

# INTERNAL REVENUE BULLETIN



## HIGHLIGHTS OF THIS ISSUE

**Bulletin No. 2015-43**  
**October 26, 2015**

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

#### **Notice 2015-70, page 604.**

Request for Comments on Definitions of Section 48 Property. This notice requests comments from the public on how to define certain types of qualified property for purposes of section 48 of the Internal Revenue Code and provides a 120 day period from the date of publication of the notice in the Internal Revenue Bulletin for submission of comments.

### EMPLOYEE PLANS

#### **Notice 2015-71, page 606.**

This notice sets forth updates on the corporate bond monthly yield curve, the corresponding spot segment rates for October 2015 used under § 417(e)(3)(D), the 24-month average segment rates applicable for October 2015, and the 30-year Treasury rates. These rates reflect the application of § 430(h)(2)(C)(iv), which was added by the Moving Ahead for Progress in the 21st Century Act, Public Law 112-141 (MAP-21) and amended by section 2003 of the Highway and Transportation Funding Act of 2014 (HATFA).

### EXCISE TAX

#### **Notice 2015-60, page 604.**

Notice 2015-60 provides the applicable dollar amount that applies for determining the fee imposed by §§ 4375 and 4376 for policy years and plan years ending on or after October 1, 2015 and before September 30, 2016.

### ADMINISTRATIVE

#### **Notice 2015-60, page 604.**

Notice 2015-60 provides the applicable dollar amount that applies for determining the fee imposed by §§ 4375 and 4376 for policy years and plan years ending on or after October 1, 2015 and before September 30, 2016.

# The IRS Mission

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

## 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.

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 procedures 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 Other Related Items, 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 last 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 last Bulletin of each semiannual period.

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# Part III. Administrative, Procedural, and Miscellaneous

## Adjusted Applicable Dollar Amount for Fee Imposed by §§ 4375 and 4376

Notice 2015–60

### I. PURPOSE

This notice provides the adjusted applicable dollar amount to be multiplied by the average number of covered lives for purposes of the fee imposed by §§ 4375 and 4376 of the Internal Revenue Code for policy years and plan years that end on or after October 1, 2015, and before October 1, 2016.

### II. BACKGROUND

Section 4375 imposes a fee on the issuer of a specified health insurance policy for each policy year ending after September 30, 2012, and before October 1, 2019. Section 4376 imposes a fee on the plan sponsor of an applicable self-insured health plan for each plan year ending after September 30, 2012, and before October 1, 2019. The fee imposed by §§ 4375 and 4376 helps to fund the Patient-Centered Outcomes Research Institute (PCORI) and is calculated using the average number of lives covered under the policy or plan and the applicable dollar amount for that policy year or plan year. Under §§ 4375(a) and 4376(a), the applicable dollar amount is \$2 for policy and plan years ending on or after October 1, 2013, and before October 1, 2014.<sup>1</sup> Treas. Reg. §§ 46.4375–1(c)(4) and 46.4376–1(c)(3).

Under §§ 4375(d) and 4376(d) and Treas. Reg. §§ 46.4375–1(c)(4) and 46.4376–1(c)(3), the applicable dollar amount for policy years and plan years ending in any Federal fiscal year beginning on or after October 1, 2014 is increased based on increases in the projected per capita amount of National Health Expenditures. Specifically, the applicable dollar amount is the sum of –

(i) The applicable dollar amount for the policy year or plan year ending in the previous Federal fiscal year; plus

- (ii) The amount equal to the product of –
- (A) The applicable dollar amount for the policy year or plan year ending in the previous Federal fiscal year; and
  - (B) The percentage increase in the projected per capita amount of National Health Expenditures most recently released by the Department of Health and Human Services (HHS) before the beginning of the Federal fiscal year.

Notice 2014–56, 2014–2 C.B. 674, provides that the adjusted applicable dollar amount for policy years and plan years that end on or after October 1, 2014, and before October 1, 2015 is \$2.08. Notice 2014–56 also provides that the adjusted applicable dollar amount for subsequent policy years and plan years will be published in the Internal Revenue Bulletin.

### III. ADJUSTED APPLICABLE DOLLAR AMOUNT

The applicable dollar amount that must be used to calculate the fee imposed by §§ 4375 and 4376 for policy years and plan years that end on or after October 1, 2015, and before October 1, 2016, is \$2.17. The increase from the prior amount is calculated by multiplying the adjusted applicable dollar amount for policy years and plan years ending in the previous Federal fiscal year, \$2.08, by the percentage increase of the projected per capita amount of National Health Expenditures published by HHS on July 22, 2015. See <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/Proj2014tables.zip>, Table 3. The percentage increase is calculated after adjustment to reflect updates to the data used to calculate the prior amount, \$2.08, which was based on the per capita amounts of National Health Expenditures for 2014 and 2015 published by HHS on September 3, 2014.

### IV. EFFECTIVE DATE

This notice is effective for policy years and plan years ending on or after October 1, 2015.

### V. DRAFTING INFORMATION

The principal author of this notice is R. Lisa Mojiri-Azad of the Office of Associate Chief Counsel (Tax Exempt & Government Entities). For further information regarding this notice, contact Ms. Mojiri-Azad at (202) 317-5500 (not a toll free number).

## Request for Comments on Definitions of Section 48 Property

Notice 2015–70

### SECTION 1. PURPOSE

The Department of the Treasury (“Treasury Department”) and the Internal Revenue Service (“IRS”) anticipate issuing regulations under § 48 of the Internal Revenue Code to define certain types of property qualifying for the energy credit under § 48. This notice requests comments on how to define these types of property; specifically, this notice requests comments on the definition of certain equipment using solar energy, certain equipment used to produce, distribute, or use energy derived from a geothermal deposit, qualified fuel cell property, qualified microturbine property, combined heat and power system property, qualified small wind energy property, and equipment using the ground or ground water as a thermal energy source.

### SECTION 2. BACKGROUND

For purposes of computing the investment credit under § 46, § 48(a)(1) provides, in part, that the energy credit for any taxable year is the energy percentage of the basis of each energy property placed in service during such taxable year.

<sup>1</sup>The applicable dollar amount is \$1 for policy and plan years ending before October 1, 2013.

Section 48(a)(3)(A) sets forth the types of property qualifying as energy property for the energy credit. The types of property listed in § 48(a)(3)(A) include certain solar energy property, certain equipment used to produce, distribute, or use energy derived from a geothermal deposit, qualified fuel cell property, qualified microturbine property, combined heat and power system property, qualified small wind energy property, and equipment using the ground or ground water as a thermal energy source. Section 48(c) further defines some of these terms for purposes of the energy credit.

Section 48(a)(3)(B) provides that, in order to be eligible for the energy credit, the construction, reconstruction, or erection of the property must be completed by the taxpayer, or, if the taxpayer acquires the property, the original use of the property must commence with the taxpayer. Section 48(a)(3)(C) provides that depreciation or amortization of the property must be allowable. Section 48(a)(3)(D) provides that the property must meet the performance and quality standards which have been prescribed by the Secretary of the Treasury (after consultation with the Secretary of Energy) and are in effect at the time the property is acquired by the taxpayer.

Section 1.48-9 of the Income Tax Regulations provides additional clarifications to the definitions of qualified energy property under § 48. Those regulations have not been updated since 1987, before the types of property listed in this notice were added to § 48(a)(3)(A). The Treasury Department and the IRS anticipate issuing regulations to define these types of property for purposes of the energy credit under § 48.

### SECTION 3. TYPES OF PROPERTY ELIGIBLE FOR THE ENERGY CREDIT

*.01 Equipment which uses solar energy to generate electricity.* Section 48(a)(3)(A)(i) provides that energy property includes equipment which uses solar energy to generate electricity to heat or cool (or provide hot water for use in) a structure or to provide solar process heat, excepting property used to generate energy for the purpose of heating a swimming pool. Section 48(a)(2)(A)(i)(II) provides that the

energy percentage for such property is 30 percent for periods before January 1, 2017. After that the energy percentage is 10 percent.

*.02 Equipment which uses solar energy to illuminate.* Section 48(a)(3)(A)(ii) provides that energy property includes equipment which uses solar energy to illuminate the inside of a structure using fiber-optic distributed sunlight but only with respect to periods ending before January 1, 2017. Section 48(a)(2)(A)(i)(III) provides that the energy percentage for such property is 30 percent.

*.03 Equipment using energy from geothermal sources.* Section 48(a)(3)(A)(iii) provides that energy property includes equipment used to produce, distribute, or use energy derived from a geothermal deposit (within the meaning of § 613(e)(2)) but only, in the case of electricity generated by geothermal power, up to (but not including) the electrical transmission stage. Section 48(a)(2)(A)(ii) provides that the energy percentage for such property is 10 percent.

*.04 Qualified fuel cell property.* Section 48(a)(3)(A)(iv) provides that energy property includes qualified fuel cell property. Section 48(a)(2)(A)(i)(I) provides that the energy percentage for qualified fuel cell property is 30 percent. Section 48(c)(1)(A) defines qualified fuel cell property, in general, as a fuel cell power plant which has a nameplate capacity of at least 0.5 kilowatt of electricity using an electrochemical process and has an electricity-only generation efficiency greater than 30 percent. The term “fuel cell power plant” is defined in § 48(c)(1)(C) as an integrated system comprised of a fuel cell stack assembly and associated balance of plant components which converts a fuel into electricity using electrochemical means. Section 48(c)(1)(B) limits the energy credit amount for qualified fuel cell property each year to \$1,500 per 0.5 kilowatt of capacity of such property. Section 48(c)(1)(D) provides that the qualified fuel cell property must be placed in service before January 1, 2017.

*.05 Qualified microturbine property.* Section 48(a)(3)(A)(iv) provides that energy property includes qualified microturbine property. Section 48(a)(2)(A)(ii) provides that the energy percentage for

qualified microturbine property is 10 percent. Section 48(c)(2)(D) provides that the qualified microturbine property must be placed in service before January 1, 2017. Section 48(c)(2)(A) defines qualified microturbine property as a stationary microturbine power plant which has a nameplate capacity of less than 2,000 kilowatts and has an electricity-only generation efficiency of not less than 26 percent at International Standard Organization conditions. Section 48(c)(2)(C) clarifies that the term “stationary microturbine power plant” means an integrated system comprised of a gas turbine engine, a combustor, a recuperator or regenerator, a generator or alternator, and associated balance of plant components which converts a fuel into electricity and thermal energy. That term also includes all secondary components located between the existing infrastructure for fuel delivery and the existing infrastructure for power distribution, including equipment and controls for meeting relevant power standards, such as voltage, frequency, and power factors. Section 48(c)(2)(B) limits the amount of the § 48 credit for qualified microturbine property to an amount equal to \$200 per each kilowatt of capacity of such property.

*.06 Combined heat and power system property.* Section 48(a)(3)(A)(v) provides that energy property includes combined heat and power system property. Section 48(a)(2)(A)(ii) provides that the energy percentage for combined heat and power system property is 10 percent. Section 48(c)(3)(A)(iv) provides that the combined heat and power system property must be placed in service before January 1, 2017. Section 48(c)(3)(A) defines combined heat and power system property as property comprising a system which uses the same energy source for the simultaneous or sequential generation of electrical power, mechanical shaft power, or both, in combination with the generation of steam or other forms of useful thermal energy (including heating and cooling applications). The system must produce at least 20 percent of its total useful energy in the form of thermal energy which is not used to produce electrical or mechanical power (or combination thereof) and at least 20 percent of its total useful energy in the form of electrical or mechanical power (or combination thereof), and the

energy efficiency percentage of the system must exceed 60 percent. Section 48(c)(3)(B) contains limitations on the combined heat and power system property for which the energy credit may be claimed.

.07 *Qualified small wind energy property.* Section 48(a)(3)(A)(vi) provides that energy property includes qualified small wind energy property. Section 48(a)(2)(A)(i)(IV) provides that the energy percentage for qualified small wind energy property is 30 percent. Section 48(c)(4)(C) provides that the qualified small wind energy property must be placed in service before January 1, 2017. Section 48(c)(4)(A) defines qualified small wind energy property as property using a wind turbine which has a nameplate capacity of not more than 100 kilowatts to generate electricity.

.08 *Equipment using the ground or ground water as a thermal energy source.* Section 48(a)(3)(A)(vii) provides that energy property includes equipment which uses the ground or ground water as a thermal energy source to heat a structure or as a thermal energy sink to cool a structure, but only with respect to periods ending before January 1, 2017. Section 48(a)(2)(A)(ii) provides that the energy percentage for such property using the ground or ground water as a thermal energy source is 10 percent.

#### SECTION 4. REQUEST FOR COMMENTS

.01 The Treasury Department and the IRS request comments on issues that should be addressed in proposed regulations on the definition of certain types of property under § 48. Specifically, the Treasury Department and the IRS request comments that address the following:

(1) Whether only property that actually produces electricity may be considered energy property or whether property such as storage devices and power conditioning equipment may also be considered energy property.

(2) Whether dual-use property should qualify for the credit and, if so, under what circumstances it should qualify. If it should qualify, what portion of the basis of dual use

property should be taken into account in computing the energy percentage.

(3) Comprehensive definitions of the property described in Section 3 of this notice.

(4) Definitions of terms such as storage devices, power conditioning equipment, transfer equipment, and other property commonly used in conjunction with property described in Section 3 of this notice, as well as definitions of parts related to the functioning of these items.

(5) The need for other energy-related definitions.

.02 Any comments must be received by February 16, 2016.

#### SECTION 5. ADDRESS TO SEND COMMENTS

.01 Comments on the definition of qualified property for purposes of the energy credit under § 48 should be sent to:

Internal Revenue Service  
CC:PA:LPD:PR (Notice 2015–70)  
Room 5203  
P.O. Box 7604  
Ben Franklin Station  
Washington, DC 20044

Please include “Notice 2015–70” on the cover page.

.02 Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to:

Internal Revenue Service  
Courier’s Desk  
1111 Constitution Ave., N.W.  
Washington, DC 20224  
Attn: CC:PA:LPD:PR  
(Notice 2015–70)

.03 Submissions may also be sent electronically to the following e-mail address: *Notice.Comments@irs.counsel.treas.gov*

Please include “Notice 2015–70” in the subject line.

All comments will be available for public inspection and copying.

#### SECTION 6. DRAFTING INFORMATION

The principal author of this notice is Patrick S. Kirwan of the Office of Associate

Chief Counsel (Passthroughs & Special Industries). For further information regarding this notice contact Mr. Kirwan at (202) 317-6853 (not a toll-free number).

## Update for Weighted Average Interest Rates, Yield Curves, and Segment Rates

### Notice 2015–71

This notice provides guidance on the corporate bond monthly yield curve, the corresponding spot segment rates used under § 417(e)(3), and the 24-month average segment rates under § 430(h)(2) of the Internal Revenue Code. In addition, this notice provides guidance as to the interest rate on 30-year Treasury securities under § 417(e)(3)(A)(ii)(II) as in effect for plan years beginning before 2008 and the 30-year Treasury weighted average rate under § 431(c)(6)(E)(ii)(I).

#### YIELD CURVE AND SEGMENT RATES

Generally, except for certain plans under sections 104 and 105 of the Pension Protection Act of 2006 and CSEC plans under § 414(y), § 430 of the Code specifies the minimum funding requirements that apply to single-employer plans pursuant to § 412. Section 430(h)(2) specifies the interest rates that must be used to determine a plan’s target normal cost and funding target. Under this provision, present value is generally determined using three 24-month average interest rates (“segment rates”), each of which applies to cash flows during specified periods. To the extent provided under § 430(h)(2)(C)(iv), these segment rates are adjusted by the applicable percentage of the 25-year average segment rates for the period ending September 30 of the year preceding the calendar year in which the plan year begins.<sup>1</sup> However, an election may be made under § 430(h)(2)(D)(ii) to use the monthly yield curve in place of the segment rates.

<sup>1</sup>Pursuant to § 433(h)(3)(A), the 3<sup>rd</sup> segment rate determined under § 430(h)(2)(C) is used to determine the current liability of a CSEC plan (which is used to calculate the minimum amount of the full funding limitation under § 433(c)(7)(C)).

Notice 2007–81, 2007–44 I.R.B. 899, provides guidelines for determining the monthly corporate bond yield curve, and the 24-month average corporate bond segment rates used to compute the target normal cost and the funding target. Consistent with the methodology specified in Notice 2007–81, the monthly corporate bond yield curve derived from September 2015 data is in Table I at the end of this notice. The spot first, second, and third segment rates for the month of September

2015 are, respectively, 1.69, 4.11, and 5.07.

The 24-month average segment rates determined under § 430(h)(2)(C)(i) through (iii) must be adjusted pursuant to § 430(h)(2)(C)(iv) to be within the applicable minimum and maximum percentages of the corresponding 25-year average segment rates. For plan years beginning before 2018, the applicable minimum percentage is 90% and the applicable maximum percentage is 110%. The 25-year average segment rates for plan years be-

ginning in 2014, 2015, and 2016 were published in Notice 2013–58, 2013–40 I.R.B. 294, Notice 2014–50, 2014–40 I.R.B. 590, and Notice 2015–61, 2015–39 I.R.B. 408, respectively.

#### 24-MONTH AVERAGE CORPORATE BOND SEGMENT RATES

The three 24-month average corporate bond segment rates applicable for October 2015 without adjustment for the 25-year average segment rate limits are as follows:

Applicable Month	First Segment	Second Segment	Third Segment
October 2015	1.35	4.01	5.04

Based on § 430(h)(2)(C)(iv), the 24-month averages applicable for October

2015 adjusted to be within the applicable minimum and maximum percentages of

the corresponding 25-year average segment rates, are as follows:

For Plan Years Beginning In	Applicable Month		Adjusted 24-Month Average Segment Rates		
	Month	Year	First Segment	Second Segment	Third Segment
2014	October	2015	4.99	6.32	6.99
2015	October	2015	4.72	6.11	6.81
2016	October	2015	4.43	5.91	6.65

#### 30-YEAR TREASURY SECURITIES INTEREST RATES

Generally for plan years beginning after 2007, § 431 specifies the minimum funding requirements that apply to multiemployer plans pursuant to § 412. Section 431(c)(6)(B) specifies a minimum amount for the full-funding limitation described in § 431(c)(6)(A), based on the plan's current liability. Section

431(c)(6)(E)(ii)(I) provides that the interest rate used to calculate current liability for this purpose must be no more than 5 percent above and no more than 10 percent below the weighted average of the rates of interest on 30-year Treasury securities during the four-year period ending on the last day before the beginning of the plan year. Notice 88–73, 1988–2 C.B. 383, provides guidelines for determining the weighted average interest rate. The

rate of interest on 30-year Treasury securities for September 2015 is 2.95 percent. The Service determined this rate as the average of the daily determinations of yield on the 30-year Treasury bond maturing in August 2045. For plan years beginning in the month shown below, the weighted average of the rates of interest on 30-year Treasury securities and the permissible range of rate used to calculate current liability are as follows:

For Plan Years Beginning in		30-Year Treasury Weighted Average	Permissible Range		
Month	Year		90%	to	105%
October	2015	3.14	2.83		3.30

**MINIMUM PRESENT VALUE  
SEGMENT RATES**

In general, the applicable interest rates under § 417(e)(3)(D) are segment rates

computed without regard to a 24-month average. Notice 2007–81 provides guidelines for determining the minimum present value segment rates. Pursuant to that notice, the minimum present value seg-

ment rates determined for September 2015 are as follows:

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<u>First Segment</u>	<u>Second Segment</u>	<u>Third Segment</u>
1.69	4.11	5.07

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**DRAFTING INFORMATION**

The principal author of this notice is Tom Morgan of the Office of the Associ-

ate Chief Counsel (Tax Exempt and Government Entities). However, other personnel from the IRS participated in the development of this guidance. For further

information regarding this notice, contact Mr. Morgan at 202-317-6391 or Tony Montanaro at 202-317-8698 (not toll-free numbers).

**Table I**  
 Monthly Yield Curve for September 2015  
 Derived from September 2015 Data

<i>Maturity</i>	<i>Yield</i>								
0.5	0.55	20.5	4.81	40.5	5.10	60.5	5.20	80.5	5.25
1.0	0.90	21.0	4.82	41.0	5.10	61.0	5.20	81.0	5.25
1.5	1.22	21.5	4.84	41.5	5.11	61.5	5.20	81.5	5.26
2.0	1.49	22.0	4.85	42.0	5.11	62.0	5.21	82.0	5.26
2.5	1.71	22.5	4.86	42.5	5.11	62.5	5.21	82.5	5.26
3.0	1.89	23.0	4.87	43.0	5.12	63.0	5.21	83.0	5.26
3.5	2.05	23.5	4.88	43.5	5.12	63.5	5.21	83.5	5.26
4.0	2.21	24.0	4.89	44.0	5.12	64.0	5.21	84.0	5.26
4.5	2.36	24.5	4.90	44.5	5.13	64.5	5.21	84.5	5.26
5.0	2.51	25.0	4.91	45.0	5.13	65.0	5.22	85.0	5.26
5.5	2.66	25.5	4.92	45.5	5.13	65.5	5.22	85.5	5.26
6.0	2.81	26.0	4.93	46.0	5.14	66.0	5.22	86.0	5.26
6.5	2.96	26.5	4.93	46.5	5.14	66.5	5.22	86.5	5.26
7.0	3.11	27.0	4.94	47.0	5.14	67.0	5.22	87.0	5.26
7.5	3.26	27.5	4.95	47.5	5.14	67.5	5.22	87.5	5.27
8.0	3.40	28.0	4.96	48.0	5.15	68.0	5.22	88.0	5.27
8.5	3.54	28.5	4.97	48.5	5.15	68.5	5.23	88.5	5.27
9.0	3.66	29.0	4.97	49.0	5.15	69.0	5.23	89.0	5.27
9.5	3.78	29.5	4.98	49.5	5.15	69.5	5.23	89.5	5.27
10.0	3.89	30.0	4.99	50.0	5.16	70.0	5.23	90.0	5.27
10.5	3.99	30.5	5.00	50.5	5.16	70.5	5.23	90.5	5.27
11.0	4.08	31.0	5.00	51.0	5.16	71.0	5.23	91.0	5.27
11.5	4.17	31.5	5.01	51.5	5.16	71.5	5.23	91.5	5.27
12.0	4.25	32.0	5.01	52.0	5.17	72.0	5.23	92.0	5.27
12.5	4.31	32.5	5.02	52.5	5.17	72.5	5.24	92.5	5.27
13.0	4.38	33.0	5.03	53.0	5.17	73.0	5.24	93.0	5.27
13.5	4.43	33.5	5.03	53.5	5.17	73.5	5.24	93.5	5.28
14.0	4.48	34.0	5.04	54.0	5.18	74.0	5.24	94.0	5.28
14.5	4.53	34.5	5.04	54.5	5.18	74.5	5.24	94.5	5.28
15.0	4.57	35.0	5.05	55.0	5.18	75.0	5.24	95.0	5.28
15.5	4.60	35.5	5.05	55.5	5.18	75.5	5.24	95.5	5.28
16.0	4.63	36.0	5.06	56.0	5.18	76.0	5.24	96.0	5.28
16.5	4.66	36.5	5.06	56.5	5.19	76.5	5.24	96.5	5.28
17.0	4.69	37.0	5.07	57.0	5.19	77.0	5.25	97.0	5.28
17.5	4.71	37.5	5.07	57.5	5.19	77.5	5.25	97.5	5.28
18.0	4.73	38.0	5.08	58.0	5.19	78.0	5.25	98.0	5.28
18.5	4.75	38.5	5.08	58.5	5.19	78.5	5.25	98.5	5.28
19.0	4.77	39.0	5.09	59.0	5.20	79.0	5.25	99.0	5.28
19.5	4.78	39.5	5.09	59.5	5.20	79.5	5.25	99.5	5.28
20.0	4.80	40.0	5.09	60.0	5.20	80.0	5.25	100.0	5.28

# 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 applies 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 laws 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 a 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 sub-

stance 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 Contributions 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.—Statement 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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<sup>1</sup>A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2015–01 through 2015–26 is in Internal Revenue Bulletin 2015–26, dated June 29, 2015.

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## **Washington, DC 20224**

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## **INTERNAL REVENUE BULLETIN**

The Introduction at the beginning of this issue describes the purpose and content of this publication. The weekly Internal Revenue Bulletins are available at *www.irs.gov/irb/*.

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