

Part IV - Items of General Interest

Draft Schedule and Instructions for Uncertain Tax Positions Proposal

Announcement 2010-30

In Announcement 2010-9, 2010-7 I.R.B. 408, and Announcement 2010-17, 2010-13 I.R.B. 515, the Internal Revenue Service announced it is developing a schedule requiring certain taxpayers to report uncertain tax positions on their tax returns. The Service is now releasing the draft schedule, Schedule UTP, accompanied by draft instructions that provide a further explanation of the Service's proposal. The Service invites public comment on the draft schedule and instructions. The schedule and instructions will be finalized after the Service has received and considered all of the comments regarding the overall proposal and the draft schedule and instructions.

The draft schedule and instructions provide that, beginning with the 2010 tax year, the following taxpayers with both uncertain tax positions and assets equal to or exceeding \$10 million will be required to file Schedule UTP if they or a related party issued audited financial statements:

- Corporations who are required to file a Form 1120, U.S. Corporation Income Tax Return;
- Insurance companies who are required to file a Form 1120 L, U.S. Life Insurance Company Income Tax Return or Form 1120 PC, U.S. Property and Casualty

Insurance Company Income Tax Return; and

- Foreign corporations who are required to file Form 1120 F, U.S. Income Tax Return of a Foreign Corporation.

The draft schedule and instructions also provide that, for 2010 tax years, the Service will not require a Schedule UTP from Form 1120 series filers other than those identified above (such as real estate investment trusts or regulated investment companies), pass-through entities, or tax-exempt organizations. The Service will determine the timing of the requirement to file Schedule UTP for these entities after comments have been received and considered.

The Service is reviewing the extent to which the proposed Schedule UTP duplicates other reporting requirements, such as Form 8275, Disclosure Statement; Form 8275-R, Regulation Disclosure Statement; Form 8886, Reportable Transaction Disclosure Statement; and the Schedule M-3, Net Income (Loss) Reconciliation for Corporations With Total Assets of \$10 Million or More. The draft instructions provide that a taxpayer will be treated as having filed a Form 8275 or Form 8275-R for tax positions that are properly reported on Schedule UTP. The Service is considering other circumstances under which a tax position reported on Schedule UTP need not be separately reported elsewhere on the tax return or another disclosure statement.

Comments on Announcement 2010-9, Announcement 2010-17, the draft schedule, and the draft instructions should be submitted by June 1, 2010.

Comments should be submitted to: Internal Revenue Service, CC:PA:LPD:PR

(Announcement 2010-9), Room 5203, P.O. Box 7604, Ben Franklin Station, N.W., Washington, D.C. 20044. Alternatively, comments may be hand delivered between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday, to CC:PA:LPD:PR (Announcement 2010-9), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, D.C. Comments may also be transmitted electronically via the following e-mail address: Announcement.Comments@irsounsel.treas.gov. Please include "Announcement 2010-9" in the subject line of any electronic communications. All comments will be available for public inspection and copying.

The principal author of this announcement is Kathryn A. Zuba of the Office of Associate Chief Counsel (Procedure & Administration). For further information regarding this announcement contact Kathryn A. Zuba at (202) 622-7583 (not a toll-free call).