d) *Actuarial valuations after April 30, 1999—(1) In general.* Except as otherwise provided in paragraph (b) of this section and §25.7520-3(b) (relating to exceptions to the use of prescribed tables under certain circumstances), if the valuation date for the gift is after April 30, 1999, the fair market value of annuities, life estates, terms of years, remainders, and reversions transferred after April 30, 1999, is the present value of such interests determined under paragraph (d)(2) of this section and by use of standard or special section 7520 actuarial factors. These factors are derived by using the appropriate section 7520 interest rate and, if applicable, the mortality component for the valuation date of the interest that is being valued. See §§25.7520-1 through 25.7520-4. The fair market value of a qualified annuity interest described in section 2702(b)(1) and a qualified unitrust interest described in section 2702(b)(2) is the present value of such interests determined under §25.7520-1(c).

(2) *Specific interests.* When the donor transfers property in trust or otherwise and retains an interest therein, generally, the value of the gift is the value of the property transferred less the value of the donor's retained interest. However, if the donor transfers property after October 8, 1990, to or for the benefit of a member of the donor's family, the value of the gift is the value of the property transferred less the value of the donor's retained interest as determined under section 2702. If the donor assigns or relinquishes an annuity, life estate, remainder, or reversion that the donor holds by virtue of a transfer previously made by the donor or another, the value of the gift is the value of the interest transferred. However, see section 2519 for a special rule in the case of the assignment of an income interest by a person who received the interest from a spouse.

(i) *Charitable remainder trusts.* The fair market value of a remainder interest in a pooled income fund, as defined in

§1.642(c)-5 of this chapter, is its value determined under §1.642(c)-6(e) of this chapter (see §1.642(c)-6A for certain prior periods). The fair market value of a remainder interest in a charitable remainder annuity trust, as described in §1.664-2(a) of this chapter, is its present value determined under §1.664-2(c) of this chapter. The fair market value of a remainder interest in a charitable remainder unitrust, as defined in §1.664-3 of this chapter, is its present value determined under §1.664-4(e) of this chapter. The fair market value of a life interest or term for years in a charitable remainder unitrust is the fair market value of the property as of the date of transfer less the fair market value of the remainder interest, determined under §1.664-4(e)(4) and (5) of this chapter.

(ii) *Ordinary remainder and reversionary interests.* If the interest to be valued is to take effect after a definite number of years or after the death of one individual, the present value of the interest is computed by multiplying the value of the property by the appropriate remainder interest actuarial factor (that corresponds to the applicable section 7520 interest rate and remainder interest period) in Table B (for a term certain) or the appropriate Table S (for one measuring life), as the case may be. Table B is contained in §20.2031-7(d)(6) of this chapter and Table S (for one measuring life when the valuation date is after April 30, 1999) is included in §20.2031-7(d)(7) of this chapter and Internal Revenue Service Publication 1457. See §20.2031-7A(e)(4) of this chapter containing Table S and Life Table 80CNSMT for valuation of interests after April 30, 1989, and before May 1, 1999. For information about obtaining actuarial factors for other types of remainder interests, see paragraph (d)(4) of this section.

(iii) *Ordinary term-of-years and life interests.* If the interest to be valued is the right of a person to receive the income of

certain property, or to use certain nonincome-producing property, for a term of years or for the life of one individual, the present value of the interest is computed by multiplying the value of the property by the appropriate term-of-years or life interest actuarial factor (that corresponds to the applicable section 7520 interest rate and term-of-years or life interest period). Internal Revenue Service Publication 1457 includes actuarial factors for an interest for a term of years in Table B and for the life of one individual in Table S (for one measuring life when the valuation date is after April 30, 1999). However, term-of-years and life interest actuarial factors are not included in Table B in §20.2031-7(d)(6) or Table S in §20.2031-7(d)(7) (or in §20.2031-7A(e)(4)) of this chapter. If Internal Revenue Service Publication 1457 (or any other reliable source of term-of-years and life interest actuarial factors) is not conveniently available, an actuarial factor for the interest may be derived mathematically. This actuarial factor may be derived by subtracting the correlative remainder factor (that corresponds to the applicable section 7520 interest rate) in Table B (for a term of years) in §20.2031-7(d)(6) of this chapter or in Table S (for the life of one individual) in §20.2031-7(d)(7) of this chapter, as the case may be, from 1.000000. For information about obtaining actuarial factors for other types of term-of-years and life interests, see paragraph (d)(4) of this section.

(iv) *Annuities.* (A) If the interest to be valued is the right of a person to receive an annuity that is payable at the end of each year for a term of years or for the life of one individual, the present value of the interest is computed by multiplying the aggregate amount payable annually by the appropriate annuity actuarial factor (that corresponds to the applicable section 7520 interest rate and annuity period). Internal Revenue Service Publication 1457 includes actuarial factors in Table B (for an annuity payable for a term of years)

and in Table S (for an annuity payable for the life of one individual when the valuation date is after April 30, 1999). However, annuity actuarial factors are not included in Table B in §20.2031-7(d)(6) of this chapter or Table S in §20.2031-7(d)(7) (or in §20.2031-7A(e)(4) of this chapter. If Internal Revenue Service Publication 1457 (or any other reliable source of annuity actuarial factors) is not conveniently available, an annuity factor for a term of years or for one life may be derived mathematically. This annuity factor may be derived by subtracting the applicable remainder factor (that corresponds to the applicable section 7520 interest rate and annuity period) in Table B (in the case of a term-of-years annuity) in §20.2031-7(d)(6) of this chapter or in Table S (in the case of a one-life annuity) in §20.2031-7(d)(7) of this chapter, as the case may be, from 1.000000 and then dividing the result by the applicable section 7520 interest rate expressed as a decimal number. See §20.2031-7(d)(2)(iv) of this chapter for an example that illustrates the computation of the present value of an annuity.

(B) If the annuity is payable at the end of semiannual, quarterly, monthly, or weekly periods, the product obtained by multiplying the annuity factor by the aggregate amount payable annually is then multiplied by the applicable adjustment factor set forth in Table K in

§20.2031-7(d)(6) of this chapter at the appropriate interest rate component for payments made at the end of the specified periods. The provisions of this paragraph (d)(2)(iv)(B) are illustrated by the following example:

Example. In July, the donor agreed to pay the annuitant the sum of \$10,000 per year, payable in equal semiannual installments at the end of each period. The semiannual installments are to be made on each December 31st and June 30th. The annuity is payable until the annuitant's death. On the date of the agreement, the annuitant is 68 years and 5 months old. The donee annuitant's age is treated as 68 for purposes of computing the present value of the annuity. The section 7520 rate on the date of the agreement is 10.6 percent. Under Table S in §20.2031-7(d)(7) of this chapter, the factor at 10.6 percent for determining the present value of a remainder interest payable at the death of an individual aged 68 is .29691. Converting the remainder factor to an annuity factor, as described above, the annuity factor for determining the present value of an annuity transferred to an individual age 68 is 6.6329 (1.00000 minus .29691 divided by .106). The adjustment factor from Table K in §20.2031-7(d)(6) of this chapter in the column for payments made at the end of each semiannual period at the rate of 10.6 percent is 1.0258. The aggregate annual amount of the annuity, \$10,000, is multiplied by the factor 6.6329 and the product multiplied by 1.0258. The present value of the donee's annuity is, therefore, \$68,040.29 (\$10,000 X 6.6329 X 1.0258).

(C) If an annuity is payable at the beginning of annual, semiannual, quarterly, monthly, or weekly periods for a term of years, the value of the annuity is computed by multiplying the aggregate amount payable annually by the annuity factor described in paragraph (d)(2)(iv)(A) of this section; and the prod-

uct so obtained is then multiplied by the adjustment factor in Table J in §20.2031-7(d)(6) of this chapter at the appropriate interest rate component for payments made at the beginning of specified periods. If an annuity is payable at the beginning of annual, semiannual, quarterly, monthly, or weekly periods for one or more lives, the value of the annuity is the sum of the first payment plus the present value of a similar annuity, the first payment of which is not to be made until the end of the payment period, determined as provided in paragraph (d)(2)(iv)(B) of this section.

(v) *Annuity and unitrust interests for a term of years or until the prior death of an individual—(A) Annuity interests.* The present value of an annuity interest that is payable until the earlier to occur of the lapse of a specific number of years or the death of an individual may be computed with values from the tables in §20.2031-7(d)(6) and (d)(7) of this chapter as described in the following example:

Example. The donor transfers \$100,000 into a trust and retains the right to receive an annuity from the trust in the amount of \$6,000 per year, payable in equal semiannual installments at the end of each period. The semiannual installments are to be made on each June 30th and December 31st. The annuity is payable for 10 years or until the donor's prior death. At the time of the transfer, the donor is 59 years and 6 months old. The donor's age is taken as 60 for purposes of computing the present value of the retained annuity. The section 7520 rate for the month in which the transfer occurred is 9.8 percent. The present value of the donor's retained interest is \$35,709.13, determined as follows:

TABLE S value at 9.8 percent, age 6021669
TABLE S value at 9.8 percent, age 7034762
TABLE 90CM value at age 70	71357
TABLE 90CM value at age 60	85537
TABLE B value at 9.8 percent, 10 years392624
TABLE K value at 9.8 percent	1.0239

Factor for donor's retained interest at 9.8 percent:

$$\frac{(1.00000 - .21669) - (.392624 \times (71357/85537) \times (1.00000 - .34762))}{.098} = 5.8126$$

Present value of donor's retained interest:

$$(\$6,000 \times 5.8126 \times 1.0239) \dots\dots\dots \$35,709.13$$

(B) *Unitrust interests.* The present value of a unitrust interest that is payable until the earlier to occur of the lapse of a specific number of years or the death of an individual may be computed with values from the tables in §§1.664-4(e)(6) and (e)(7) and §20.2031-7(d)(7) of this chapter as described in the following example:

Example. The donor who, as of the nearest birthday, is 60 years old, transfers \$100,000 to a unitrust on January 1st. The trust instrument requires that each year the trust pay to the donor, in equal semiannual installments on June 30th and December 31st, 6 percent of the fair market value of the trust assets, valued as of January 1st each year, for 10 years or until the prior death of the donor. The section 7520 rate for the January in which the transfer occurred is 9.8 percent. Under Table F(9.8) in §1.664-4(e)(6)

of this chapter, the appropriate adjustment factor is .932539 for semiannual payments payable at the end of the semiannual period. The adjusted payout rate is 5.595 percent (6% X .932539). The present value of the donor's retained interest is \$40,848.00 determined as follows:

TABLE U(1) value at 5.6 percent, age 60	.35375
TABLE U(1) value at 5.6 percent, age 70	.49342
TABLE 90CM value at age 70	.71357
TABLE 90CM value at age 60	.85537
TABLE D value at 5.6 percent, 10 years	.561979

Factor for donor's retained interest at 5.6 percent:

$$(1.000000 - .35375) - (.561979 \times (71357/85537) \times (1.000000 - .49342)) = .40876$$

TABLE U(1) value at 5.4 percent, age 60	.36542
TABLE U(1) value at 5.4 percent, age 70	.50473
TABLE 90CM value at age 70	.71357
TABLE 90CM value at age 60	.85537
TABLE D value at 5.4 percent, 10 years	.573999

Factor for donor's retained interest at 5.4 percent:

$$(1.000000 - .36542) - (.573999 \times (71357/85537) \times (1.000000 - .50473)) = \frac{.39742}{\text{Difference}} = .01134$$

Interpolation adjustment:

$$\frac{5.595\% - 5.4\%}{0.2\%} = \frac{x}{.01134}$$

$$x = .01106$$

Factor at 5.4 percent, age 60	.39742
Plus: Interpolation adjustment	.01106
Interpolated Factor	.40848
Present value of donor's retained interest:	

$$(\$100,000 \times .40848) = \$40,848.00$$

(3) *Transitional rule.* If the valuation date of a transfer of property by gift is after April 30, 1999, and before July 1, 1999, the fair market value of the interest transferred is determined by use of the section 7520 interest rate for the month in which the valuation date occurs (see §§25.7520-1(b) and 25.7520-2(a)(2)) and the appropriate actuarial tables under either paragraph (d)(2) of this section or §25.2512-5A(e), at the option of the donor. However, with respect to each individual transaction and with respect to all transfers occurring on the valuation date, the donor must use the same actuarial tables (for example, gift and income tax charitable deductions with respect to the same transfer must be determined based on the same tables, and all transfers made on the same date must be valued based on the same tables).

(4) *Publications and actuarial computations by the Internal Revenue Service.* Many standard actuarial factors not included in §§20.2031-7(d)(6) or (d)(7) of this chapter are included in Internal Revenue Service Publication 1457, "Actuarial Values, Book Aleph," (7-1999). Internal Revenue Service Publication 1457 also includes examples that illustrate how to compute many special factors for more

unusual situations. A copy of this publication is available for purchase from the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402. See §25.2512-5A for publications containing actuarial factors for valuing interests for which the valuation date is before May 1, 1999. If a special factor is required in the case of a completed gift, the Service may furnish the factor to the donor upon a request for a ruling. The request for a ruling must be accompanied by a recitation of the facts including a statement of the date of birth for each measuring life, the date of the gift, any other applicable dates, and a copy of the will, trust, or other relevant documents. A request for a ruling must comply with the instructions for requesting a ruling published periodically in the Internal Revenue Bulletin (see §§601.201 and 601.601(d)(2)(ii)(b) of this chapter) and include payment of the required user fee.

(e) *Effective dates.* This section applies after April 30, 1999.

§25.2512-5T [Removed]

Par. 19. Section 25.2512-5T is removed.

Par. 20. Section 25.7520-1 is amended

by revising paragraphs (b)(2), (c)(1), (c)(2) and (d) to read as follows:

§25.7520-1 Valuation of annuities, unitrust interests, interests for life or term of years, and remainder or reversionary interests.

(b) ***

(2) *Mortality component.* The mortality component reflects the mortality data most recently available from the United States Census. As new mortality data becomes available after each decennial census, the mortality component described in this section will be revised periodically and the mortality component tables will be published in the regulations at that time. For gifts with valuation dates after April 30, 1999, the mortality component table (Table 90CM) is included in §20.2031-7(d)(7) of this chapter. See §20.2031-7A of this chapter for mortality component tables applicable to decedent's estates with valuation dates before May 1, 1999.

(c) ***

(1) *Regulation sections containing tables with interest rates between 4.2 and 14 percent for valuation dates after April 30, 1999.* Section 1.642(c)-6(e)(6) of this chapter contains Table S used for deter-

mining the present value of a single life remainder interest in a pooled income fund as defined in §1.642(c)-5 of this chapter. See §1.642(c)-6A for single life remainder factors applicable to valuation dates before May 1, 1999. Section 1.664-4(e)(6) of this chapter contains Table F (payout factors) and Table D (actuarial factors used in determining the present value of a remainder interest postponed for a term of years). Section 1.664-4(e)(7) of this chapter contains Table U(1) (unitrust single life remainder factors). These tables are used in determining the present value of a remainder interest in a charitable remainder unitrust as defined in §1.664-3 of this chapter. See §1.664-4A for unitrust single life remainder factors applicable to valuation dates before May 1, 1999. Section 20.2031-7(d)(6) of this chapter contains Table B (actuarial factors used in determining the present value of an interest for a term of years), Table K (annuity end-of-interval adjustment factors), Table J (term certain annuity beginning-of-interval adjustment factors). Section 20.2031-7(d)(7) of this chapter contains Table S (single life remainder factors) and Table 90CM (mortality components). These tables are used in determining the

present value of annuities, life estates, remainders, and reversions. See §20.2031-7A of this chapter for single life remainder factors and mortality components applicable to valuation dates before May 1, 1999.

(2) *Internal Revenue Service publications containing tables with interest rates between 2.2 and 22 percent for valuation dates after April 30, 1999.* The following documents are available for purchase from the Superintendent of Documents, United States Government Printing Office, Washington, DC 20402:

(i) Internal Revenue Service Publication 1457, "Actuarial Values, Book Aleph," (7-1999). This publication includes tables of valuation factors, as well as examples that show how to compute other valuation factors, for determining the present value of annuities, life estates, terms of years, remainders, and reversions, measured by one or two lives. These factors may also be used in the valuation of interests in a charitable remainder annuity trust as defined in §1.664-2 of this chapter and a pooled income fund as defined in §1.642(c)-5 of this chapter. See §25-2512-5A for publications containing tables for valuation dates before

May 1, 1999.

(ii) Internal Revenue Service Publication 1458, "Actuarial Values, Book Beth," (7-1999). This publication includes term certain tables and tables of one and two life valuation factors for determining the present value of remainder interests in a charitable remainder unitrust as defined in §1.664-3 of this chapter. See §1.664-4A of this chapter for publications containing tables for valuation dates before May 1, 1999.

(iii) Internal Revenue Service Publication 1459, "Actuarial Values, Book Gimel," (7-1999). This publication includes tables for computing depreciation adjustment factors. See §1.170A-12 of this chapter.

(d) *Effective date.* This section applies after April 30, 1989.

§25.7520-1T [Removed]

Par. 21. Section 25.7520-1T is removed.

PARTS 1, 20 AND 25 [AMENDED]

Par. 22. In the list below, for each section indicated in the left column, remove the language in the middle column and add the language in the right column:

<u>Section</u>	<u>Remove</u>	<u>Add</u>
1.170A-12(e)(2), following the formula	§20.2031-7T	§20.2031-7
1.642(c)-6A(e)(2)(ii), last sentence	§1.642(c)-6T(e)(3)(ii)	§1.642(c)-6(e)(3)(ii)
1.642(c)-6A(e)(3)	§1.642(c)-6T(e)(4)	§1.642(c)-6(e)(4)
1.642(c)-6A(e)(4), last sentence	§1.642(c)-6T(e)(5)	§1.642(c)-6(e)(5)
1.664-1(a)(6), introductory text	§§1.664-4T(e), 1.664-4T(e) and 1.664-4A(d) and (e)	§§1.664-4(e) and 1.664-4A(d) and (e)
1.664-4(e)(6), second sentence	§1.664-4T(e)(7)	paragraph (e)(5) of this section
1.664-4A(e)(4), fifth sentence	§1.664-4T(e)(4)	§1.664-4(e)(4)
1.664-4A(e)(4), last sentence	§1.664-4T(e)(4)	§1.664-4(e)(4)

<u>Section</u>	<u>Remove</u>	<u>Add</u>
1.664-4A(e)(5), fourth sentence	§1.664-4T(e)(5)	§1.664-4(e)(5)
1.664-4A(e)(5), last sentence	§1.664-4T(e)(5)	§1.664-4(e)(5)
1.7520-1(a)(2)	§1.642(c)-6T(e)	§1.642(c)-6(e)
20.2031-7A(e)(1), first sentence	§20.2031-7T(d)	§20.2031-7(d)
20.2055-2(f)(4)	§20.2031-7T(d)	§20.2031-7(d)
25.2512-5A(e)(1), first sentence	§25.2512-5T(d)	§25.2512-5(d)
25.7520-1(a)(2)	§1.642(c)-6T(e)	§1.642(c)-6(e)
25.7520-3(b)(2)(v), <i>Example 5 (iii)</i>	§20.2031-7T(d)(7)	§20.2031-7(d)(7)

Robert E. Wenzel,
*Deputy Commissioner
of Internal Revenue.*

**Section 7872.—Treatment of
Loans with Below-Market
Interest Rates**

Approved May 17, 2000.

Jonathan Talisman,
*Deputy Assistant Secretary
of the Treasury (Tax Policy).*

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2000. See Rev. Rul. 2000-32, page 1.

(Filed by the Office of the Federal Register on June 9, 2000, 8:45 a.m., and published in the issue of the Federal Register for June 12, 2000, 65 F.R. 36908)

Part III. Administrative, Procedural, and Miscellaneous

26 CFR 601.602: *Forms and instructions.* (Also Part 1, Sections 220, 408, 408A, 6041, 6041A, 6042, 6043, 6044, 6045, 6047, 6049, 6050A, 6050B, 6050D, 6050E, 6050H, 6050J, 6050N, 6050P, 6050Q, 6050R, 6050S, 1.408-5, 1.408-7, 1.408A-7, 1.6041-1, 7.6041-1, 1.6042-2, 1.6042-4, 1.6044-2, 1.6044-5, 1.6045-1, 5f.6045-1, 1.6045-2, 1.6045-4, 1.6047-1, 1.6049-4, 1.6049-6, 1.6049-7, 1.6050A-1, 1.6050B-1, 1.6050D-1, 1.6050E-1, 1.6050H-1, 1.6050H-2, 1.6050J-1T, 1.6050N-1, 1.6050P-1).

Rev. Proc. 2000-28

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Part 1

General Information

Section 1.1 - Overview of Revenue Procedure 2000-28

1.1.1 Purpose

The purpose of this revenue procedure is to set forth the requirements for the year 2000 for:

- Using official Internal Revenue Service (IRS) forms to file information returns with the IRS,
- Preparing acceptable substitutes of the official IRS forms to file information returns with the IRS, and
- Using official or acceptable substitute forms to furnish information to recipients.

1.1.2 Which Forms Are Covered?

This revenue procedure contains specifications for these information returns:

Form	Title
1096	Annual Summary and Transmittal of U.S. Information Returns
1098	Mortgage Interest Statement
1098-E	Student Loan Interest Statement
1098-T	Tuition Payments Statement
1099-A	Acquisition or Abandonment of Secured Property
1099-B	Proceeds From Broker and Barter Exchange Transactions
1099-C	Cancellation of Debt
1099-DIV	Dividends and Distributions
1099-G	Certain Government and Qualified State Tuition Program Payments
1099-INT	Interest Income
1099-LTC	Long-Term Care and Accelerated Death Benefits
1099-MISC	Miscellaneous Income
1099-MSA	Distributions From an MSA or Medicare+Choice MSA
1099-OID	Original Issue Discount
1099-PATR	Taxable Distributions Received From Cooperatives
1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
1099-S	Proceeds From Real Estate Transactions
5498	IRA Contribution Information
5498-MSA	MSA or Medicare+Choice MSA Information
W-2G	Certain Gambling Winnings

1.1.3 Scope

For purposes of this revenue procedure, a substitute form or statement is one that is not printed by the IRS. For a substitute form or statement to be acceptable to the IRS, it must conform to the official form or the specifications outlined in this revenue procedure. **Do not submit any substitute forms or statements listed above to the IRS for approval.** Privately printed forms may not state “This is an IRS approved form.”

Filers making payments to certain recipients during a calendar year are required by the Internal Revenue Code (the Code) to file information returns with the IRS for these payments. These filers must also provide this information to their recipients. In some cases, this also applies to payments received. See **Part 4** for specifications that apply to recipient statements (**generally Copy B**).

In general, section 6011 of the Code contains requirements for filers of information returns. A filer must file information returns on magnetic media, through electronic filing, or on paper. A filer who is required to file 250 or more information returns of any one type during a calendar year must file those returns by magnetic media or electronic filing.

Exception. Filers are not required to use magnetic media or electronic filing when filing 250 or more Forms **1098-E** or **1098-T**.

Although not required, small volume filers (fewer than 250 returns during a calendar year) and Form 1098-E and 1098-T filers may file the forms on magnetic media or electronically. See the legal requirements for filing information returns (and providing a copy to a payee) in the **2000 General Instructions for Forms 1099, 1098, 5498, and W-2G**. In addition, see **Pub. 1220**, Specifications for Filing Forms 1098, 1099, 5498, and W-2G Magnetically or Electronically.

1.1.4 For More Information

The IRS prints and provides the forms on which various payments must be reported. Alternatively, filers may prepare substitute copies of these IRS forms and use such forms to report payments to the IRS.

- For copies of the official forms and the instruction booklet for the reporting year, call our toll-free number at **1-800-TAX-FORM (1-800- 829-3676)**.
- The IRS operates a central call site in Martinsburg, WV, to answer questions related to information returns, penalties, and backup withholding. Call **304-263-8700** Monday through Friday 8:30 a.m. to 4:30 p.m. eastern time. The TTY/TDD number is **304-267-3367**.

1.1.5 Changes to the Revenue Procedure

The following changes have been made to this year's Revenue Procedure:

- A new Part 4, made up of sections from other Parts, has been added to better address recipient statements. (Old Part 4 is now Part 5.)
- We have rearranged certain sections in the document for easier understanding. For instance, **Section 1.4** of last year's Revenue Procedure is now **Section 2.2**.
- We are now providing general and specific form instructions as separate products for 2000. The **2000 General Instructions for Forms 1099, 1098, 5498, and W-2G** contain general information for all forms. Separate specific instructions provide information for specific 2000 forms. These new products are referred to on the faces and in the notes on the backs of the forms.
- We slightly revised **Section 5.1** (OMB Requirements).
- The form dimensions shown on the exhibits have been slightly revised to reflect the actual dimensions of official IRS forms.

Section 1.2 - General Requirements for Acceptable Substitute Forms 1096, 1098, 1099, 5498, and W-2G

1.2.1 Introduction

Paper substitutes for Form 1096 and Copy A of Forms 1098, 1099, 5498, and W-2G that totally conform to the specifications listed in this revenue procedure may be privately printed and filed as returns with the IRS. The reference to the Department of the Treasury - Internal Revenue Service should be included on all such forms. If you are uncertain of any specification and want it clarified, you may submit a letter citing the specification, stating your understanding and interpretation of the specification, and enclosing an example of the form (if appropriate) to:

Internal Revenue Service
Attn: Substitute Forms Program
OP:FS:FP:F:CD
1111 Constitution Ave., NW
Room 5244 IR
Washington, DC 20224

Note: Allow at least 45 days for the IRS to respond.

Forms 1096, 1098, 1099, 5498, and W-2G are subject to annual review and possible change. Therefore, filers are cautioned against overstocking supplies of privately printed substitutes. **The specifications contained in this revenue procedure apply to 2000 forms only.**

1.2.2 Copy A Specifications

Proposed substitutes for Copy A that do not conform to the specifications in this revenue procedure are not acceptable. Further, if you file such forms with the IRS, you may be subject to a penalty for failure to file an information return under section 6721 of the Code. Generally, the penalty is \$50 for each failure to file a form (up to \$250,000) that the IRS cannot accept as a return because it does not meet the provisions in this revenue procedure. No IRS office is authorized to allow deviations from this revenue procedure.

1.2.3 Copy B and Copy C Specifications

Copies B and Copies C of the following forms must contain the information in **Section 1.5** to be considered a “statement” or “official form” under the applicable provisions of the Code. The format of this information is at the discretion of the filer with the exception of the location of the tax year, form number, form name, and the information for **composite Form 1099 statements** as outlined under **Section 4.2**.

Copy B of the following forms are:

Form	Recipient
1098	For Payer/Borrower
1098-E; 1099-A	For Borrower
1098-T	For Student
1099-C	For Debtor
1099-LTC	For Policyholder
1099-R; W-2G	(These forms may require Copy B to be attached to the Federal income tax return.)
1099-S	For Transferor
All other Forms 1099	For Recipient
5498; 5498-MSA	For Participant

Copy C of the following forms are:

Form	Recipient
1099-LTC	For Insured
1099-R	For Recipient’s Records
W-2G	For Winner’s Records

Note: *On Copy C, Form 1099-LTC, you may reverse the locations of the policyholder’s and the insured’s name, street address, city, state, and ZIP code for easier mailing.*

Section 1.3 - Definitions

1.3.1 Form Recipient

Form recipient means the person to whom you are required by law to furnish a copy of the official form or information statement. The form recipient may be referred to by different names on various Forms 1099 and related forms (“payer/borrower,” “borrower,” “student,” “debtor,” “policyholder,” “insured,” “transferor,” “payment recipient,” “participant,” or, in the case of Form W-2G, the “winner”). See **Section 1.2.3** earlier.

1.3.2 Filer

Filer means the person or organization required by law to file a form listed in **Section 1.1.2** with the IRS. As outlined earlier, a filer may be a payer, creditor, recipient of mortgage or student loan interest payments, educational institution, broker, barter exchange, person reporting real estate transactions, trustee or issuer of any individual retirement arrangement or medical savings account, or lender who acquires an interest in secured property or who has reason to know that the property has been abandoned.

1.3.3 Substitute Form

Substitute form means a paper substitute of Copy A of an official form listed in **Section 1.1.2** that totally conforms to the provisions in this revenue procedure.

1.3.4 Substitute Form Recipient Statement

Substitute form recipient statement means a paper statement of the information reported on a form listed in **Section 1.1.2**. This statement must be furnished to a person (form recipient), as defined under the applicable provisions of the Code and the applicable regulations.

1.3.5 Composite Substitute Statement

Composite substitute statement means one in which two or more required statements (e.g., Forms 1099-INT and 1099-DIV) are furnished to the recipient on one document. However, each statement must be designated separately and must contain all the requisite Form 1099 information except as provided under **Section 4.2**. A composite statement **may not** be filed with the IRS.

Part 2

Specifications for Substitute Forms 1096 and Copies A of Forms 1098, 1099, and 5498 (All Filed With the IRS)

Section 2.1 - Specifications

2.1.1 General Requirements

Form identifying numbers (e.g., 9191 for Form 1099-DIV) must be printed in nonreflective black carbon-based ink in print positions 15 through 19 using an OCR A font. The checkboxes to the right of the form identifying numbers must be 10-point boxes. The “VOID” checkbox is in print position 25. The “CORRECTED” checkbox is in position 33. Measurements are from the left edge of the paper, not including the perforated strip. See **Exhibits D and K**.

The substitute form must be an exact replica of the official IRS form with respect to layout and content. To determine the correct form measurements, see **Exhibits A through T** at the end of this publication.

Hot wax and cold carbon spots are not permitted on any of the internal form plies. These spots are permitted on the back of a mailer top envelope ply.

Use of chemical transfer paper for Copy A is acceptable.

The Government Printing Office (GPO) symbol must be deleted.

2.1.2 Color and Paper Quality

Color and paper quality for Copy A (cut sheets and continuous pinfeed forms) as specified by JCP Code 0-25, dated November 29, 1978, must be white 100% bleached chemical wood, optical character recognition (OCR) bond produced in accordance with the following specifications.

Note: *Reclaimed fiber in any percentage is permitted provided the requirements of this standard are met.*

- Acidity: Ph value, average, not less than 4.5
- Basis Weight: 17 x 22-500 cut sheets 18-20
Metric equivalent—g/m² 75
A tolerance of ±5 pct. is allowed.
- Stiffness: Average, each direction, not less than—milligrams 50
- Tearing strength: Average, each direction, not less than—grams 40
- Opacity: Average, not less than—percent 82
- Thickness: Average—inch 0.0038
Metric equivalent—mm 0.097
A tolerance of +0.0005 inch (0.0127 mm) is allowed. Paper cannot vary more than 0.0004 inch (0.0102 mm) from one edge to the other.
- Porosity: Average, not less than—seconds 10
- Finish (smoothness): Average, each side—seconds 20-55
For information only, the Sheffield equivalent—units 170-100
- Dirt: Average, each side, not to exceed—parts per million 8

2.1.3 Chemical Transfer Paper

Chemical transfer paper is permitted for Copy A only if the following standards are met:

- Only chemically backed paper is acceptable for Copy A. Front and back chemically treated paper cannot be processed properly by machine.
- Carbon-coated forms are not permitted.
- Chemically transferred images must be black.

All copies must be **clearly legible**. Hot wax and cold carbon spots **are not** permitted for Copy A.

Interleaved carbon should be black and must be of good quality to assure legibility on all copies and to avoid smudging. Fading must be minimized to assure legibility.

2.1.4 Printing

All print on **Copy A of Forms 1098, 1099, 5498**, and the print on **Form 1096** above the statement “*Please return this entire page to the Internal Revenue Service. Photocopies are NOT acceptable.*” must be in Flint J-6983 red OCR dropout ink or an exact match. However, the four-digit form identifying number **must** be in nonreflective carbon-based **black** ink in OCR A font.

The shaded areas of any substitute form should generally correspond to the format of the official form.

The printing for the **Form 1096** statement and the following text may be in any shade or tone of black ink. Black ink should only appear on the lower part of the reverse side of Form 1096 where it will not bleed through and interfere with scanning.

Note: *The instructions on the front and back of Form 1096, which include filing addresses, must be printed.*

Separation between fields must be 0.1 inch.

Except for Form 1099-R, the numbered captions are printed as solid with no shaded background.

Other printing requirements are discussed below.

2.1.5 OCR Specifications

The contractor must initiate or have a quality control program to assure OCR ink density. Readings will be made when printed on approved 20 lb. white OCR bond with a reflectance of not less than 80%. Black ink must not have a reflectance greater than 15%. These readings are based on requirements of the “Scan-Optics Series 9000” Optical Scanner using Flint J-6983 red OCR dropout ink or an exact match.

The following testers and ranges are acceptable:

- **MacBeth PCM-II.** The tested Print Contrast Signal (PCS) values when using the MacBeth PCM-II tester on the “C” scale must range from .01 minimum to .06 maximum.
- **Kidder 082A.** The tested PCS values when using the Kidder 082A tester on the Infra Red (IR) scale must range from .12 minimum to .21 maximum. White calibration disc must be 100%. Sensitivity must be set at one (1).
- **Alternative testers.** Alternative testers must be approved by the Government so that tested PCS values can be established. You may obtain approval by writing to the following address:

Commissioner of Internal Revenue
Attn: OP:FS:M:T:M, Room 1225
Tax Products
1111 Constitution Avenue, NW
Washington, DC 20224

2.1.6 Typography

Type must be substantially identical in size and shape to the official form. All rules are either 1/2-point or 3/4-point. Rules must be identical to that on the official IRS form.

Note: *The form identifying number must be nonreflective carbon-based black ink in OCR A font.*

2.1.7 Dimensions

Three **Forms 1098, 1099, or 5498 (Copy A)** are contained on a single page, 8 inches wide (without any snap-stubs and/or pinfeed holes) by 11 inches deep.

Exception. **Form 1099-R** contains two documents per page.

There is a .33 inch top margin from the top of the corrected box, and a .25 inch right margin. There is a 1/32” (0.0313”) tolerance for the right margin. If the right and top margins are properly aligned, the left mar-

gin for all forms will be correct. All margins must be free of print. See **Exhibits A through T** in this publication for the correct form measurements.

These measurements are constant for all **Forms 1098, 1099, and 5498**. These measurements are shown only once in this publication, on Form 1098 (Exhibit B). Exceptions to these measurements are shown on the rest of the exhibits.

The depth of the individual trim size of each form on a page must be 32/3 inches, the same depth as the official form.

Exception. The depth of **Form 1099-R** is 51/2 inches.

2.1.8 Perforation

Copy A (three per page; two per page for **Form 1099-R**) of privately printed continuous substitute forms must be perforated at each 11" page depth. No perforations are allowed between the 3_" forms (5_" for Form 1099-R) on a single copy page of Copy A.

The words "Do NOT Cut or Separate Forms on This Page" must be printed in red dropout ink (as required by form specifications) between the three forms (two for **Form 1099-R**).

Note: *Perforations are required between all the other individual copies (Copies B and C, and Copies 1 and 2 for **Forms 1099-R** and **1099-MISC**, and Copy D for **Forms 1099-LTC** and **1099-R**) in the set.*

2.1.9 What To Include

You must include the OMB Number on **Copies A** and **Form 1096** in the same location as on the official form.

The words "For Privacy Act and Paperwork Reduction Act Notice, see the **2000 General Instructions for Forms 1099, 1098, 5498, and W-2G**" must be printed on Copy A; "**For more information and the Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G**" must be printed on **Form 1096**.

A postal indicia may be used if it meets the following criteria:

- It is printed in the OCR ink color prescribed for the form, and
- No part of the indicia is within one print position of the scannable area.

Printer's symbol — The GPO symbol must not be printed on substitute Copy A. Instead, the employer identification number (EIN) of the forms printer must be entered in the bottom margin on the face of each individual form of **Copy A**, or the bottom margin on the reverse side of each **Form 1096**.

The Catalog Number (Cat. No.) shown on the 2000 forms is used for IRS distribution purposes and need not be printed on any substitute forms.

The form **must not** contain the statement "IRS approved" or any similar statement.

Section 2.2 - Instructions for Preparing Paper Forms That Will Be Filed With the IRS

2.2.1 Recipient Information

The form recipient's name, street address, city, state, and ZIP code information should be **typed or machine printed in black ink** in the same format as shown on the official IRS form. The city, state, and ZIP code must be on the same line.

The following rules apply to the form recipient's name(s):

- The name of the appropriate form recipient must be shown on the first or second name line in the area provided for the form recipient's name.
- No descriptive information or other name may precede the form recipient's name.
- Only **one** form recipient's name may appear on the first name line of the form.
- If the multiple recipients' names are required on the form, enter on the first name line the recipient name that corresponds to the recipient taxpayer identification number (TIN) shown on the form. Place the other form recipients' names on the second name line (only 2 name lines are allowable).

Because certain states require that trust accounts be provided in a different format, generally filers should provide information returns reflecting payments to trust accounts with the:

- Trust's employer identification number (EIN) in the recipient's TIN area,

- Trust's name on the recipient's first name line, and
- Name of the trustee on the recipient's second name line.

Although handwritten forms will be accepted, the IRS prefers that filers **type or machine print** data entries. Also, filers should insert data in the **middle of blocks** well separated from other printing and guidelines, and take measures to guarantee clear, dark black, sharp images. Carbon copies and photocopies are not acceptable.

2.2.2 Account Number Box

You should use the account number box for an account number designation. This number must not appear anywhere else on the form, and this box may not be used for any other item.

Showing the account number is optional. However, it may be to your benefit to include the recipient's account number or designation on paper documents if your recordkeeping system uses, for identification purposes, the account number or designation in conjunction with, or instead of, the name, social security number, or employer identification number.

If you furnish the account number, the IRS will include it in future notices to you about backup withholding. If you use window envelopes and a reduced rate to mail statements to recipients, be sure the account number does not appear in the window. Otherwise, the Postal Service may not accept them for mailing.

2.2.3 Specifications and Restrictions

Machine-printed forms should be printed using a 6 lines/inch option, and should be printed in 10 pitch pica (10 print positions per inch) or 12 pitch elite (12 print positions per inch). **Proportional spaced fonts are unacceptable.**

Substitute forms prepared in continuous or strip form must be burst and stripped to conform to the size specified for a single sheet before they are filed with the IRS. The size specified **does not include pinfeed holes**. Pinfeed holes **must not** be present on forms filed with the IRS.

DO NOT:

- Use a felt tip marker. The machine used to "read" paper forms generally cannot read this ink type.
- Use dollar signs (\$), ampersands (&), asterisks (*), commas (,), or other special characters in the numbered money boxes.
Exception. Use decimal points to indicate dollars and cents (e.g., 2000.00 is acceptable).
- Fold **Forms 1096, 1098, 1099, or 5498** mailed to the IRS. Mail these forms flat in an appropriately sized envelope or box. Folded documents cannot be readily moved through the machine used in IRS processing.
- Staple Forms 1096 to the transmitted returns. Any staple holes near the return code number may impair the IRS's ability to machine scan the type of documents.
- Type other information on **Copy A**.
- Cut or separate the individual forms on the sheet of forms of **Copy A (except Forms W-2G)**.

2.2.4 Where To File

Mail completed paper forms to the IRS service center shown on the back of Form 1096 and in the **2000 General Instructions for Forms 1099, 1098, 5498, and W-2G**. Specific information needed to complete the forms mentioned in this revenue procedure are given in the specific form instructions. A chart is included in the **2000 General Instructions for Forms 1099, 1098, 5498, and W-2G** giving a quick guide to which form must be filed to report a particular payment.

Part 3

Specifications for Substitute Form W-2G (Filed With the IRS)

Section 3.1 - General

3.1.1 Purpose

The following specifications give the format requirements for substitute **Form W-2G (Copy A only)**, which is filed with the IRS.

A filer may use a substitute **Form W-2G** to file with the IRS (referred to as “**substitute Copy A**”). The substitute form must be an exact replica of the official form with respect to layout and content.

Section 3.2 - Specifications for Copy A of Form W-2G

3.2.1 Substitute Form W-2G (Copy A)

You must follow these specifications when printing substitute Copy A of Form W-2G.

Item	Substitute Form W-2G (Copy A)
Paper Color and Quality	Paper for Copy A must be white chemical wood bond, or equivalent, 20 pound (basis 17 x 22-500), plus or minus 5 percent. The paper must consist substantially of bleached chemical wood pulp. It must be free from unbleached or ground wood pulp or post-consumer recycled paper. It also must be suitably sized to accept ink without feathering.
Ink Color and Quality	All printing must be in a high quality nongloss black ink.
Typography	The type must be substantially identical in size and shape to the official form. All rules on the document are either 1/2 point (.007 inch), 1 point (0.015 inch), or 3 point (0.045). Vertical rules must be parallel to the left edge of the document, horizontal rules to the top edge.
Dimensions	The official form is 8 inches wide x 3 2/3 inches deep, exclusive of a 2/3 inch snap stub on the left side of the form. Any substitute Copy A must be the same dimensions. The snap feature is not required on substitutes. All margins must be free of print. The top and right margins must be 1/4 inch plus or minus .0313. If the top and right margins are properly aligned, the left margin for all forms will be correct. If the substitute forms are in continuous or strip form, they must be burst and stripped to conform to the size specified for a single form.
Hot Wax and Cold Carbon Spots	Hot wax and cold carbon spots are not permitted on any of the internal form plies. These spots are permitted on the back of a mailer top envelope ply. Interleaved carbons, if used, should be black and of good quality to avoid smudging.
Printer's Symbol	The Government Printing Office (GPO) symbol must not be printed on substitute Forms W-2G. Instead, the employer identification number (EIN) of the forms printer must be printed in the bottom margin on the face of each individual Copy A on a sheet. The form must not contain the statement “IRS approved” or any similar statement.
Catalog Number	The Catalog Number (Cat. No.) shown on Form W-2G is used for IRS distribution purposes and need not be printed on any substitute forms.

Part 4

Substitute Statements to Form Recipients and Form Recipient Copies

Section 4.1 - Specifications

4.1.1 Introduction If you do not use the official IRS form to furnish statements to recipients, you must furnish an acceptable substitute statement. To be acceptable, your substitute statement must comply with the rules in this section. In general, see Regulations sections 1.6042-4, 1.6044-5, 1.6049-6, and 1.6050N-1 to determine how certain statements must be provided to recipients (statement mailing requirements for most **Forms 1099-DIV** and **1099-INT**, all **Forms 1099-OID** and **1099-PATR**, and **Form 1099-MISC** or **1099-S** for royalties).

*Note: A trustee of a grantor-type trust may choose to file **Forms 1099** and furnish a statement to the grantor under Regulations sections 1.671-4(b)(2)(iii) and (b)(3)(ii). The statement required by those regulations is not subject to the requirements outlined in this section.*

4.1.2 Substitute Statements to Recipients for Certain Forms 1099-INT and 1099-DIV, and for Forms 1099-OID and 1099-PATR

The rules in this section apply to **Form 1099-INT** (except for interest reportable under section 6041), **1099-DIV** (except for section 404(k) dividends), **1099-OID**, and **1099-PATR** only. You may furnish form recipients with **Copy B** of the official Form 1099 or a substitute Form 1099 (form recipient statement) if it contains the same language as the official IRS form (such as aggregate amounts paid to the form recipient, any backup withholding, the name, address, and TIN of the person making the return, and any other information required by the official form). Except for state income tax withholding information, information not required by the official form should not be included on the substitute form.

You may enter a total of the individual accounts listed on the form only if they have been paid by the same payer. For example, if you are listing interest paid on several accounts by one financial institution on Form 1099-INT, you may also enter the total interest amount. You may also enter a date next to the corrected box if that box is checked.

A substitute form recipient statement for **Forms 1099-INT, 1099-DIV, 1099-OID, or 1099-PATR** must comply with the following requirements:

1. Box captions and numbers that are applicable must be clearly identified, using the same wording and numbering as on the official form.
*Note: For **Form 1099-INT**, if box 3 is not on your substitute form, you may drop “not included in box 3” from the box 1 caption.*
2. The form recipient statement must contain all applicable form recipient instructions provided on the front and back of the official IRS form. Those instructions may be provided on a separate sheet of paper.
3. The form recipient statement must contain the following in bold and conspicuous type:
This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
4. The box caption “**Federal income tax withheld**” must be in boldface type on the form recipient statement.
5. The form recipient statement must contain the Office of Management and Budget (OMB) number as shown on the official IRS form. See Part 5.
6. The form recipient statement must contain the tax year (e.g., 2000), form number (e.g., Form 1099-INT), and form name (e.g., Interest Income) of the official IRS Form 1099. This information must be displayed prominently together in one area of the statement. For example, the tax year, form number, and form name could be shown in the upper right part of the statement. Each copy must be appropriately labeled (such as Copy B, For Recipient). See **Section 4.4** for applicable labels and arrangement of assembly of forms.
Note: Do not include the words “Substitute for” or “In lieu of” on the form recipient statement.
7. Layout and format of the form is at the discretion of the filer. However, the IRS encourages the use of boxes so that the statement has the appearance of a form and can be easily distinguished from other nontax statements.
8. Each recipient statement of **Forms 1099-DIV, 1099-INT, 1099-OID, and 1099-PATR** must include the direct access telephone number of an individual who can answer questions about the statement.
Include that telephone number conspicuously anywhere on the recipient statement.
9. Until new regulations are issued, the IRS will not assess penalties for use of a logo (e.g., the name of the payer in any typeface, font, or style, and/or a symbolic icon) or slogan on a recipient statement if

the logo or slogan is used by the payer in the ordinary course of its trade or business. In addition, use of the logo or slogan must not make it less likely for a reasonable payee to recognize the importance of the statement for tax reporting purposes.

10. A mutual fund family may state separately on one document (e.g., one piece of paper) the dividend income earned by a recipient from each fund within the family of funds as required by **Form 1099-DIV**. However, each fund and its earnings must be stated separately. The form must contain an instruction to the recipient that each fund's dividends and name, not the name of the mutual fund family, must be reported on the recipient's tax return. **The form cannot contain an aggregate total of all funds.** In addition, a mutual fund family may furnish a single statement (as a single filer) for **Forms 1099-INT, 1099-DIV, and 1099-OID** information. Each fund and its earnings must be stated separately. The form must contain an instruction to the recipient that each fund's earnings and name, not the name of the mutual fund family, must be reported on the recipient's tax return. **The form cannot contain an aggregate total of all funds.**

4.1.3 Substitute Statements to Recipients for Certain Forms 1098, 1099, 5498, and W-2G

Statements to form recipients for **Forms 1098, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-G, 1099-LTC, 1099-MISC, 1099-MSA, 1099-R, 1099-S, 5498, 5498-MSA, W-2G, 1099-DIV** (only for section 404(k) dividends reportable under section 6047), and **1099-INT** (only for interest of \$600 or more made in the course of a trade or business reportable under section 6041) can be copies of the official forms or an acceptable substitute. To be acceptable, a substitute form recipient statement must meet the following requirements.

1. The tax year, form number, and form name must be the same as the official form and must be displayed prominently together in one area on the statement. For example, they may be shown in the upper right part of the statement.
2. The filer's and the form recipient's identifying information required on the official IRS form must be included.
3. Each substitute recipient statement for **Forms W-2G, 1098, 1098-E, 1098-T, 1099-A, 1099-B, 1099-DIV, 1099-G** (excluding state and local income tax refunds), **1099-INT, 1099-LTC, 1099-MISC** (excluding fishing boat proceeds), **1099-OID, 1099-PATR, and 1099-S** must include the direct access telephone number of an individual who can answer questions about the statement. **You may include the telephone number conspicuously anywhere on the recipient statement.** Although not required, payers reporting on **Forms 1099-C, 1099-MSA, 1099-R, 5498, and 5498-MSA** are encouraged to furnish telephone numbers.
4. All applicable money amounts and information, including box numbers, required to be reported to the form recipient must be titled on the form recipient statement in substantially the same manner as those on the official IRS form. The box caption "**Federal income tax withheld**" must be in boldface type on the form recipient statement.

Exception. If you are reporting a payment as "Other income" in box 3 of **Form 1099-MISC**, you may substitute appropriate language for the box title. For example, for payments of accrued wages and leave to a beneficiary of a deceased employee, you might change the title of box 3 to "Beneficiary payments" or something similar.

Note: *You cannot make this change on Copy A.*

5. You must provide appropriate instructions to the form recipient, similar to those on the official IRS form, to aid in the proper reporting on the form recipient's income tax return. For payments reported on **Form 1099-B**, the requirement to include instructions substantially similar to those on the official IRS form may be satisfied by providing form recipients with a single set of instructions for all **Forms 1099-B** statements required to be furnished in a calendar year.

Note: *If Federal income tax is withheld and shown on Form 1099-R or W-2G, Copy B and Copy C must be furnished to the recipient. If Federal income tax is not withheld, only Copy C of Form 1099-R and W-2G must be furnished. However, for Form 1099-R, instructions similar to those on the back of the official Copy B and Copy C of Form 1099-R must be furnished to the recipient. For convenience, you may choose to provide both Copies B and C of Form 1099-R to the recipient.*

6. If you use carbon to produce recipient statements, the quality of the carbon must meet the following standards:
 - All copies must be **clearly legible**,
 - All copies must be able to be photocopied, and
 - Fading must not diminish legibility and the ability to photocopy.

In general, black chemical transfer inks are preferred, but other colors are permitted if the above standards are met. Hot wax and cold carbon spots are not permitted on any of the internal form plies. The

back of a mailer top envelope ply may contain these spots.

7. A mutual fund family may state separately on one document (e.g., one piece of paper) the **Form 1099-B** information for a recipient from each fund as required by Form 1099-B. However, the gross proceeds, etc., from each transaction within a fund must be stated separately. The form must contain an instruction to the recipient that each fund's (not the mutual fund family's) name and amount must be reported on the recipient's tax return. The form cannot contain an aggregate total of all funds.
 8. You may use a Uniform Settlement Statement (under the Real Estate Settlement Procedures Act of 1974 (RESPA)) for **Form 1099-S**. The Uniform Settlement Statement is acceptable as the written statement to the transferor if you include the legend for **Form 1099-S** in **Section 4.3.2** and indicate which information on the Uniform Settlement Statement is being reported to the IRS on Form 1099-S.
 9. For reporting state income tax withholding and state payments, you may add an additional box(es) to recipient copies as appropriate.
Note: *You cannot make this change on Copy A.*
 10. On **Copy C of Form 1099-LTC**, you may reverse the location of the policyholder's and the insured's name, street address, city, state, and ZIP code for easier mailing.
 11. Logos are permitted on substitute recipient statements for the forms listed in this section (**Section 4.1.3**).
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Section 4.2 - Composite Statements

4.2.1 Composite Substitute Statements for Certain Forms 1099-INT, 1099-DIV, 1099-MISC, and 1099-S, and for Forms 1099-OID and 1099-PATR

A composite form recipient statement is permitted for reportable payments of interest, dividends, original issue discount, patronage dividends, and royalties (**Forms 1099-INT** (except for interest reportable under section 6041), **1099-DIV** (except for section 404(k) dividends), **1099-MISC** or **1099-S** (for royalties only), **1099-OID**, or **1099-PATR**) when one payer is reporting more than one of these payments during a calendar year to the same form recipient. Generally, do not include any other **Form 1099** information (e.g., **1098** or **1099-A**) on a composite statement with the information required on the forms listed in the preceding sentence.

Exception. A filer may include **Form 1099-B** information on a composite form with the forms listed above.

Although the composite form recipient statement may be on one sheet, the format of the composite form recipient statement must satisfy the following requirements in addition to the requirements listed earlier in **Section 4.1.2**.

- All information pertaining to a particular type of payment must be located and blocked together on the form and separate from any information covering other types of payments included on the form. For example, if you are reporting interest and dividends, the **Form 1099-INT** information must be presented separately from the **Form 1099-DIV** information.
- The composite form recipient statement must prominently display the tax year, form number, and form name of the official IRS form together in one area at the beginning of each appropriate block of information.
- Any information required by the official IRS forms that would otherwise be repeated in each information block is required to be listed only once in the first information block on the composite form. For example, there is no requirement to report the name of the filer in each information block. This rule does not apply to any money amounts (e.g., Federal income tax withheld) or to any other information that applies to money amounts.
- A composite statement is an acceptable substitute only if the type of payment and the recipient's tax obligation with respect to the payment are as clear as if each required statement were furnished separately on an official form.

4.2.2 Composite Substitute Statements to Recipients for Forms Specified in Section 4.1.3

A composite form recipient statement for the forms specified in **Section 4.1.3** is permitted when one filer is reporting more than one type of payment during a calendar year to the same form recipient. A composite statement is not allowed for a combination of forms listed in **Section 4.1.3** and forms listed in **Section 4.1.2**.

Exceptions. **Form 1099-B** information may be reported on a composite form with the forms specified in **Section 4.1.2** as described in **Section 4.2.1**. In addition, royalties reported on **Form 1099-MISC** or **1099-S** may be reported on a composite form only with the forms specified in **Section 4.1.2**.

Although the composite form recipient statement may be on one sheet, the format of the composite form recipient statement must satisfy the requirements listed in **Section 4.2.1** as well as the requirements in **Section 4.1.3**. A composite statement of **Forms 1098 and 1099-INT** (for interest reportable under section 6049) is **not** allowed.

Section 4.3 - Required Legends

4.3.1 Required Legends for Forms 1098

Form 1098 recipient statements (**Copy B**) must contain the following legends:

- **Form 1098**
 1. “The information in boxes 1, 2, and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.”
 2. “**Caution:** *The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.*”
- **Form 1098-E** – “This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for student loan interest.”
- **Form 1098-T** – “This is important tax information and is being furnished to the Internal Revenue Service.”

4.3.2 Required Legends for Forms 1099

Forms 1099 and W-2G recipient statements must contain the following legends:

- **Forms 1099-A and 1099-C – Copy B**

“This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.”
- **Forms 1099-B, 1099-DIV, 1099-G, 1099-INT, 1099-MISC, 1099-OID, 1099-PATR, and W-2G – Copy C**

“This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.”
- **Form 1099-LTC**

Copy B – “This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.”

Copy C – “Copy C is provided to you for information only. Only the policyholder is required to report this information on a tax return.”
- **Form 1099-MSA – Copy B**

“This information is being furnished to the Internal Revenue Service.”
- **Form 1099-R –**

Copy B – “Report this income on your Federal tax return. If this form shows Federal income tax withheld in box 4, attach this copy to your return. This information is being furnished to the Internal Revenue Service.”

Copy C – “This information is being furnished to the Internal Revenue Service.”
- **Form 1099-S – Copy B**

“This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.”
- **Form W-2G – Copy B**

“This information is being furnished to the Internal Revenue Service. Report this income on your Federal tax return. If this form shows Federal income tax withheld in box 2, attach this copy to your return.”

4.3.3 Required Legends for Forms 5498

Form 5498 recipient statements (**Copy B**) must contain the following legends:

- **Form 5498** – “This information is being furnished to the Internal Revenue Service.”
Note: *If you do not furnish another statement to the participant because no contributions were made for the year, the statement of the fair market value of the account must contain this legend and a designation of which information is being furnished to the Internal Revenue Service.*
 - **Form 5498-MSA** – “The information in boxes 1 through 6 is being furnished to the Internal Revenue Service.”
-

Section 4.4 - Miscellaneous Instructions for Copies B, C, D, 1, and 2

4.4.1 Copies

Copies B, C, and in some cases, **D, 1, and 2** are included in the official assembly for the convenience of the filer. You are not legally required to include all these copies with the privately printed substitute forms. Furnishing Copies B and, in some cases, C will satisfy the legal requirement to provide statements of information to form recipients.

Note: *If an amount of Federal income tax withheld is shown on **Form 1099-R or W-2G, Copy B** (to be attached to the tax return) and **Copy C** must be furnished to the recipient. **Copy D (Forms 1099-R and W-2G)** may be used for filer records. Only **Copy A** should be filed with the IRS.*

4.4.2 Arrangement of Assembly

Copy A (“For Internal Revenue Service Center”) of all forms must be on top. The rest of the assembly must be arranged, from top to bottom, as follows. For:

- **Form 1098**—Copy B “For Payer”; Copy C “For Recipient.”
 - **Form 1098-E**—Copy B “For Borrower”; Copy C “For Recipient.”
 - **Form 1098-T**—Copy B “For Student”; Copy C “For Filer.”
 - **Form 1099-A**—Copy B “For Borrower”; Copy C “For Lender.”
 - **Forms 1099-B, 1099-DIV, 1099-G, 1099-INT, 1099-MSA, 1099-OID, and 1099-PATR**—Copy B “For Recipient”; Copy C “For Payer.”
 - **Form 1099-C**—Copy B “For Debtor”; Copy C “For Creditor.”
 - **Form 1099-LTC**—Copy B “For Policyholder”; Copy C “For Insured”; and Copy D “For Payer.”
 - **Form 1099-MISC**—Copy 1 “For State Tax Department”; Copy B “For Recipient”; Copy 2 “To be filed with recipient’s state income tax return, when required”; and Copy C “For Payer.”
 - **Form 1099-R**—Copy 1 “For State, City, or Local Tax Department”; Copy B “Report this income on your Federal tax return. If this form shows Federal income tax withheld in box 4, attach this copy to your return”; Copy C “For Recipient’s Records”; Copy 2 “File this copy with your state, city, or local income tax return, when required”; Copy D “For Payer.”
 - **Form 1099-S**—Copy B “For Transferor”; Copy C “For Filer.”
 - **Form 5498**—Copy B “For Participant”; Copy C “For Trustee or Issuer.”
 - **Form 5498-MSA**—Copy B “For Participant”; Copy C “For Trustee.”
 - **Form W-2G**—Copy 1 “For State Tax Department”; Copy B “Report this income on your Federal tax return. If this form shows Federal income tax withheld in box 2, attach this copy to your return”; Copy C “For Winner’s Records”; Copy 2 “Attach this copy to your state income tax return, if required.”; Copy D “For Payer.”
-

4.4.3 Perforations

Perforations are required between forms on all copies except Copy A to make separating the forms easier. (Copy A of Form W-2G may be perforated.)

Part 5

Additional Instructions for Substitute Forms 1098, 1099, 5498, and W-2G

Section 5.1 - OMB Requirements

5.1.1 OMB Requirements

The Paperwork Reduction Act of 1995 (Public Law 104-13) requires that:

- The OMB approves all IRS tax forms that are subject to the Paperwork Reduction Act.
- Each form shows the OMB approval number in or near the upper right corner. (The official OMB numbers may be found on the official IRS printed forms and are also shown on the forms in the exhibits in Part 6.)
- The form (or its instructions) states:
 1. Why the IRS needs the information,
 2. How it will be used, and
 3. Whether or not the information is required to be furnished to the IRS.

Any users of official or substitute IRS forms or instructions must be provided with this information.

5.1.2 Substitute Form Requirements

The OMB requirements for substitute IRS forms are:

- Any substitute form or substitute statement to a recipient must show the OMB number as it appears on the official IRS form.
- For Copy A, the OMB number must appear exactly as shown on the official IRS form.
- For any copy other than Copy A, the OMB number must use one of the following formats.
 1. OMB No. XXXX-XXXX (preferred) or
 2. OMB # XXXX-XXXX

5.1.3 Required Explanation to Users

All substitute forms (**Copy A only**) must state “For Privacy Act and Paperwork Reduction Act Notice, see the **2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.**”

If no instructions are provided to users of your forms, you must furnish them the exact text of the Privacy Act and Paperwork Reduction Act Notice.

Section 5.2 - Reproducible Copies

5.2.1 Introduction

The IRS does not take orders for reproducible and information copies of Federal tax materials. However, other ways to get Federal tax material include:

- The Internet.
- CD-ROM.
- GPO Superintendent of Documents Bookstores.

Forms 1096, 1098, 1099 series, and 5498 series are provided electronically on the IRS home page and on the Federal Tax Forms CD-ROM, but cannot be used for filing with the IRS when printed from a conventional printer. These forms contain drop-out ink requirements as described in Part 2 of this publication.

5.2.2 Internet

You can download tax materials from the Internet.

You Can Access the Internet by...	Using...
File Transfer Protocol (FTP)	ftp.irs.gov
World Wide Web	www.irs.gov

5.2.3 IRS Federal Tax Forms CD-ROM

The IRS also offers an alternative to downloading electronic files and provides current and prior-year access to tax forms and instructions through its Federal Tax Forms CD-ROM. The CD will be available for the upcoming filing season. Order Pub. 1796, Federal Tax Products on CD-ROM, by using the IRS's Internet Web Site at www.irs.gov/cdorders.

**5.2.4 GPO
Supt. of
Documents
Bookstores**

The Government Printing Office (GPO) Superintendent of Documents Bookstores also sell individual copies of tax forms, instructions, and publications.

Section 5.3 - Effect on Other Revenue Procedures

**5.3.1 Other
Revenue
Procedures**

Revenue Procedure 99-34, 1999-40 I.R.B. 450, which provides rules and specifications for private printing of 1999 substitute forms and statements to recipients, is superseded.

Part 6

Exhibits

Section 6.1 - Exhibits of Forms in the Revenue Procedure

6.1.1 Purpose

Exhibits A through T illustrate some of the specifications that were discussed earlier in this revenue procedure. The dimensions apply to the actual size forms, but the exhibits have been reduced in size.

Generally, the illustrated dimensions apply to all like forms. For example, Exhibit B shows 11.00" from the top edge to the bottom edge of Form 1098 and .85" between the bottom rule of the top form and the top rule of the second form on the page. These dimensions apply to all forms that are printed three to a page.

6.1.2 Guidelines

Keep in mind the following guidelines when printing substitute forms.

- Closely follow the specifications to avoid delays in processing the forms.
 - Always use the specifications as outlined in this revenue procedure and illustrated in the exhibits.
 - Do not add the text line "Do NOT Cut or Separate Forms on This Page" to the bottom form. This will cause inconsistency with the specifications.
-

Exhibit A

DO NOT STAPLE 6969

Form 1096
Department of the Treasury
Internal Revenue Service

**Annual Summary and Transmittal of
U.S. Information Returns**

OMB No. 1545-0108
2000

FILER'S name

Street address (including room or suite number)

City, state, and ZIP code

If you are not using a preprinted label, enter in box 1 or 2 below the identification number you used as the filer on the information returns being transmitted. Do not fill in both boxes 1 and 2.

Name of person to contact if the IRS needs more information

Telephone number ()

For Official Use Only

1 Employer identification number	2 Social security number	3 Total number of forms	4 Federal income tax withheld	5 Total amount reported with this Form 1096
1.40"	1.40"	1.20"	1.40"	1.90"

Enter an "X" in only one box below to indicate the type of form being filed.

W-2G 32	1098 81	1098-E 84	1098-T 83	1099-A 80	1099-B 79	1099-C 85	1099-DIV 91	1099-G 86	1099-INT 92	1099-LTC 93	1099-MISC 95	1099-MSA 94	1099-OID 96
<input type="checkbox"/>													

1099-PATR 97 1099-R 98 1099-S 75 5498 28 5498-MSA 27

Please return this entire page to the Internal Revenue Service. Photocopies are NOT acceptable.

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

8.00"

Signature	Title	Date
------------------	--------------	-------------

Instructions

Purpose of form. Use this form to transmit paper Forms 1099, 1098, 5498, and W-2G to the Internal Revenue Service. (See **Where To File** on the back.) DO NOT USE FORM 1096 TO TRANSMIT MAGNETIC MEDIA. See **Form 4804**, Transmittal of Information Returns Reported Magnetically/Electronically.

Use of preprinted label. If you received a preprinted label from the IRS with Package 1099, place the label in the name and address area of this form inside the brackets. Make any necessary changes to your name and address on the label. However, do not use the label if the taxpayer identification number (TIN) shown is incorrect. **Do not prepare your own label. Use only the IRS-prepared label that came with your Package 1099.**

If you are not using a preprinted label, enter the filer's name, address (including room, suite, or other unit number), and TIN in the spaces provided on the form.

Filer. The name, address, and TIN of the filer on this form must be the same as those you enter in the upper left area of Form 1099, 1098, 5498, or W-2G. A filer includes a payer, a recipient of mortgage interest payments (including points) or student loan interest, an educational institution, a broker, a barter exchange, a creditor, a person reporting real estate transactions, a trustee or issuer of any individual retirement arrangement or a medical savings account (MSA) (including a Medicare+Choice MSA), and a lender who acquires an interest in secured property or who has reason to know that the property has been abandoned.

Transmitting to the IRS. Send the forms in a flat mailing (not folded). Group the forms by form number and transmit each group with a **separate** Form 1096. For example, if you must file both Forms 1098 and 1099-A, complete one Form 1096 to transmit your Forms 1098 and another Form 1096 to transmit your Forms 1099-A. You need not submit original and corrected returns separately. **Do not** send a form (1099, 5498, etc.) containing summary (subtotal) information with Form 1096. Summary information for the group of forms being sent is entered only in boxes 3, 4, and 5 of Form 1096.

Box 1 or 2. Complete only if you are not using a preprinted IRS label. Individuals not in a trade or business must enter their social security number (SSN) in box 2; sole proprietors and all others must enter their employer identification number (EIN) in box 1. However, sole proprietors who do not have an EIN must enter their SSN in box 2.

Box 3. Enter the number of forms you are transmitting with this Form 1096. Do not include blank or voided forms or the Form 1096 in your total. Enter the number of correctly completed forms, not the number of pages, being transmitted. For example, if you send one page of three-to-a-page Forms 5498 with a Form 1096 and you have correctly completed two Forms 5498 on that page, enter "2" in box 3 of Form 1096.

Box 4. Enter the total Federal income tax withheld shown on the forms being transmitted with this Form 1096.

11.00"

For more information and the Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.

Cat. No. 144000 Form **1096** (2000)

Exhibit B

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0901 2000 Form 1098	Mortgage Interest Statement
RECIPIENT'S/LENDER'S name, address, and telephone number 3.33"	RECIPIENT'S Federal identification no. 1.70"	PAYER'S social security number 3.40"	1 Mortgage interest received from payer(s)/borrower(s) \$ 2.80"
PAYER'S/BORROWER'S name 3.40"		2 Points paid on purchase of principal residence \$	
Street address (including apt. no.) 2.83"		3 Refund of overpaid interest \$	
City, state, and ZIP code 2.83"		4	
Account number (optional)			
Form 1098 Cat. No. 14402K Department of the Treasury - Internal Revenue Service Do NOT Cut or Separate Forms on This Page — Do NOT Cut or Separate Forms on This Page			

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0901 2000 Form 1098	Mortgage Interest Statement
RECIPIENT'S/LENDER'S name, address, and telephone number	RECIPIENT'S Federal identification no.	PAYER'S social security number	1 Mortgage interest received from payer(s)/borrower(s) \$
PAYER'S/BORROWER'S name		2 Points paid on purchase of principal residence \$	
Street address (including apt. no.)		3 Refund of overpaid interest \$	
City, state, and ZIP code		4	
Account number (optional)			
Form 1098 Cat. No. 14402K Department of the Treasury - Internal Revenue Service Do NOT Cut or Separate Forms on This Page — Do NOT Cut or Separate Forms on This Page			

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0901 2000 Form 1098	Mortgage Interest Statement
RECIPIENT'S/LENDER'S name, address, and telephone number 11.00"	RECIPIENT'S Federal identification no.	PAYER'S social security number	1 Mortgage interest received from payer(s)/borrower(s) \$
PAYER'S/BORROWER'S name		2 Points paid on purchase of principal residence \$	
Street address (including apt. no.)		3 Refund of overpaid interest \$	
City, state, and ZIP code		4	
Account number (optional)			
Form 1098 Cat. No. 14402K Department of the Treasury - Internal Revenue Service			

Exhibit D

8383 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		6.30"	
FILER'S name, street address, city, state, ZIP code, and telephone number		1	OMB No. 1545-1574
		2	2000
		Form 1098-T	
1.40"			
FILER'S Federal identification no.	STUDENT'S social security number		
STUDENT'S name			
3.40"			
Street address (including apt. no.)			
City, state, and ZIP code		2.80"	
Account number (optional)	3 Check if at least half-time student <input type="checkbox"/>	4 Check if a graduate student <input type="checkbox"/>	
		Tuition Payments Statement Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
Form 1098-T		Cat. No. 25087J	
		Department of the Treasury - Internal Revenue Service	
Do NOT Cut or Separate Forms on This Page — Do NOT Cut or Separate Forms on This Page			

8383 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		6.30"	
FILER'S name, street address, city, state, ZIP code, and telephone number		1	OMB No. 1545-1574
		2	2000
		Form 1098-T	
1.40"			
FILER'S Federal identification no.	STUDENT'S social security number		
STUDENT'S name			
3.40"			
Street address (including apt. no.)			
City, state, and ZIP code		2.80"	
Account number (optional)	3 Check if at least half-time student <input type="checkbox"/>	4 Check if a graduate student <input type="checkbox"/>	
		Tuition Payments Statement Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
Form 1098-T		Cat. No. 25087J	
		Department of the Treasury - Internal Revenue Service	
Do NOT Cut or Separate Forms on This Page — Do NOT Cut or Separate Forms on This Page			

8383 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		6.30"	
FILER'S name, street address, city, state, ZIP code, and telephone number		1	OMB No. 1545-1574
		2	2000
		Form 1098-T	
1.40"			
FILER'S Federal identification no.	STUDENT'S social security number		
STUDENT'S name			
3.40"			
Street address (including apt. no.)			
City, state, and ZIP code		2.80"	
Account number (optional)	3 Check if at least half-time student <input type="checkbox"/>	4 Check if a graduate student <input type="checkbox"/>	
		Tuition Payments Statement Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
Form 1098-T		Cat. No. 25087J	
		Department of the Treasury - Internal Revenue Service	
Do NOT Cut or Separate Forms on This Page — Do NOT Cut or Separate Forms on This Page			

Exhibit E

VOID CORRECTED

LENDER'S name, street address, city, state, ZIP code, and telephone no.		OMB No. 1545-0877 2000 Form 1099-A	Acquisition or Abandonment of Secured Property Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
LENDER'S Federal identification number	BORROWER'S identification number	1 Date of lender's acquisition or knowledge of abandonment		2 Balance of principal outstanding \$
BORROWER'S name		3		4 Fair market value of property \$
Street address (including apt. no.)		5 Was borrower personally liable for repayment of the debt? <input type="checkbox"/> Yes <input type="checkbox"/> No		
City, state, and ZIP code		6 Description of property		
Account number (optional)				

Form 1099-A Cat. No. 14412G Department of the Treasury - Internal Revenue Service
Do NOT Cut or Separate Forms on This Page — Do NOT Cut or Separate Forms on This Page

VOID CORRECTED

LENDER'S name, street address, city, state, ZIP code, and telephone no.		OMB No. 1545-0877 2000 Form 1099-A	Acquisition or Abandonment of Secured Property Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
LENDER'S Federal identification number	BORROWER'S identification number	1 Date of lender's acquisition or knowledge of abandonment		2 Balance of principal outstanding \$
BORROWER'S name		3		4 Fair market value of property \$
Street address (including apt. no.)		5 Was borrower personally liable for repayment of the debt? <input type="checkbox"/> Yes <input type="checkbox"/> No		
City, state, and ZIP code		6 Description of property		
Account number (optional)				

Form 1099-A Cat. No. 14412G Department of the Treasury - Internal Revenue Service
Do NOT Cut or Separate Forms on This Page — Do NOT Cut or Separate Forms on This Page

VOID CORRECTED

LENDER'S name, street address, city, state, ZIP code, and telephone no.		OMB No. 1545-0877 2000 Form 1099-A	Acquisition or Abandonment of Secured Property Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
LENDER'S Federal identification number	BORROWER'S identification number	1 Date of lender's acquisition or knowledge of abandonment		2 Balance of principal outstanding \$
BORROWER'S name		3		4 Fair market value of property \$
Street address (including apt. no.)		5 Was borrower personally liable for repayment of the debt? <input type="checkbox"/> Yes <input type="checkbox"/> No		
City, state, and ZIP code		6 Description of property		
Account number (optional)				

Form 1099-A Cat. No. 14412G Department of the Treasury - Internal Revenue Service

Exhibit F

7979 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1a Date of sale	OMB No. 1545-0715	
		1b CUSIP No.	2000	
		Form 1099-B		
		2 Stocks, bonds, etc. \$	Reported to IRS } <input type="checkbox"/> Gross proceeds } <input type="checkbox"/> Gross proceeds less commissions and option premiums	1.90"
PAYER'S Federal identification number	RECIPIENT'S identification number	3 Bartering \$	4 Federal income tax withheld \$	3.90"
RECIPIENT'S name		5 Description		
		Regulated Futures Contracts		
Street address (including apt. no.)		6 Profit or (loss) realized in 2000 \$	7 Unrealized profit or (loss) on open contracts—12/31/99 \$	1.40"
City, state, and ZIP code				
Account number (optional)		8 Unrealized profit or (loss) on open contracts—12/31/2000 \$	9 Aggregate profit or (loss) \$	4.15"
		2nd TIN Not. <input type="checkbox"/>		

Proceeds From Broker and Barter Exchange Transactions

Copy A For Internal Revenue Service Center

File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.

Form **1099-B** .60" Cat. No. 14411V Department of the Treasury - Internal Revenue Service
Do NOT Cut or Separate Forms on This Page — Do NOT Cut or Separate Forms on This Page

7979 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1a Date of sale	OMB No. 1545-0715	
		1b CUSIP No.	2000	
		Form 1099-B		
		2 Stocks, bonds, etc. \$	Reported to IRS } <input type="checkbox"/> Gross proceeds } <input type="checkbox"/> Gross proceeds less commissions and option premiums	
PAYER'S Federal identification number	RECIPIENT'S identification number	3 Bartering \$	4 Federal income tax withheld \$	Copy A For Internal Revenue Service Center
RECIPIENT'S name		5 Description		
		Regulated Futures Contracts		
Street address (including apt. no.)		6 Profit or (loss) realized in 2000 \$	7 Unrealized profit or (loss) on open contracts—12/31/99 \$	File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
City, state, and ZIP code				
Account number (optional)		8 Unrealized profit or (loss) on open contracts—12/31/2000 \$	9 Aggregate profit or (loss) \$	
		2nd TIN Not. <input type="checkbox"/>		

Form **1099-B** Cat. No. 14411V Department of the Treasury - Internal Revenue Service
Do NOT Cut or Separate Forms on This Page — Do NOT Cut or Separate Forms on This Page

7979 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1a Date of sale	OMB No. 1545-0715	
		1b CUSIP No.	2000	
		Form 1099-B		
		2 Stocks, bonds, etc. \$	Reported to IRS } <input type="checkbox"/> Gross proceeds } <input type="checkbox"/> Gross proceeds less commissions and option premiums	
PAYER'S Federal identification number	RECIPIENT'S identification number	3 Bartering \$	4 Federal income tax withheld \$	Copy A For Internal Revenue Service Center
RECIPIENT'S name		5 Description		
		Regulated Futures Contracts		
Street address (including apt. no.)		6 Profit or (loss) realized in 2000 \$	7 Unrealized profit or (loss) on open contracts—12/31/99 \$	File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
City, state, and ZIP code				
Account number (optional)		8 Unrealized profit or (loss) on open contracts—12/31/2000 \$	9 Aggregate profit or (loss) \$	
		2nd TIN Not. <input type="checkbox"/>		

Form **1099-B** Cat. No. 14411V Department of the Treasury - Internal Revenue Service

Exhibit H

9191 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Ordinary dividends	OMB No. 1545-0110
		\$	2000
		2a Total capital gain distr.	
		← 1.40" →	Form 1099-DIV
PAYER'S Federal identification number	RECIPIENT'S identification number	2b 28% rate gain	2c Unrecap. sec. 1250 gain
		\$	\$
RECIPIENT'S name		2d Section 1202 gain	3 Nontaxable distributions
		\$	\$
Street address (including apt. no.)		4 Federal income tax withheld	5 Investment expenses
		\$	\$
City, state, and ZIP code		6 Foreign tax paid	7 Foreign country or U.S. possession
		\$	\$
Account number (optional)	2nd TIN Not. <input type="checkbox"/>	8 Cash liquidation distr.	9 Noncash liquidation distr.
← 2.80" →		\$	\$ 4.50"

Form **1099-DIV** Cat. No. 14415N Department of the Treasury - Internal Revenue Service

Dividends and Distributions

Copy A
For Internal Revenue Service Center
File with Form 1096.
For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.

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9191 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Ordinary dividends	OMB No. 1545-0110
		\$	2000
		2a Total capital gain distr.	
		← 1.40" →	Form 1099-DIV
PAYER'S Federal identification number	RECIPIENT'S identification number	2b 28% rate gain	2c Unrecap. sec. 1250 gain
		\$	\$
RECIPIENT'S name		2d Section 1202 gain	3 Nontaxable distributions
		\$	\$
Street address (including apt. no.)		4 Federal income tax withheld	5 Investment expenses
		\$	\$
City, state, and ZIP code		6 Foreign tax paid	7 Foreign country or U.S. possession
		\$	\$
Account number (optional)	2nd TIN Not. <input type="checkbox"/>	8 Cash liquidation distr.	9 Noncash liquidation distr.
		\$	\$

Form **1099-DIV** Cat. No. 14415N Department of the Treasury - Internal Revenue Service

Dividends and Distributions

Copy A
For Internal Revenue Service Center
File with Form 1096.
For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.

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9191 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Ordinary dividends	OMB No. 1545-0110
		\$	2000
		2a Total capital gain distr.	
		← 1.40" →	Form 1099-DIV
PAYER'S Federal identification number	RECIPIENT'S identification number	2b 28% rate gain	2c Unrecap. sec. 1250 gain
		\$	\$
RECIPIENT'S name		2d Section 1202 gain	3 Nontaxable distributions
		\$	\$
Street address (including apt. no.)		4 Federal income tax withheld	5 Investment expenses
		\$	\$
City, state, and ZIP code		6 Foreign tax paid	7 Foreign country or U.S. possession
		\$	\$
Account number (optional)	2nd TIN Not. <input type="checkbox"/>	8 Cash liquidation distr.	9 Noncash liquidation distr.
		\$	\$

Form **1099-DIV** Cat. No. 14415N Department of the Treasury - Internal Revenue Service

Dividends and Distributions

Copy A
For Internal Revenue Service Center
File with Form 1096.
For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.

Exhibit J

9292 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112	2000 Interest Income
			Form 1099-INT	
PAYER'S Federal identification number	RECIPIENT'S identification number	1 Interest income not included in box 3 \$		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$	
Street address (including apt. no.)		4 Federal income tax withheld \$	5 Investment expenses \$	
City, state, and ZIP code		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
Account number (optional)	2nd TIN Not. <input type="checkbox"/>			

Form **1099-INT** Cat. No. 14410K Department of the Treasury - Internal Revenue Service

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9292 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112	2000 Interest Income
			Form 1099-INT	
PAYER'S Federal identification number	RECIPIENT'S identification number	1 Interest income not included in box 3 \$		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$	
Street address (including apt. no.)		4 Federal income tax withheld \$	5 Investment expenses \$	
City, state, and ZIP code		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
Account number (optional)	2nd TIN Not. <input type="checkbox"/>			

Form **1099-INT** Cat. No. 14410K Department of the Treasury - Internal Revenue Service

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9292 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112	2000 Interest Income
			Form 1099-INT	
PAYER'S Federal identification number	RECIPIENT'S identification number	1 Interest income not included in box 3 \$		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$	
Street address (including apt. no.)		4 Federal income tax withheld \$	5 Investment expenses \$	
City, state, and ZIP code		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
Account number (optional)	2nd TIN Not. <input type="checkbox"/>			

Form **1099-INT** Cat. No. 14410K Department of the Treasury - Internal Revenue Service

Exhibit L

9595 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Rents	<div style="font-size: 2em; font-weight: bold;">2000</div>	OMB No. 1545-0115 Form 1099-MISC	Miscellaneous Income
		2 Royalties			
		3 Other income			
PAYER'S Federal identification number	RECIPIENT'S identification number	4 Federal income tax withheld	5 Fishing boat proceeds	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
RECIPIENT'S name		6 Medical and health care payments	7 Nonemployee compensation		
Street address (including apt. no.)		8 Substitute payments in lieu of dividends or interest	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		
City, state, and ZIP code		10 Crop insurance proceeds	11 State income tax withheld		
Account number (optional)	2nd TIN Not. <input type="checkbox"/>	12 State/Payer's state number	13		

Form 1099-MISC .60" Cat. No. 14425J Department of the Treasury - Internal Revenue Service

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9595 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Rents	<div style="font-size: 2em; font-weight: bold;">2000</div>	OMB No. 1545-0115 Form 1099-MISC	Miscellaneous Income
		2 Royalties			
		3 Other income			
PAYER'S Federal identification number	RECIPIENT'S identification number	4 Federal income tax withheld	5 Fishing boat proceeds	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
RECIPIENT'S name		6 Medical and health care payments	7 Nonemployee compensation		
Street address (including apt. no.)		8 Substitute payments in lieu of dividends or interest	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		
City, state, and ZIP code		10 Crop insurance proceeds	11 State income tax withheld		
Account number (optional)	2nd TIN Not. <input type="checkbox"/>	12 State/Payer's state number	13		

Form 1099-MISC Cat. No. 14425J Department of the Treasury - Internal Revenue Service

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9595 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Rents	<div style="font-size: 2em; font-weight: bold;">2000</div>	OMB No. 1545-0115 Form 1099-MISC	Miscellaneous Income
		2 Royalties			
		3 Other income			
PAYER'S Federal identification number	RECIPIENT'S identification number	4 Federal income tax withheld	5 Fishing boat proceeds	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
RECIPIENT'S name		6 Medical and health care payments	7 Nonemployee compensation		
Street address (including apt. no.)		8 Substitute payments in lieu of dividends or interest	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		
City, state, and ZIP code		10 Crop insurance proceeds	11 State income tax withheld		
Account number (optional)	2nd TIN Not. <input type="checkbox"/>	12 State/Payer's state number	13		

Form 1099-MISC Cat. No. 14425J Department of the Treasury - Internal Revenue Service

Exhibit M

9494 VOID CORRECTED

PAYER'S name, street address, city, state, and ZIP code		OMB No. 1545-1517 2000 Form 1099-MSA		Distributions From an MSA or Medicare+Choice MSA	
PAYER'S Federal identification number	RECIPIENT'S identification number	1 Gross distribution \$ _____ 1.40" _____	2 Earnings on excess contributions \$ _____ 1.40" _____		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name ←_____ 3.40" _____→		3 Distribution code	4 FMV on date of death \$ _____		
Street address (including apt. no.)		5 Medicare+Choice MSA <input type="checkbox"/>			
City, state, and ZIP code		←_____ 3.90" _____→			
Account number (optional)					

Form **1099-MSA** Cat. No. 23114L Department of the Treasury - Internal Revenue Service

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9494 VOID CORRECTED

PAYER'S name, street address, city, state, and ZIP code		OMB No. 1545-1517 2000 Form 1099-MSA		Distributions From an MSA or Medicare+Choice MSA	
PAYER'S Federal identification number	RECIPIENT'S identification number	1 Gross distribution \$ _____	2 Earnings on excess contributions \$ _____		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name		3 Distribution code	4 FMV on date of death \$ _____		
Street address (including apt. no.)		5 Medicare+Choice MSA <input type="checkbox"/>			
City, state, and ZIP code					
Account number (optional)					

Form **1099-MSA** Cat. No. 23114L Department of the Treasury - Internal Revenue Service

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9494 VOID CORRECTED

PAYER'S name, street address, city, state, and ZIP code		OMB No. 1545-1517 2000 Form 1099-MSA		Distributions From an MSA or Medicare+Choice MSA	
PAYER'S Federal identification number	RECIPIENT'S identification number	1 Gross distribution \$ _____	2 Earnings on excess contributions \$ _____		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name		3 Distribution code	4 FMV on date of death \$ _____		
Street address (including apt. no.)		5 Medicare+Choice MSA <input type="checkbox"/>			
City, state, and ZIP code					
Account number (optional)					

Form **1099-MSA** Cat. No. 23114L Department of the Treasury - Internal Revenue Service

Exhibit P

9898 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				OMB No. 1545-0119		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution \$		<div style="font-size: 2em; font-weight: bold;">2000</div>		
PAYER'S Federal identification number		2a Taxable amount \$		Form 1099-R		Copy For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S identification number		3 Capital gain (included in box 2a) \$		4 Federal income tax withheld \$		
RECIPIENT'S name		5 Employee contributions or insurance premiums \$		6 Net unrealized appreciation in employer's securities \$		For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
Street address (including apt. no.)		7 Distribution code IRA/SEP/SIMPLE <input type="checkbox"/>		8 Other \$ %		
City, state, and ZIP code		9a Your percentage of total distribution %		9b Total employee contributions \$		For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
Account number (optional)		10 State tax withheld \$		11 State/Payer's state no. \$		
		13 Local tax withheld \$		14 Name of locality		12 State distribution \$
		15 Local distribution \$				\$

Form 1099-R Cat. No. 14436Q Department of the Treasury - Internal Revenue Service

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9898 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				OMB No. 1545-0119		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution \$		<div style="font-size: 2em; font-weight: bold;">2000</div>		
PAYER'S Federal identification number		2a Taxable amount \$		Form 1099-R		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S identification number		3 Capital gain (included in box 2a) \$		4 Federal income tax withheld \$		
RECIPIENT'S name		5 Employee contributions or insurance premiums \$		6 Net unrealized appreciation in employer's securities \$		For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
Street address (including apt. no.)		7 Distribution code IRA/SEP/SIMPLE <input type="checkbox"/>		8 Other \$ %		
City, state, and ZIP code		9a Your percentage of total distribution %		9b Total employee contributions \$		For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
Account number (optional)		10 State tax withheld \$		11 State/Payer's state no. \$		
		13 Local tax withheld \$		14 Name of locality		12 State distribution \$
		15 Local distribution \$				\$

Form 1099-R Cat. No. 14436Q Department of the Treasury - Internal Revenue Service

Exhibit R

2828 VOID CORRECTED

TRUSTEE'S or ISSUER'S name, street address, city, state, and ZIP code		1 IRA contributions (other than amounts in boxes 2, 3, and 7-10) \$	OMB No. 1545-0747		IRA Contribution Information	
		2 Rollover contributions \$	2000 Form 5498			
		\$ 1.40*				
TRUSTEE'S or ISSUER'S Federal identification no.	PARTICIPANT'S social security number	3 Roth conversion amount \$		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.		
PARTICIPANT'S name		4 Fair market value of account \$	5 Life insurance cost included in box 1 \$			
Street address (including apt. no.)		6 IRA <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE <input type="checkbox"/> Roth IRA <input type="checkbox"/> Rechar. <input type="checkbox"/> Ed IRA <input type="checkbox"/>				
City, state, and ZIP code		7 SEP contributions \$	8 SIMPLE contributions \$			
Account number (optional)		9 Roth IRA contributions \$	10 Ed IRA contributions \$			
		\$ 1.40*	\$ 1.40*			

Form 5498 Cat. No. 50010C Department of the Treasury - Internal Revenue Service

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2828 VOID CORRECTED

TRUSTEE'S or ISSUER'S name, street address, city, state, and ZIP code		1 IRA contributions (other than amounts in boxes 2, 3, and 7-10) \$	OMB No. 1545-0747		IRA Contribution Information	
		2 Rollover contributions \$	2000 Form 5498			
		\$				
TRUSTEE'S or ISSUER'S Federal identification no.	PARTICIPANT'S social security number	3 Roth conversion amount \$		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.		
PARTICIPANT'S name		4 Fair market value of account \$	5 Life insurance cost included in box 1 \$			
Street address (including apt. no.)		6 IRA <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE <input type="checkbox"/> Roth IRA <input type="checkbox"/> Rechar. <input type="checkbox"/> Ed IRA <input type="checkbox"/>				
City, state, and ZIP code		7 SEP contributions \$	8 SIMPLE contributions \$			
Account number (optional)		9 Roth IRA contributions \$	10 Ed IRA contributions \$			
		\$	\$			

Form 5498 Cat. No. 50010C Department of the Treasury - Internal Revenue Service

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2828 VOID CORRECTED

TRUSTEE'S or ISSUER'S name, street address, city, state, and ZIP code		1 IRA contributions (other than amounts in boxes 2, 3, and 7-10) \$	OMB No. 1545-0747		IRA Contribution Information	
		2 Rollover contributions \$	2000 Form 5498			
		\$				
TRUSTEE'S or ISSUER'S Federal identification no.	PARTICIPANT'S social security number	3 Roth conversion amount \$		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.		
PARTICIPANT'S name		4 Fair market value of account \$	5 Life insurance cost included in box 1 \$			
Street address (including apt. no.)		6 IRA <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE <input type="checkbox"/> Roth IRA <input type="checkbox"/> Rechar. <input type="checkbox"/> Ed IRA <input type="checkbox"/>				
City, state, and ZIP code		7 SEP contributions \$	8 SIMPLE contributions \$			
Account number (optional)		9 Roth IRA contributions \$	10 Ed IRA contributions \$			
		\$	\$			

Form 5498 Cat. No. 50010C Department of the Treasury - Internal Revenue Service

Exhibit S

2727 VOID CORRECTED

TRUSTEE'S name, street address, city, state, and ZIP code		1 Employee or self-employed person's MSA contributions made in 2000 and 2001 for 2000	OMB No. 1545-1518 2000 Form 5498-MSA	MSA or Medicare+Choice MSA Information
		2 Total contributions made in 2000		
TRUSTEE'S Federal identification number	PARTICIPANT'S social security number	3 Total MSA contributions made in 2001 for 2000		
PARTICIPANT'S name		4 Rollover contributions	5 Fair market value of MSA or M+C MSA	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
Street address (including apt. no.)		6 Medicare+Choice MSA <input type="checkbox"/>		
City, state, and ZIP code				
Account number (optional)				

Form **5498-MSA** Cat. No. 23097L Department of the Treasury - Internal Revenue Service

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2727 VOID CORRECTED

TRUSTEE'S name, street address, city, state, and ZIP code		1 Employee or self-employed person's MSA contributions made in 2000 and 2001 for 2000	OMB No. 1545-1518 2000 Form 5498-MSA	MSA or Medicare+Choice MSA Information
		2 Total contributions made in 2000		
TRUSTEE'S Federal identification number	PARTICIPANT'S social security number	3 Total MSA contributions made in 2001 for 2000		
PARTICIPANT'S name		4 Rollover contributions	5 Fair market value of MSA or M+C MSA	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
Street address (including apt. no.)		6 Medicare+Choice MSA <input type="checkbox"/>		
City, state, and ZIP code				
Account number (optional)				

Form **5498-MSA** Cat. No. 23097L Department of the Treasury - Internal Revenue Service

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2727 VOID CORRECTED

TRUSTEE'S name, street address, city, state, and ZIP code		1 Employee or self-employed person's MSA contributions made in 2000 and 2001 for 2000	OMB No. 1545-1518 2000 Form 5498-MSA	MSA or Medicare+Choice MSA Information
		2 Total contributions made in 2000		
TRUSTEE'S Federal identification number	PARTICIPANT'S social security number	3 Total MSA contributions made in 2001 for 2000		
PARTICIPANT'S name		4 Rollover contributions	5 Fair market value of MSA or M+C MSA	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.
Street address (including apt. no.)		6 Medicare+Choice MSA <input type="checkbox"/>		
City, state, and ZIP code				
Account number (optional)				

Form **5498-MSA** Cat. No. 23097L Department of the Treasury - Internal Revenue Service

Exhibit T

3232 CORRECTED

PAYER'S name Street address City, state, and ZIP code Federal identification number Telephone number	1 Gross winnings 3 Type of wager 5 Transaction 7 Winnings from identical wagers	2 Federal income tax withheld 4 Date won 6 Race 8 Cashier	OMB No. 1545-0238 <h2 style="text-align: center;">2000</h2> <h3 style="text-align: center;">Form W-2G</h3> <h4 style="text-align: center;">Certain Gambling Winnings</h4> <p style="text-align: center;">For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.</p> <p style="text-align: center;">File with Form 1096.</p>
WINNER'S name Street address (including apt. no.) City, state, and ZIP code	9 Winner's taxpayer identification no. 11 First I.D. 13 State/Payer's state identification no.	10 Window 12 Second I.D. 14 State income tax withheld	<p style="text-align: center;">← 1.40" →</p> <p style="text-align: center;">For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.</p> <p style="text-align: center;">File with Form 1096.</p>
Under penalties of perjury, I declare that, to the best of my knowledge and belief, the name, address, and taxpayer identification number that I have furnished correctly identify me as the recipient of this payment and any payments from identical wagers, and that no other person is entitled to any part of these payments.		<p style="text-align: right;">Copy A For Internal Revenue Service Center</p>	
Signature ► Date ►			

Form **W-2G** Cat. No. 10138V Department of the Treasury - Internal Revenue Service

3232 CORRECTED

PAYER'S name Street address City, state, and ZIP code Federal identification number Telephone number	1 Gross winnings 3 Type of wager 5 Transaction 7 Winnings from identical wagers	2 Federal income tax withheld 4 Date won 6 Race 8 Cashier	OMB No. 1545-0238 <h2 style="text-align: center;">2000</h2> <h3 style="text-align: center;">Form W-2G</h3> <h4 style="text-align: center;">Certain Gambling Winnings</h4> <p style="text-align: center;">For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.</p> <p style="text-align: center;">File with Form 1096.</p>
WINNER'S name Street address (including apt. no.) City, state, and ZIP code	9 Winner's taxpayer identification no. 11 First I.D. 13 State/Payer's state identification no.	10 Window 12 Second I.D. 14 State income tax withheld	<p style="text-align: center;">← 1.40" →</p> <p style="text-align: center;">For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.</p> <p style="text-align: center;">File with Form 1096.</p>
Under penalties of perjury, I declare that, to the best of my knowledge and belief, the name, address, and taxpayer identification number that I have furnished correctly identify me as the recipient of this payment and any payments from identical wagers, and that no other person is entitled to any part of these payments.		<p style="text-align: right;">Copy A For Internal Revenue Service Center</p>	
Signature ► Date ►			

Form **W-2G** Cat. No. 10138V Department of the Treasury - Internal Revenue Service

3232 CORRECTED

PAYER'S name Street address City, state, and ZIP code Federal identification number Telephone number	1 Gross winnings 3 Type of wager 5 Transaction 7 Winnings from identical wagers	2 Federal income tax withheld 4 Date won 6 Race 8 Cashier	OMB No. 1545-0238 <h2 style="text-align: center;">2000</h2> <h3 style="text-align: center;">Form W-2G</h3> <h4 style="text-align: center;">Certain Gambling Winnings</h4> <p style="text-align: center;">For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.</p> <p style="text-align: center;">File with Form 1096.</p>
WINNER'S name Street address (including apt. no.) City, state, and ZIP code	9 Winner's taxpayer identification no. 11 First I.D. 13 State/Payer's state identification no.	10 Window 12 Second I.D. 14 State income tax withheld	<p style="text-align: center;">← 1.40" →</p> <p style="text-align: center;">For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.</p> <p style="text-align: center;">File with Form 1096.</p>
Under penalties of perjury, I declare that, to the best of my knowledge and belief, the name, address, and taxpayer identification number that I have furnished correctly identify me as the recipient of this payment and any payments from identical wagers, and that no other person is entitled to any part of these payments.		<p style="text-align: right;">Copy A For Internal Revenue Service Center</p>	
Signature ► Date ►			

Form **W-2G** Cat. No. 10138V Department of the Treasury - Internal Revenue Service

Taxable Fuel Measurement

Notice 2000-33

Section 48.4081-8(a) of the Manufacturers and Retailers Excise Tax Regulations provides that volumes of taxable fuel may be measured on the basis of either actual volumetric gallons or gallons adjusted to 60 degrees Fahrenheit. Section 48.4081-8(a) also provides, however, that beginning July 1, 2000, for each period from July 1 through the following June 30, a person liable for tax on a re-

moval may use only one of the two bases of measurement with respect to taxable fuel removed from any particular terminal, refinery, or blending facility. This rule also applies to taxable entries and sales.

The Internal Revenue Service and the Treasury Department have determined that many taxpayers will have to change their accounting systems to comply with the rule applicable beginning July 1, 2000, and will be unable to complete the necessary changes by that date. Accord-

ingly, taxpayers will not be required to comply with the rule before July 1, 2001. In the meantime, a taxpayer may use either basis of measurement for each taxable removal, entry, or sale of taxable fuel.

The principal author of this notice is Frank Boland of the Office of Assistant Chief Counsel (Passthroughs and Special Industries). For further information regarding this notice, contact Mr. Boland at (202) 622-3130 (not a toll-free call).

Part IV. Items of General Interest

Notice of Proposed Rulemaking and Notice of Public Hearing

Information Reporting for Payments of Qualified Tuition and Payments of Interest on Qualified Education Loans; Magnetic Media Filing Requirements for Information Returns

REG-105316-98

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking and requests to videoconference the public hearing.

SUMMARY: This document contains proposed regulations relating to the information reporting requirements under section 6050S of the Internal Revenue Code for payments of qualified tuition and related expenses and interest on qualified education loans, including the filing of information returns on magnetic media. The regulations reflect changes to the law made by the Taxpayer Relief Act of 1997. The regulations provide guidance to eligible educational institutions and insurers receiving payments of, or making reimbursements or refunds of, qualified tuition and related expenses. The regulations also provide guidance to payees receiving interest payments on qualified education loans. This document also announces that a public hearing will be held on the proposed regulations upon request and that persons outside the Washington, DC, area who wish to testify at the hearing may request that the IRS videoconference the hearing to their sites.

DATES: Written or electronically generated comments must be received by September 14, 2000. Requests to videoconference the hearing to other sites must be received by August 15, 2000. ADDRESSES: Send submissions to: CC:DOM:CORP:R (REG-105316-98), room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (REG-105316-98), Courier's Desk, Internal Revenue Service,

1111 Constitution Avenue, NW., Washington, DC. Taxpayers may also submit comments electronically via the internet by selecting the "Tax Regs" option on the IRS Home Page, or by submitting comments directly to the IRS internet site at http://www.irs.ustreas.gov/prod/tax_regs/regslst.html. The IRS will publish the time and date of the public hearing and the locations of any videoconferencing sites in the Federal Register.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Donna Welch, (202) 622-4910; concerning submissions of comments, the hearing, and/or to be placed on the building access list to attend the hearing, Guy Traynor, (202) 622-7180; concerning the magnetic media filing specifications, waivers for filing on magnetic media, and extensions of time, contact the Internal Revenue Service, Martinsburg Computing Center, (304) 263-8700 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in this notice of proposed rulemaking has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). Comments on the collection of information should be sent to the **Office of Management and Budget**, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the **Internal Revenue Service**, Attn: IRS Reports Clearance Officer, OP:FS:FP, Washington, DC 20224. Comments on the collection of information should be received by August 15, 2000. Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the functions of the IRS, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proposed collection of information (see below);

How the quality, utility, and clarity of the information to be collected may be enhanced;

How the burden of complying with the proposed collection of information may be minimized, including through the application of automated collection techniques or other forms of information technology; and

Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

The collection of information in this proposed regulation is in §§1.6050S-1 and 1.6050S-2. In general, eligible educational institutions and insurers must file a Form 1098-T, "Tuition Payments Statement," with the IRS for each individual with respect to whom payments of qualified tuition and related expenses were received, or reimbursements or refunds of such expenses were made, and furnish an information statement to such individual. This collection of information is required in order to assist the IRS and taxpayers in calculating the amount of any education tax credit allowable under section 25A. In addition, payees who receive from any payor interest payments aggregating \$600 or more on one or more qualified education loans must file a Form 1098-E, "Student Loan Interest Statement," with the IRS and furnish an information statement to the payor. This collection of information is required in order to assist the IRS and taxpayers in calculating the amount of any student loan interest deduction allowable under section 221. The likely respondents are businesses or other for-profit institutions and nonprofit institutions.

Estimated total annual reporting burden for 1998 for Form 1098-T: 2,419,438 hours.

Estimated average annual burden hours per response for Form 1098-T: 7 minutes.

Estimated number of responses for 1998 for Form 1098-T: 20,738,039.

Estimated annual frequency of responses: Once.

Estimated total annual reporting burden for 1998 for Form 1098-E: 437,691 hours.

Estimated average annual burden hours per response for Form 1098-E: 3 minutes.

Estimated number of responses for 1998 for Form 1098-E: 8,753,819.

Estimated annual frequency of responses: Once.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Background

1. Information Reporting Requirements

This document contains proposed amendments to the Income Tax Regulations (26 CFR part 1) relating to information reporting requirements under section 6050S. The Taxpayer Relief Act of 1997 (Public Law 105-34 (111 Stat. 788) (TRA '97)) added section 25A of the Internal Revenue Code to provide the Hope Scholarship Credit and the Lifetime Learning Credit (education tax credits). In general, the Hope Scholarship Credit and the Lifetime Learning Credit allow certain taxpayers who pay qualified tuition and related expenses to an eligible educational institution to claim a nonrefundable credit against their Federal income tax liability. On January 6, 1999, the IRS issued proposed regulations under section 25A. See 64 F.R. 794 (1999).

TRA '97 also added section 221 of the Internal Revenue Code to allow certain taxpayers who pay interest on qualified education loans to claim a Federal income tax deduction for their interest payments. In general, a deduction is allowed for interest payments made during the first 60 months in which interest payments are required on a qualified education loan. However, no interest deduction is allowed for any interest paid before January 1, 1998. On January 21, 1999, the IRS issued proposed regulations under section 221. See 64 F.R. 3257 (1999).

In addition, TRA '97 added section 6050S of the Internal Revenue Code, which requires eligible educational institutions to file information returns and to furnish written information statements to assist taxpayers and the IRS in determining any education tax credit allowable

under section 25A. Similarly, section 6050S requires any person engaged in a trade or business of making payments to any individual under an insurance agreement as reimbursements or refunds of qualified tuition and related expenses to file information returns and to furnish written information statements. Lastly, section 6050S requires certain payees who receive payments of interest on one or more qualified education loans to file information returns and to furnish written information statements to assist taxpayers and the IRS in determining any interest deduction allowable under section 221.

The IRS has published several notices prescribing limited information reporting for eligible educational institutions for the years 1998, 1999, and 2000. On December 22, 1997, the IRS published Notice 97-73 (1997-2 C.B. 335), which describes the information that an eligible educational institution must report for 1998. On September 8, 1998, the IRS published Notice 98-46 (1998-36 I.R.B. 21), which extends the application of Notice 97-73 to information returns required under section 6050S for 1999. On December 7, 1998, the IRS published Notice 98-59 (1998-49 I.R.B. 16), which modifies the prior Notices by providing that an institution is not required to file information returns for students who are: (1) enrolled during the year only in courses for which the student receives no academic credit; or (2) nonresident alien students, unless the student requests the institution to report. On July 26, 1999, the IRS published Notice 99-37 (1999-30 I.R.B. 124), which extends the application of Notice 97-73 (as modified) to information returns required under section 6050S for 2000.

In addition, the IRS has published several notices describing the information reporting for certain payees who receive interest on qualified education loans during the years 1998, 1999, and 2000. On January 20, 1998, the IRS published Notice 98-7 (1998-1 C.B. 339), which describes the information reporting required under section 6050S for 1998. On November 16, 1998, the IRS published Notice 98-54 (1998-2 C.B. 641), which modifies Notice 98-7 to reflect a technical change to section 221 made by the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206 (112 Stat.

685)), and extends the application of Notice 98-7 (as modified) to information reporting required under section 6050S for 1999. On July 26, 1999, the IRS published Notice 99-37, which extends the application of Notice 98-7 (as modified) to information returns required under section 6050S for 2000.

2. Magnetic Media Requirements

This document also contains proposed amendments to the Regulations on Procedure and Administration (26 part 301) relating to the filing of information returns on magnetic media under section 6011(e). Section 6011(e) authorizes the Secretary to prescribe regulations providing the standards for determining which returns must be filed on magnetic media. Section 6011(e)(2)(A) provides that the Secretary shall not require any person to file returns on magnetic media unless the person is required to file at least 250 returns during the calendar year. Section 6011(e)(2)(B) provides that, in prescribing regulations, the Secretary shall consider the ability of the taxpayer to comply at reasonable cost with the requirements of the regulations.

Explanation of Provisions

1. Information Reporting for Payments and Reimbursements or Refunds of Qualified Tuition and Related Expenses

The proposed regulations require an eligible educational institution (as defined in section 25A(f)(2) and the regulations thereunder) (an institution) that receives payments of qualified tuition and related expenses (as defined in section 25A(f)(1) and the regulations thereunder) with respect to any individual, or makes reimbursements or refunds of such amounts, to file a Form 1098-T with the IRS. In addition, the proposed regulations require any person engaged in a trade or business of making payments under an insurance arrangement as reimbursements or refunds (or other similar amounts) of qualified tuition and related expenses (an insurer) to file a Form 1098-T with the IRS.

Under the proposed regulations, the following information must be reported on Form 1098-T: (a) the name, address, and taxpayer identification number (TIN)(as defined in section 7701(a)(41)) of the institution or the insurer; (b) the name, address, and TIN of the individual

with respect to whom payments of qualified tuition and related expenses were received, or reimbursements or refunds were made; (c) the aggregate amount of payments of qualified tuition and related expenses from any source that the institution received with respect to the individual during the calendar year; (d) the aggregate amount of reimbursements or refunds of qualified tuition and related expenses that the institution or insurer made with respect to the individual during the calendar year; (e) the aggregate amount of any scholarships or grants that the institution processed during the calendar year for the payment of the individual's costs of attendance; (f) an indication by the institution whether the individual was enrolled for at least half of the normal full-time work load for the course of study the individual is pursuing for at least one academic period that begins during the calendar year; (g) an indication by the institution whether the individual was enrolled in a program leading to a graduate-level degree, graduate-level certificate, or other recognized graduate-level educational credential; and (h) any other information required by Form 1098-T and its instructions.

The proposed regulations reserve the requirement in section 6050S(b)(2)(B) that an institution or insurer obtain and report the name, address, and TIN of any taxpayer who will claim the individual with respect to whom payments are received, or reimbursements or refunds are made, as a dependent for purposes of the deduction allowable under section 151 for the taxable year. Thus, under the proposed regulations, there is no requirement to obtain and report the name, address, and TIN of any taxpayer who will claim the individual as a dependent on the taxpayer's Federal income tax return.

Consistent with the exceptions to required reporting in Notice 98-59, the proposed regulations provide that an institution or insurer is not required to file a Form 1098-T for an individual who is a nonresident alien, unless the individual requests that the institution or insurer report. In addition, an institution is not required to file a Form 1098-T for an individual who is enrolled during the calendar year only in courses for which the individual receives no academic credit. Under the proposed regulations, the term

academic credit means credit awarded by an institution for the completion of coursework leading toward a post-secondary degree, certificate, or other recognized post-secondary educational credential.

The proposed regulations provide that, in determining the payments for qualified tuition and related expenses that an institution must report, payments received with respect to an individual from any source (except for any scholarship or grant that, by its terms, must be applied to expenses other than qualified tuition and related expenses, such as room and board) are treated as payments of qualified tuition and related expenses up to the total amount billed for such expenses.

The proposed regulations provide that an institution or insurer must furnish an information statement to each individual for whom it is required to file a Form 1098-T. The proposed regulations provide that the statement must include the information included on the Form 1098-T filed with the IRS and a legend that identifies the statement as important tax information being furnished to the IRS. The statement must include instructions that state that the taxpayer may not be able to claim an education tax credit under section 25A and the regulations thereunder with respect to the total payments of qualified tuition and related expenses reported for the calendar year. The instructions must state that the amount of the scholarships, grants, reimbursements, or refunds reported for the calendar year and other similar amounts not reported (because they are not processed by the institution) may reduce the amount of any allowable education tax credit for the taxable year or a prior taxable year. The instructions must state that the taxpayer should refer to relevant IRS forms and publications (such as Form 8863, "Education Credits," and Publication 970, "Tax Benefits for Higher Education") for explanations relating to the eligibility requirements for, and the calculation of, any allowable education tax credit.

The proposed regulations reserve the requirement in section 6050S(d) that an institution or insurer furnish a statement to any taxpayer who will claim the individual with respect to whom payments are received, or reimbursements or refunds are made, as a dependent for purposes of

the deduction allowable under section 151 for the taxable year. Thus, under the proposed regulations, there is no requirement to furnish a statement to any taxpayer who will claim the individual as a dependent on the taxpayer's Federal income tax return.

The proposed regulations describe the rules for the time and manner of filing information returns with the IRS and furnishing information statements. Forms 1098-T must generally be filed with the IRS on or before February 28 (March 31 if filed electronically) of the year following the calendar year in which the payments were received, or reimbursements or refunds were made. In general, an institution or insurer must furnish an information statement to each individual with respect to whom payments of qualified tuition and related expenses were received, or reimbursements or refunds were made, on or before January 31 of the year following the calendar year in which payments were received, or reimbursements or refunds were made. Although the regulations do not specifically address the issue of electronic transmission of information statements, the IRS is currently studying the issue. Accordingly, the IRS may address that issue in future guidance.

Under the proposed regulations, an institution or insurer may be subject to a penalty under section 6721 for failure to file correct Forms 1098-T and a penalty under section 6722 for failure to furnish correct information statements. The proposed regulations generally follow the rules under section 6724 for waivers of penalties for certain failures due to reasonable cause. The regulations also provide special rules for soliciting an individual's TIN. An institution or insurer that complies with those rules will not be penalized for any failure to obtain or include a correct TIN on a Form 1098-T or the related information statement.

2. *Information Reporting for Payments of Interest on Qualified Education Loans*

The proposed regulations require any person engaged in a trade or business that receives from any payor interest of \$600 or more for any calendar year on one or more qualified education loans (as defined in section 221(e)(1) and the regulations thereunder) (a payee) to file a Form 1098-E with the IRS. Under the proposed

regulations, a payee must report the name, address, and taxpayer identification number (TIN) of the payee; the name, address, and TIN of the payor; and the aggregate amount of interest received during the calendar year from the payor. The payee may be the lender, the holder of the loan, or the loan servicer. The regulations define the *payor* as the individual carried on the books and records of the payee as the borrower on a qualified education loan. If there are multiple borrowers, the principal borrower indicated on the payee's books and records is treated as the payor for purposes of section 6050S.

Under the proposed regulations, a payee is required to report only interest payments received on a qualified education loan during the first 60 months in which interest payments are required on the loan. The proposed regulations, in general, incorporate the rules of section 221 and the regulations thereunder to determine the 60-month period for which interest payments must be reported. Under the proposed regulations, the 60-month period generally begins on the date the qualified education loan first enters repayment status. However, for qualified education loans made before January 1, 1998, if the payee does not know, and does not have reason to know, the date on which the loan entered repayment status, then, for information reporting purposes, the 60-month period begins on January 1, 1998. For defaulted loans made before January 1, 1998, if the payee does not know, and does not have reason to know, the date on which the loan entered repayment status, then, for information reporting purposes, the 60-month period begins on the earlier of the date the loan went into default or January 1, 1998. If the payee does not know, and does not have reason to know, either the date the loan entered repayment status or the default date, then, for information reporting purposes, the 60-month period begins on January 1, 1998.

The proposed regulations provide that, in determining the aggregate amount of interest payments to be reported by a payee, the term *interest* includes stated interest, loan origination fees (other than any fees for services), and capitalized interest as described in proposed regulations §1.221-1(h)(2). However, in order to provide payees sufficient time to de-

velop systems to report amounts other than stated interest, the proposed regulations do not require payees to report loan origination fees and capitalized interest for loans made before January 1, 2002.

The proposed regulations provide rules to determine which loans are qualified education loans subject to information reporting under section 6050S. The regulations provide that, unless the loan is subsidized, guaranteed, financed, or otherwise treated as a student loan under a program of the Federal, state, or local government or an eligible educational institution, the payee must request and obtain a certification from the payor that the loan will be used solely to pay qualified higher education expenses. The regulations provide that the payee may use Form W-9S, "Request for Student's Social Security Number and Borrower Certification," to request and obtain the certification. If a payee fails to obtain a required certification, the loan is not treated as a qualified education loan for purposes of section 6050S.

The proposed regulations provide that a payee must furnish an information statement to each payor for whom it is required to file a Form 1098-E. The proposed regulations provide that the statement must include the information included on the Form 1098-E filed with the IRS and a legend that identifies the statement as important tax information being furnished to the IRS. The statement must include instructions that state that, under section 221 and the regulations thereunder, the payor may not be able to deduct the full amount of interest reported on the statement. The instructions must state that interest payments are deductible only during the first 60-months that interest payments are required. If the payee reports only stated interest, the instructions must state that the payor may be able to deduct additional amounts (e.g., certain loan origination fees and capitalized interest) not reported on the statement. The instructions must also state that the payor should refer to relevant IRS forms and publications (such as Publication 970) for explanations relating to the eligibility requirements for, and the calculation of, any allowable interest deduction on qualified education loans.

The proposed regulations describe the rules for the time and manner of filing in-

formation returns with the IRS and furnishing information statements to payors. Forms 1098-E must generally be filed with the IRS on or before February 28 (March 31 if filed electronically) of the year following the calendar year in which the interest payments were received. In general, a payee must furnish an information statement to the payor on or before January 31 of the year following the calendar year in which interest payments were received. Although the regulations do not specifically address the issue of electronic transmission of information statements, the IRS is currently studying the issue. Accordingly, the IRS may address that issue in future guidance.

Under the proposed regulations, a payee may be subject to a penalty under section 6721 for failure to file correct Forms 1098-E and a penalty under section 6722 for a failure to furnish correct information statements. The proposed regulations generally follow the rules under section 6724 for waivers of penalties for certain failures due to reasonable cause. The regulations also provide special rules for soliciting the payor's TIN. A payee that complies with those rules will not be penalized for any failure to obtain or include a correct TIN on a Form 1098-E or the related information statement.

3. Requirement to File Information Returns on Magnetic Media

The proposed regulations amend the regulations under section 6011(e) to require eligible educational institutions, insurers, and payees who are required to file 250 or more Forms 1098-T or 1098-E to file on magnetic media. Under §301.6011-2(a)(1), the term *magnetic media* means any media permitted under applicable regulations, revenue procedures, or publications, including magnetic tape, tape cartridge, and diskette, as well as other media (such as electronic filing).

Proposed Effective Date

These regulations are proposed to apply to information returns required to be filed, and information statements required to be furnished, after December 31, 2001. Taxpayers may rely on these proposed regulations for guidance pending the issuance of final regulations. If, and to the extent, future guidance is more restrictive than the guidance in the pro-

posed regulations, the future guidance will be applied without retroactive effect.

Special Analyses

It has been determined that these proposed regulations are not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. An initial regulatory flexibility analysis has been prepared for this notice of proposed rulemaking under 5 U.S.C. 603 and is set forth under the heading "Initial Regulatory Flexibility Analysis" in this preamble. Pursuant to section 7805(f), this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Initial Regulatory Flexibility Analysis

The collection of information contained in §§1.6050S-1(a) and (b) and 1.6050S-2(a) and (c) is needed to assist the IRS and taxpayers in determining the amount of any education credit allowable under section 25A and the amount of any interest deduction allowable under section 221. The objectives of the proposed regulations are to provide uniform, practicable, and administrable rules under section 6050S. The types of small entities to which the proposed regulations may apply are small eligible educational institutions (such as colleges and universities), certain insurers who reimburse educational expenses, and certain payees who receive payments of interest on qualified education loans. As of the end of December 1999, a total of 20,738,039 Forms 1098-T were filed with the IRS for 1998 and a total of 8,753,819 Forms 1098-E were filed with the IRS for 1998. The current estimated reporting burden is 7 minutes per Form 1098-T and 3 minutes per Form 1098-E. No special professional skills are necessary for preparation of the reports or records. There are no known Federal rules that duplicate, overlap, or conflict with these proposed regulations. The regulations proposed are considered to have the least economic impact on small entities of all alternatives considered.

Moreover, the proposed regulations requiring filing Forms 1098-T and 1098-E on magnetic media impose no additional reporting or recordkeeping and only prescribe the method of filing information returns that are already required to be filed. Further, these regulations are consistent with the statutory requirement that an eligible educational institution, insurer, or payee is not required to file Forms 1098-T or 1098-E on magnetic media unless required to file at least 250 or more returns during the year. Finally, the economic impact caused by requiring Forms 1098-T and 1098-E on magnetic media should be minimal because most institutions, insurers, and payees' operations are computerized. Even if their operations are not computerized, the incremental cost of magnetic media reporting should be minimal in most cases because of the availability of computer service bureaus. In addition, the existing regulations under section 6011(e) provide that the IRS may waive the magnetic media filing requirements on a showing of hardship. The waiver authority will be exercised so as not to unduly burden institutions, insurers, and payees lacking both the necessary data processing facilities and access at a reasonable cost to computer service bureaus.

Comments and Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written and electronic comments that are submitted timely to the IRS. The IRS and Treasury specifically request comments on the clarity of the proposed regulations and how they can be made easier to understand. All comments will be available for public inspection and copying.

A public hearing will be scheduled in the Internal Revenue Building, 1111 Constitution Avenue, NW., Washington, DC. The IRS recognizes that persons outside the Washington, DC, area may also wish to testify at the public hearing through videoconferencing. Requests to include videoconferencing sites must be received by August 15, 2000. If the IRS receives sufficient indications of interest to warrant videoconferencing to a particular city, and if the IRS has videoconferencing facilities available in that city on the date the public hearing is to be scheduled, the IRS will try to accommodate the requests.

The IRS will publish the time and date of the public hearing and the locations of any videoconferencing sites in a document in the **Federal Register**.

Drafting Information

The principal author of the regulations is Donna Welch, Office of Assistant Chief Counsel (Income Tax and Accounting). However, other personnel from the IRS and the Treasury Department participated in the development of the regulations.

* * * * *

Proposed Amendments to the Regulations

Accordingly, 26 CFR parts 1 and 301 are proposed to be amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by adding entries in numerical order to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Section 1.6050S-1 also issued under section 26 U.S.C. 6050S(g).

Section 1.6050S-2 also issued under section 26 U.S.C.

6050S(g). * * *

Par. 2. Sections 1.6050S-0 through 1.6050S-2 are added to read as follows:

§1.6050S-0 Table of contents

This section lists captions contained in §§1.6050S-1 and 1.6050S-2.

§1.6050S-1 Information reporting for payments and reimbursements or refunds of qualified tuition and related expenses.

(a) Information reporting requirement.

(1) In general.

(2) Exceptions.

(i) No reporting for nonresident alien individuals.

(ii) No reporting for individuals enrolled in noncredit courses.

(A) In general.

(B) Academic credit defined.

(C) Example.

(b) Requirement to file return.

(1) Form of return.

(2) Information included on return.

(i) In general.

(ii) Requirement to include name, address, and TIN of any taxpayer who will claim the individual as a dependent on the taxpayer's Federal income tax return.

[Reserved]

(3) Time and place for filing return.

- (i) In general.
 - (ii) Return for nonresident alien individual.
 - (iii) Extensions of time.
 - (4) Use of magnetic media.
 - (c) Requirement to furnish statement.
 - (1) In general.
 - (2) Statement furnished to any taxpayer who will claim the individual as a dependent on the taxpayer's Federal income tax return. [Reserved]
 - (3) Time and manner for furnishing statement.
 - (i) In general.
 - (ii) Statement to nonresident alien individual.
 - (iii) Extensions of time.
 - (4) Time and manner for furnishing statement to any taxpayer who will claim the individual as a dependent on the taxpayer's Federal income tax return. [Reserved]
 - (5) Copy of Form 1098-T.
 - (d) Special rules.
 - (1) Payments received for qualified tuition and related expenses determined.
 - (i) In general.
 - (ii) Example.
 - (2) Payments of qualified tuition and related expenses received or collected on behalf of an institution.
 - (i) In general.
 - (ii) Exception.
 - (3) Governmental units.
 - (e) Penalty provisions.
 - (1) Failure to file correct returns.
 - (2) Failure to furnish correct information statements.
 - (3) Waiver of penalties for failures to include a correct TIN.
 - (i) In general.
 - (ii) Acting in a responsible manner.
 - (iii) Manner of soliciting TIN.
 - (4) Requirement to request and obtain TIN of any taxpayer who will claim the individual as a dependent on the taxpayer's Federal income tax return. [Reserved]
 - (5) Failure to furnish TIN.
 - (f) Effective date.
- §1.6050S-2 Information reporting for payments of interest on qualified education loans.*
- (a) Information reporting requirement.
 - (1) In general.
 - (2) Reporting period.
 - (i) In general.
 - (ii) Calculation of 60-month period.

- (iii) Transitional rules for reporting on loans made before January 1, 1998.
 - (b) Definitions.
 - (c) Requirement to file return.
 - (1) Form of return.
 - (2) Information included on return.
 - (3) Time and place for filing return.
 - (i) In general.
 - (ii) Extensions of time.
 - (4) Use of magnetic media.
 - (d) Requirement to furnish statement.
 - (1) In general.
 - (2) Time and manner for furnishing statement.
 - (i) In general.
 - (ii) Extensions of time.
 - (3) Copy of Form 1098-E.
 - (e) Special rules.
 - (1) Transitional rule for reporting of loan origination fees and capitalized interest.
 - (2) Qualified education loan certification.
 - (3) Payments of interest received or collected by one or more persons.
 - (i) In general.
 - (ii) Exception.
 - (4) Reporting by foreign persons.
 - (5) Governmental units.
 - (f) Penalty provisions.
 - (1) Failure to file correct returns.
 - (2) Failure to furnish correct information statements.
 - (3) Waiver of penalties for failures to include a correct TIN.
 - (i) In general.
 - (ii) Acting in a responsible manner.
 - (iii) Manner of soliciting TIN.
 - (4) Failure to furnish TIN.
 - (g) Effective date.
- §1.6050S-1 Information reporting for payments and reimbursements or refunds of qualified tuition and related expenses.*
- (a) Information reporting requirement—
 - (1) In general. Except as provided in paragraph (a)(2) of this section, any eligible educational institution (as defined in section 25A(f)(2) and §1.25A-2(b))(an institution) that receives payments of qualified tuition and related expenses (as defined in section 25A(f)(1) and §1.25A-2(d)) from any source for any calendar year, or that makes reimbursements or refunds (or similar payments) of such amounts, and any person engaged in a trade or business of making payments under an insurance arrangement as reimbursements or refunds (or other similar amounts) of qualified tuition and related expenses (an insurer) must—

(i) File an information return, as described in paragraph (b) of this section, with the Internal Revenue Service (IRS) with respect to each individual for whom such payments are received, or reimbursements or refunds are made; and

(ii) Furnish a statement, as described in paragraph (c) of this section, to each individual described in paragraph (c) of this section.

(2) *Exceptions*—(i) *No reporting for nonresident alien individuals.* The information reporting requirements of this section do not apply with respect to any individual who is a nonresident alien (as defined in section 7701(b) and §301.7701(b)-3 of this chapter) during the calendar year, unless the individual requests the institution or insurer to report. If a nonresident alien individual requests an institution or insurer to report, the institution or insurer must comply with the requirements of this section for the year with respect to which the request is made and all years after such request in which it receives payments of qualified tuition and related expenses or makes reimbursements or refunds of such amounts with respect to such individual.

(ii) *No reporting for individuals enrolled in noncredit courses*—(A) *In general.* The information reporting requirements of this section do not apply with respect to any individual who is enrolled during the calendar year only in courses for which the individual receives no academic credit.

(B) *Academic credit defined.* *Academic credit* means credit awarded by an institution for the completion of coursework leading toward a post-secondary degree, certificate, or other recognized post-secondary educational credential.

(C) *Example.* The following example illustrates the rules of this paragraph (a)(2)(ii):

Example. Student A, a medical doctor, takes a course at University X's medical school. Student A takes the course to fulfill State Y's licensing requirement that medical doctors attend continuing medical education courses each year. Student A is not enrolled in a degree program at University X and takes the medical course through University X's continuing professional education division. University X does not award Student A credit toward a post-secondary degree on an academic transcript for the completion of the course but gives Student A a certificate of attendance upon completion. Under this paragraph (a)(2)(ii), University X is not subject to the information reporting requirements of section 6050S and this section for the medical education course taken by Student A.

(b) *Requirement to file return*—(1) *Form of return.* Except as otherwise provided in this section, an institution or insurer must file an information return for each individual with respect to whom payments of qualified tuition and related expenses are received, or reimbursements or refunds of such amounts are made, during the calendar year on Form 1098-T, “Tuition Payments Statement.” An institution or insurer may use a substitute for Form 1098-T if the substitute form complies with applicable revenue procedures relating to substitute forms.

(2) *Information included on return*—(i) *In general.* An institution or insurer must include on Form 1098-T—

(A) The name, address, and taxpayer identification number (TIN)(as defined in section 7701(a)(41)) of the institution or the insurer;

(B) The name, address, and TIN of the individual with respect to whom payments of qualified tuition and related expenses were received, or reimbursements or refunds of such amounts were made;

(C) The aggregate amount of payments of qualified tuition and related expenses from any source that the institution received with respect to the individual during the calendar year;

(D) The aggregate amount of reimbursements or refunds of qualified tuition and related expenses that the institution or insurer made with respect to the individual during the calendar year;

(E) The aggregate amount of any scholarships or grants that the institution processed during the calendar year for the payment of the individual’s costs of attendance;

(F) An indication by the institution whether the individual was enrolled for at least half of the normal full-time work load for the course of study the individual is pursuing for at least one academic period that begins during the calendar year (see §1.25A-3(d)(1)(ii));

(G) An indication by the institution whether the individual was enrolled in a program leading to a graduate-level degree, graduate-level certificate, or other recognized graduate-level educational credential; and

(H) Any other information required by Form 1098-T and its instructions.

(ii) *Requirement to include name, address, and TIN of any taxpayer who will*

claim the individual as a dependent on the taxpayer’s Federal income tax return. [Reserved]

(3) *Time and place for filing return*—(i) *In general.* Except as provided in paragraphs (b)(3)(ii) and (iii) of this section, Form 1098-T must be filed on or before February 28 (March 31 if filed electronically) of the year following the calendar year in which payments of qualified tuition or related expenses were received, or reimbursements or refunds of such amounts were made. An institution or insurer must file Form 1098-T with the IRS according to the instructions to Form 1098-T.

(ii) *Return for nonresident alien individual.* In general, an institution or insurer is not required to file a return on behalf of a nonresident alien individual. However, if a nonresident alien individual requests an institution or insurer to report, the institution or insurer must file a return described in paragraph (b)(2) of this section with the IRS on or before the date prescribed in paragraph (b)(3)(i) of this section, or on or before the thirtieth day after the request, whichever is later.

(iii) *Extensions of time.* The IRS may grant an institution or insurer an extension of time to file returns required in this section upon a showing of good cause. See the instructions to Form 1098-T and applicable revenue procedures for rules relating to extensions of time to file.

(4) *Use of magnetic media.* See section 6011(e) and §301.6011-2 of this chapter for rules relating to the requirement to file Forms 1098-T on magnetic media.

(c) *Requirement to furnish statement*—(1) *In general.* An institution or insurer must furnish a statement to each individual for whom it is required to file a Form 1098-T. The statement must include—

(i) The information required under paragraph (b)(2) of this section;

(ii) A legend that identifies the statement as important tax information that is being furnished to the IRS;

(iii) Instructions that—

(A) State that the taxpayer may not be able to claim an education tax credit under section 25A and the regulations thereunder with respect to the total payments of qualified tuition and related expenses reported for the calendar year;

(B) State that the amount of any scholarships, grants, refunds, or reimburse-

ments reported for the calendar year and other similar amounts not reported (because they are not processed by the institution) may reduce the amount of any allowable education tax credit for the taxable year or a prior taxable year;

(C) State that the taxpayer should refer to relevant IRS forms and publications for explanations relating to the eligibility requirements for, and calculation of, any allowable education tax credit; and

(D) Include the name, address, and phone number of the individual who is the information contact for the institution or insurer that filed the Form 1098-T.

(2) *Statement furnished to any taxpayer who will claim the individual as a dependent on the taxpayer’s Federal income tax return.* [Reserved]

(3) *Time and manner for furnishing statement*—(i) *In general.* Except as provided in paragraphs (c)(3)(ii) and (iii) of this section, an institution or insurer must furnish the statement described in paragraph (c)(1) of this section to each individual with respect to whom payments of qualified tuition and related expenses were received, or reimbursements or refunds were made, on or before January 31 of the year following the calendar year in which payments were received or reimbursements or refunds were made. If mailed, the statement must be sent to the individual’s permanent address, or the individual’s temporary address if the institution or insurer does not know the individual’s permanent address.

(ii) *Statement to nonresident alien individual.* If an information return is filed for a nonresident alien individual, the institution or insurer must furnish a statement described in paragraph (c)(1) of this section to the individual in the manner and on or before the date prescribed in paragraph (c)(3)(i) of this section, or on or before the thirtieth day after the nonresident alien’s request to report, whichever is later.

(iii) *Extensions of time.* The IRS may grant an institution or insurer an extension of time to furnish the statements required in this section upon a showing of good cause. See the instructions to Form 1098-T and applicable revenue procedures for rules relating to extensions of time to furnish statements.

(4) *Time and manner for furnishing statement to any taxpayer who will claim*

the individual as a dependent on the taxpayer's Federal income tax return. [Reserved]

(5) *Copy of Form 1098-T.* An institution or insurer may satisfy the requirement of this paragraph (c) by furnishing either a copy of Form 1098-T and its instructions or another document that contains all of the information filed with the IRS and the information required by paragraph (c)(1) of this section if the document complies with applicable revenue procedures relating to substitute statements.

(d) *Special rules*—(1) *Payments received for qualified tuition and related expenses determined*—(i) *In general.* In determining the aggregate amount of payments of qualified tuition and related expenses that an institution must report, payments received with respect to an individual during the calendar year from any source (except for any scholarship or grant that, by its terms, must be applied to expenses other than qualified tuition and related expenses, such as room and board) will be treated as payments of qualified tuition and related expenses up to the total amount billed by the institution for such expenses.

(ii) *Example.* The following example illustrates the rules of this paragraph (d)(1):

Example. (i) During the 2002 Spring semester, Student C attends College X and enrolls in a program leading toward an associate's degree. Student C lives on-campus. In December 2001, College X charges Student C \$2,000 for room and board for the 2002 Spring semester. In addition, in December 2001, College X charges Student C \$4,000 for qualified tuition and related expenses for the 2002 Spring semester. In December 2001, Student C pays College X \$1,500. In early January 2002, College X receives and processes a \$4,500 scholarship that may be applied to any of Student C's costs of attendance. Assume that there are no other payments during the calendar years 2001 and 2002.

(ii) Under this paragraph (d)(1), for the calendar year 2001, College X must report \$1,500 for payments of qualified tuition and related expenses received during the calendar year 2001. In addition, for the calendar year 2002, College X must report:

(A) \$2,500 for payments of qualified tuition and related expenses received during the calendar year 2002 (\$4,000 total charges for qualified tuition and related expenses less the \$1,500 payments received during 2001); and

(B) \$4,500 of scholarships processed during the calendar year 2002.

(2) *Payments of qualified tuition and related expenses received or collected on behalf of an institution*—(i) *In general.* If an institution contracts with another per-

son to receive or collect payments of qualified tuition and related expenses on its behalf, the other person must satisfy the information reporting requirements of this section.

(ii) *Exception.* If the institution does not provide the other person with the information necessary to comply with the reporting requirements of this section, the other person must request the information necessary to comply with the information reporting requirements from the institution. If the institution does not provide the other person with the necessary information upon request, the institution must satisfy the information reporting requirements of this section.

(3) *Governmental units.* An institution or insurer that is a governmental unit, or an agency or instrumentality of a governmental unit, is subject to the information reporting requirements of this section and an appropriately designated officer or employee of the governmental entity must satisfy the information reporting requirements of this section.

(e) *Penalty provisions*—(1) *Failure to file correct returns.* The section 6721 penalty may apply to an institution or insurer that fails to file information returns required by section 6050S and this section on or before the required filing date; that fails to include all of the required information on the return; or that includes incorrect information on the return. See section 6721, and the regulations thereunder, for rules relating to penalties for failure to file correct returns. See section 6724, and the regulations thereunder, for rules relating to waivers of penalties for certain failures due to reasonable cause.

(2) *Failure to furnish correct information statements.* The section 6722 penalty may apply to an institution or insurer that fails to furnish statements required by section 6050S and this section on or before the prescribed date; that fails to include all the required information on the statement; or that includes incorrect information on the statement. See section 6722, and the regulations thereunder, for rules relating to penalties for failure to furnish correct statements. See section 6724, and the regulations thereunder, for rules relating to waivers of penalties for certain failures due to reasonable cause.

(3) *Waiver of penalties for failures to include a correct TIN*—(i) *In general.* In

the case of a failure to include a correct TIN on Form 1098-T or a related information statement, penalties may be waived if the failure is due to reasonable cause. Reasonable cause may be established if the failure arose from events beyond the institution's or insurer's control, such as a failure of the individual to furnish a correct TIN. However, the institution or insurer must establish that it acted in a responsible manner both before and after the failure.

(ii) *Acting in a responsible manner.* An institution or insurer must request the TIN of each individual with respect to whom payments of qualified tuition were received, or reimbursements or refunds were made, if it does not already have a record of the individual's correct TIN. If the institution or insurer does not have a record of the individual's correct TIN, then it must solicit the TIN in the manner described in paragraph (e)(3)(iii) of this section on or before December 31 of each year during which it receives payments of, or makes reimbursements of, qualified tuition and related expenses with respect to the individual. If an individual refuses to provide his or her TIN upon request, the institution or insurer must file the return and furnish the statement required by this section without the individual's TIN, but with all other required information. The specific solicitation requirements of paragraph (e)(3)(iii) of this section apply in lieu of the solicitation requirements of §301.6724-1(e) and (f) of this chapter for the purpose of determining whether an institution or insurer acted in a responsible manner in attempting to obtain a correct TIN. An institution or insurer that complies with the requirements of this paragraph (e)(3) will be considered to have acted in a responsible manner within the meaning of §301.6724-1(d) of this chapter with respect to any failure to include the correct TIN of an individual on a return or statement required by section 6050S and this section.

(iii) *Manner of soliciting TIN.* An institution or insurer must request the individual's TIN in writing and must clearly notify the individual that the law requires the individual to furnish a TIN so that it may be included on an information return filed by the institution or insurer. An institution or insurer must notify the individual that the individual's failure to fur-

nish his or her TIN to the institution or insurer may result in a \$50 penalty being imposed against the individual as authorized by law. A request for a TIN made on Form W-9S, "Request for Student's or Borrower's Social Security Number and Certification," satisfies the requirements of this paragraph (e)(3)(iii). An institution or insurer may establish a system for individuals to submit Forms W-9S electronically as described in applicable forms and instructions. An institution or insurer may also develop a separate form to request the individual's TIN or incorporate the request into other forms customarily used by the institution or insurer, such as financial aid applications.

(4) *Requirement to request and obtain TIN of any taxpayer who will claim the individual as a dependent on the taxpayer's Federal income tax return.* [Reserved]

(5) *Failure to furnish TIN.* The section 6723 penalty may apply to any individual who is required (but fails) to furnish his or her TIN to an institution or insurer. See section 6723, and the regulations thereunder, for rules relating to the penalty for failure to furnish a TIN.

(f) *Effective date.* The rules in this section apply to information returns required to be filed, and information statements required to be furnished, after December 31, 2001.

§1.6050S-2 *Information reporting for payments of interest on qualified education loans.*

(a) *Information reporting requirement—*
(1) *In general.* Except as otherwise provided in this section, any person engaged in a trade or business that, in the course of that trade or business, receives from any payor (as defined in paragraph (b)(2) of this section) interest payments that aggregate \$600 or more for any calendar year on one or more qualified education loans (as defined in section 221(e)(1) and §1.221-1(f)(3))(a payee) must—

(i) File an information return, as described in paragraph (c) of this section, with the IRS with respect to the payor; and

(ii) Furnish a statement, as described in paragraph (d) of this section, to the payor.

(2) *Reporting period—*(i) *In general.* The information reporting requirements of this section apply only to interest payments received on a qualified education loan during the first 60 months in which

interest payments are required on the loan.

(ii) *Calculation of 60-month period.* In general, the 60-month period described in paragraph (a)(2)(i) of this section begins on the date the qualified education loan first enters repayment status and ends 60 months later. However, if the payee knows, or has reason to know, of any periods of deferment or forbearance during which the 60-month period is suspended under the rules described in §1.221-1(e)(3), the 60-month period described in paragraph (a)(2)(i) of this section is extended by the period of such deferment or forbearance. The date on which the qualified education loan first enters repayment status is determined under the terms of the loan agreement or, in the case of a loan issued or guaranteed under a federal post-secondary education loan program, under applicable federal regulations. For purposes of reporting under section 6050S and this section for refinanced loans and consolidated and collapsed loans, the rules of §1.221-1(h)(1), relating to the date on which the 60-month period begins, apply.

(iii) *Transitional rules for reporting on loans made before January 1, 1998.* For qualified education loans made before January 1, 1998, the 60-month period described in paragraph (a)(2)(i) of this section is determined in accordance with the rules of paragraph (a)(2)(ii) of this section, except that if the payee does not know, and does not have reason to know, the date on which the loan entered repayment status, then, for reporting purposes only, the 60-month period begins on January 1, 1998. For defaulted loans made before January 1, 1998, if the payee does not know, and does not have reason to know, the date on which the loan entered repayment status, then, for reporting purposes only, the 60-month period begins on the earlier of the date the loan went into default or January 1, 1998. If the payee does not know, and does not have reason to know, either the date the loan entered repayment status or the default date, then, for reporting purposes only, the 60-month period begins on January 1, 1998. For purposes of this paragraph (a)(2)(iii), a defaulted loan is a loan with respect to which required payments of interest and principal have not been made when due over a period of time such that the holder

has declared the loan in default based on its terms and conditions, and, if applicable, has sought recourse against the ultimate guarantor of the loan.

(b) *Definitions.* The following definitions apply for purposes of this section:

(1) *Interest* includes stated interest, loan origination fees (other than fees for services), and capitalized interest as described in §1.221-1(h)(2). See paragraph (e)(1) of this section for a special transitional rule relating to reporting of loan origination fees and capitalized interest.

(2) *Payor* means the individual who is carried on the books and records of the payee as the borrower on a qualified education loan. If there are multiple borrowers, the principal borrower on the payee's books and records is treated as the payor for purposes of section 6050S and this section.

(c) *Requirement to file return—*(1) *Form of return.* A payee must file an information return for the payor on Form 1098-E, "Student Loan Interest Statement." A payee may use a substitute for Form 1098-E if the substitute form complies with the applicable revenue procedures relating to substitute forms.

(2) *Information included on return.* A payee must include on Form 1098-E—

(i) The name, address, and taxpayer identification number (TIN)(as defined in section 7701(a)(41)) of the payee;

(ii) The name, address, and TIN of the payor;

(iii) The aggregate amount of interest payments received during the calendar year from the payor; and

(iv) Any other information required by Form 1098-E and its instructions.

(3) *Time and place for filing return—*
(i) *In general.* Except as provided in paragraph (c)(3)(ii) of this section, the Form 1098-E must be filed on or before February 28 (March 31 if filed electronically) of the year following the calendar year in which interest payments were received. A payee must file Form 1098-E with the IRS according to the instructions to Form 1098-E.

(ii) *Extensions of time.* The IRS may grant a payee an extension of time to file returns required in this section upon a showing of good cause. See the instructions to Form 1098-E and applicable revenue procedures for rules relating to extensions of time to file.

(4) *Use of magnetic media.* See section 6011(e) and §301.6011-2 of this chapter for rules relating to the requirement to file Forms 1098-E on magnetic media.

(d) *Requirement to furnish statement—*
(1) *In general.* A payee must furnish a statement to each payor for whom it is required to file a Form 1098-E. The statement must include—

(i) The information required under paragraph (c)(2) of this section;

(ii) A legend that identifies the statement as important tax information that is being furnished to the IRS;

(iii) Instructions that—

(A) State that, under section 221 and the regulations thereunder, the payor may not be able to deduct the full amount of interest reported on the statement;

(B) State that interest payments are deductible only during the first 60 months that interest payments are required;

(C) In the case of qualified education loans made before January 1, 2002, for which the payee does not report payments of interest other than stated interest, state that the payor may be able to deduct additional amounts (such as certain loan origination fees and capitalized interest) not reported on the statement;

(D) State that the payor should refer to relevant IRS forms and publications for explanations relating to the eligibility requirements for, and calculation of, any allowable deduction for interest paid on a qualified education loan; and

(E) Include the name, address, and phone number of the individual who is the information contact for the payee that filed the Form 1098-E.

(2) *Time and manner for furnishing statement—*(i) *In general.* Except as provided in paragraph (d)(2)(ii) of this section, a payee must furnish the statement described in paragraph (d)(1) of this section to the payor on or before January 31 of the year following the calendar year in which payments of interest on a qualified education loan were received. If mailed, the statement must be sent to the payor's last known address.

(ii) *Extensions of time.* The IRS may grant a payee an extension of time to furnish statements required in this section upon a showing of good cause. See the instructions to Form 1098-E and applicable revenue procedures for rules relating to extensions of time to furnish statements.

(3) *Copy of Form 1098-E.* A payee may satisfy the requirement of this paragraph (d) by furnishing either a copy of Form 1098-E and its instructions or another document that contains all the information filed with the IRS and the information required by paragraph (d)(1) of this section if the document complies with applicable revenue procedures relating to substitute statements.

(e) *Special rules—*(1) *Transitional rule for reporting of loan origination fees and capitalized interest.* For qualified education loans made before January 1, 2002, a payee is not required to report payments of loan origination fees and capitalized interest as interest under section 6050S and this section.

(2) *Qualified education loan certification.* If a loan is not subsidized, guaranteed, financed, or is not otherwise treated as a student loan under a program of the Federal, state, or local government or an eligible educational institution, a payee must request a certification from the payor that the loan will be used solely to pay for qualified higher education expenses. A payee may use Form W-9S, "Request for Student's or Borrower's Social Security Number and Certification," to obtain the certification. A payee may establish an electronic system for payors to submit Forms W-9S electronically as described in applicable forms and instructions. A payee may also develop a separate form to obtain the payor certification or may incorporate certification into other forms customarily used by the payee, such as loan applications, provided the certification is clearly set forth. If the certification is not received, the loan is not a qualified education loan for purposes of section 6050S and this section.

(3) *Payments of interest received or collected by one or more persons—*(i) *In general.* If a payee contracts with another person to receive or collect payments on a qualified education loan on its behalf, the other person must satisfy the information reporting requirements of this section.

(ii) *Exception.* If the payee does not provide the other person with information necessary to comply with the information reporting requirements of this section, the other person must request the information necessary to comply with the information reporting requirements from the payee. If the payee does not provide the other per-

son with the necessary information upon request, the payee must satisfy the information reporting requirements of this section.

(4) *Reporting by foreign persons.* A payee that is not a United States person (as defined in section 7701(a)(30)) must report payments of interest it receives on a qualified education loan only if it receives the payment—

(i) At a location in the United States; or

(ii) At a location outside the United States if the payee is—

(A) A controlled foreign corporation (within the meaning of section 957(a)); or

(B) A person 50 percent or more of the gross income of which, from all sources for the three-year period ending with the close of the taxable year preceding the taxable year in which interest payments were received (or for such part of the period as the person was in existence), was effectively connected with the conduct of a trade or business within the United States.

(5) *Governmental units.* A governmental unit, or an agency or instrumentality of a governmental unit, that receives from any payor interest payments that aggregate \$600 or more for any calendar year on one or more qualified education loans is a payee, without regard to the requirement of paragraph (a)(1) of this section that the interest be received in the course of a trade or business.

(f) *Penalty provisions—*(1) *Failure to file correct returns.* The section 6721 penalty may apply to a payee that fails to file information returns required by section 6050S and this section on or before the required filing date; that fails to include all of the required information on the return; or that includes incorrect information on the return. See section 6721, and the regulations thereunder, for rules relating to penalties for failure to file correct returns. See section 6724, and the regulations thereunder, for rules relating to waivers of penalties for certain failures due to reasonable cause.

(2) *Failure to furnish correct information statements.* The section 6722 penalty may apply to a payee that fails to furnish statements required by section 6050S and this section on or before the prescribed date; that fails to include all the required information on the statement; or that includes incorrect information on the state-

ment. See section 6722, and the regulations thereunder, for rules relating to penalties for failure to furnish correct statements. See section 6724, and the regulations thereunder, for rules relating to waivers of penalties for certain failures due to reasonable cause.

(3) *Waiver of penalties for failures to include a correct TIN*—(i) *In general.* In the case of a failure to include a correct TIN on Form 1098-E or a related information statement, penalties may be waived if the failure is due to reasonable cause. Reasonable cause may be established if the failure arose from events beyond the payee's control, such as a failure of the payor to furnish a correct TIN. However, the payee must establish that it acted in a responsible manner both before and after the failure.

(ii) *Acting in a responsible manner.* A payee must request the TIN of each payor if it does not already have a record of the payor's correct TIN. If the payee does not have a record of the payor's correct TIN, then it must solicit the TIN in the manner described in paragraph (f)(3)(iii) of this section on or before December 31 of each year during which it receives payments of interest. If a payor refuses to provide his or her TIN upon request, the payee must file the return and furnish the statement required by this section without the payor's TIN, but with all other required information. The specific solicitation requirements of paragraph (f)(3)(iii) of this section apply in lieu of the solicitation requirements of §301.6724-1(e) and (f) of this chapter for the purpose of determining whether a payee acted in a responsible manner in attempting to obtain a correct TIN. A payee that complies with the requirements of this paragraph (f)(3) will be considered to have acted in a responsible manner within the meaning of

§301.6724-1(d) of this chapter with respect to any failure to include the correct TIN of a payor on a return or statement required by section 6050S and this section.

(iii) *Manner of soliciting TIN.* A payee must request the payor's TIN in writing and must clearly notify the payor that the law requires the payor to furnish a TIN so that it may be included on an information return filed by the payee. A payee must notify the payor that the payor's failure to furnish his or her TIN to the payee may result in a \$50 penalty being imposed against the individual as authorized by law. A request for a TIN made on Form W-9S, "Request for Student's or Borrower's Social Security Number and Certification," satisfies the requirements of this paragraph (f)(3)(iii). A payee may establish a system for payors to submit Forms W-9S electronically as described in applicable forms and instructions. A payee may also develop a separate form to request the payor's TIN or incorporate the request into other forms customarily used by the payee, such as loan applications.

(4) *Failure to furnish TIN.* The section 6723 penalty may apply to any payor who is required (but fails) to furnish his or her TIN to a payee. See section 6723, and the regulations thereunder, for rules relating to the penalty for failure to furnish a TIN.

(g) *Effective date.* The rules in this section apply to information returns required to be filed, and information statements required to be furnished, after December 31, 2001.

PART 301—PROCEDURE AND ADMINISTRATION

Par. 3. The authority citation for part 301 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 4. Section 301.6011-2 is amended by:

1. Revising the first sentence of paragraph (b)(1).
2. Revising paragraph (g)(1).
3. Adding paragraph (g)(3).

The revisions and additions read as follows:

§301.6011-2 *Required use of magnetic media.*

* * * * *

(b) *Returns required on magnetic media.* (1) If the use of Form 1042-S, 1098 series, 1099 series, 5498, 8027, W-2G, or other form treated as a form specified in this paragraph (b)(1) is required by the applicable regulations or revenue procedures for the purpose of making an information return, the information required by the form must be submitted on magnetic media, except as otherwise provided in paragraph (c) of this section. * * *

* * * * *

(g) *Effective dates.* (1) Except as otherwise provided in paragraph (g)(2) or (g)(3) of this section, this section applies to returns required to be filed after December 31, 1986.

* * * * *

(3) This section applies to returns on Forms 1098-T and 1098-E required to be filed after December 31, 2001.

Robert E. Wenzel,
Deputy Commissioner
of Internal Revenue.

(Filed by the office of the Federal Register on June 15, 2000, 8:45 a.m., and published in the issue of the Federal Register for June 16, 2000, 65 F.R. 37728)

Definition of Terms

Revenue rulings and revenue procedures (hereinafter referred to as "rulings") that have an effect on previous rulings use the following defined terms to describe the effect:

Amplified describes a situation where no change is being made in a prior published position, but the prior position is being extended to apply to a variation of the fact situation set forth therein. Thus, if an earlier ruling held that a principle applied to A, and the new ruling holds that the same principle also applies to B, the earlier ruling is amplified. (Compare with *modified*, below).

Clarified is used in those instances where the language in a prior ruling is being made clear because the language has caused, or may cause, some confusion. It is not used where a position in a prior ruling is being changed.

Distinguished describes a situation where a ruling mentions a previously published ruling and points out an essential difference between them.

Modified is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the new ruling holds that it ap-

plies to both A and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

Obsoleted describes a previously published ruling that is not considered determinative with respect to future transactions. This term is most commonly used in a ruling that lists previously published rulings that are obsoleted because of changes in law or regulations. A ruling may also be obsoleted because the substance has been included in regulations subsequently adopted.

Revoked describes situations where the position in the previously published ruling is not correct and the correct position is being stated in the new ruling.

Superseded describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the

new ruling does more than restate the substance of a prior ruling, a combination of terms is used. For example, *modified* and *superseded* describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case the previously published ruling is first modified and then, as modified, is superseded.

Supplemented is used in situations in which a list, such as a list of the names of countries, is published in a ruling and that list is expanded by adding further names in subsequent rulings. After the original ruling has been supplemented several times, a new ruling may be published that includes the list in the original ruling and the additions, and supersedes all prior rulings in the series.

Suspended is used in rare situations to show that the previous published rulings will not be applied pending some future action such as the issuance of new or amended regulations, the outcome of cases in litigation, or the outcome of a Service study.

Abbreviations

The following abbreviations in current use and formerly used will appear in material published in the Bulletin.

A—Individual.
Acq.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—County.
D—Decedent.
DC—Dummy Corporation.
DE—Donee.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.

E.O.—Executive Order.
ER—Employer.
ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contribution Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign Corporation.
G.C.M.—Chief Counsel's Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.

PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.
PRS—Partnership.
PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
S.P.R.—Statements of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

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Key to Abbreviations:

Ann	Announcement
CD	Court Decision
DO	Delegation Order
EO	Executive Order
PL	Public Law
PTE	Prohibited Transaction Exemption
RP	Revenue Procedure
RR	Revenue Ruling
SPR	Statement of Procedural Rules
TC	Tax Convention
TD	Treasury Decision
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