all the tables at the time acquired. Under paragraph (b)(2)(iii)(B) of this section, R excludes the markdown from the denominator of the cost complement. Therefore, R's cost complement is $2,400/$4,000, or 60 percent.

(iii) Under paragraph (b)(3) of this section, R includes the permanent markdown in determining year-end retail selling prices. Therefore, the aggregate retail selling price of R's ending table inventory is $1,350 (15 * $90). Approximating LCM under the retail method, the value of R's ending table inventory is $810 (60 percent * $1,350).

*Example 2*. (i) The facts are the same as in *Example 1,* except that R permanently reduces the retail selling price of all 40 tables to $50 per unit and the 15 tables on hand at the end of the year are marked for sale at that price. In contrast to the $10 markdown, the additional $40 markdown is unrelated to a margin protection payment or other allowance.

(ii) Under paragraph (b)(2)(iii)(B) of this section, R excludes the markdowns from the denominator of the cost complement. Therefore, R's cost complement is $2,400/$4,000, or 60 percent.

(iii) Under paragraph (b)(3) of this section, R includes the markdowns in determining year-end retail selling prices. Therefore, the aggregate retail selling price of R's ending inventory is $750 (15 * $50). Approximating LCM under the retail method, the value of R's ending inventory is $450 (60 percent * $750).

*Example 3*. (i) The facts are the same as in *Example 1*, except that R uses the LIFO inventory method. R must value inventories at cost and, under paragraph (c) of this section, uses the retail method to approximate cost.

(ii) Under paragraph (b)(2)(i)(A) of this section, R reduces the numerator of the cost complement by the amount of the margin protection payment. Under paragraph (b)(2)(i)(B) of this section, R includes the markdown in the denominator of the cost complement. Therefore, R's cost complement is $2,160/$3,600, or 60 percent.

(iii) Under paragraph (b)(3) of this section, R includes the markdown in determining year-end retail selling prices. Therefore, the aggregate retail selling price of R's ending inventory is $1,350 (15 * $90). Approximating cost under the retail method, the value of R's ending inventory is $810 (60 percent * $1,350).

(f) *Effective/applicability date*. This section applies to taxable years beginning after the date these regulations are published as final regulations in the **Federal Register**.

Steven T. Miller,
*Deputy Commissioner for Services and Enforcement.*

(Filed by the Office of the Federal Register on October 6, 2011, 8:45 a.m., and published in the issue of the Federal Register for October 7, 2011, 76 F.R. 62327)

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## Deletions From Cumulative List of Organizations Contributions to Which are Deductible Under Section 170 of the Code

## Announcement 2011–70

The Internal Revenue Service has revoked its determination that the organizations listed below qualify as organizations described in sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986.

Generally, the Service will not disallow deductions for contributions made to a listed organization on or before the date of announcement in the Internal Revenue Bulletin that an organization no longer qualifies. However, the Service is not precluded from disallowing a deduction for any contributions made after an organization ceases to qualify under section 170(c)(2) if the organization has not timely filed a suit for declaratory judgment under section 7428 and if the contributor (1) had knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was in part responsible for or was aware of the activities or omissions of the organization that brought about this revocation.

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin November 7, 2011, and would end on the date the court first determines that the organization is not described in section 170(c)(2) as more particularly set forth in section 7428(c)(1). For individual contributors, the maximum deduction protected is $1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

Carib News Foundation
New York, NY
Caring and Sharing, Inc.
Kansas City, MO
Center for AIDS Prevention
Beverly Hills, CA
Ezer Akeres Habais, Inc.
Brooklyn, NY
National Carbon Offset Coalition
Butte, MT
Nazarene Ministry of Help
Portland, OR
Texas Team Sports
San Antonio, TX
Thumpers Therapeutic Center
Milwaukee, OR
Tradewinds Foundation, Inc.
New Hartford, NY
United Homeless Organization, Inc.
Bronx, PA