

Part IV.--- Items of General Interest

Realignment of Technical Work between the Tax Exempt and Government Entities Division and Office of Associate Chief Counsel (Tax Exempt and Government Entities)

Announcement 2014-34

This announcement addresses the transfer of certain technical responsibility for issues involving exempt organizations, qualified retirement plans, and individual retirement annuities and accounts (IRAs) to the Office of Chief Counsel that will occur with the realignment of the Tax Exempt and Government Entities Division (TE/GE). As a result of the realignment occurring at the beginning of 2015, the technical responsibility for preparing revenue rulings, revenue procedures, and certain other forms of published guidance, and issuing technical advice and certain letter rulings, will shift from TE/GE to the Office of Associate Chief Counsel (Tax Exempt and Government Entities) (TEGE Counsel). The annual revenue procedures addressing these matters will be updated in January of 2015 to reflect this realignment.

REALIGNMENT OF TECHNICAL WORK

On January 2, 2015, the authority to prepare revenue rulings, revenue procedures, announcements, and notices, and to issue technical advice (including technical advice memoranda (TAMs)), certain letter rulings, and certain information letters on matters involving exempt organizations, qualified retirement plans, and IRAs will be shifted to TEGE Counsel. TEGE Counsel will be responsible for the issuance of letter rulings except for the letter rulings listed below. In addition, TEGE Counsel will be responsible for ruling on issues involving employer deductions for contributions to welfare benefit funds. The realignment will not affect the procedures that apply for requesting a change in accounting method. Organizations seeking those rulings should continue to use Form 3115 and related instructions.

The Employee Plans office of TE/GE (Employee Plans) will retain the authority to issue determination letters and the Exempt Organizations office of TE/GE (Exempt Organizations) will retain the authority to issue determination letters, including determination letters on the exempt status of organizations under §§ 501(c) and 521.

After January 1, 2015, Employee Plans will retain the authority to issue letter rulings on the following subject matters:

- Computation of the exclusion ratio under § 72;
- Waiver of the 60-day rollover requirement under §§ 402(c)(3) and 408(d)(3) for distributions;

- Whether individual retirement accounts established by employers or associations of employers meet the requirements of § 408(c);
- Approval to become a nonbank trustee (see § 1.408-2(e));
- Change in funding methods and actuarial assumptions under §§ 412, 430 or 431;
- Approval of substitute mortality tables under Rev. Proc. 2008-62, 2008-42 I.R.B. 935;
- Extension of an amortization period under Rev. Proc. 2010-52, 2010-52 I.R.B. 927;
- The tax consequences of prohibited transactions under §§ 503 and 4975;
- Waiver of the liquidity shortfall (as that term is defined in § 430(j)(4)) excise tax under § 4971(f)(4);
- Approval of the return of certain nondeductible contributions to the employer pursuant to Rev. Proc. 90-49, 1990-2 C.B. 620;
- Roth IRA recharacterization relief under § 301.9100-1; and
- A change in the plan year of an employee retirement plan and the trust year of a tax-exempt employees' trust.

After January 1, 2015, Exempt Organizations will retain the authority to issue determination letters, including determinations regarding the following miscellaneous determinations requested using Form 8940, *Request for Miscellaneous Determinations*:

- Advance approval of certain set-asides described in § 4942(g)(2);
- Advance approval of voter registration activities described in § 4945(f);

- Advance approval of scholarship procedures described in § 4945(g);
- Exemption from Form 990 filing requirements;
- Advance approval that a potential grant or contribution constitutes an “unusual grant”;
- Change in Type (or initial determination of Type) of a § 509(a)(3) organization;
- Reclassification of foundation status, including a voluntary request from a public charity for private foundation status; and
- Termination of private foundation status under § 507(b)(1)(B) by an advance ruling request or after the 60-month period has ended.

UPDATE OF ANNUAL REVENUE PROCEDURES TO REFLECT THE REALIGNMENT

Each year, the IRS issues revenue procedures regarding the furnishing of rulings and other technical guidance. For 2014, Rev. Procs. 2014-1, 2014-1 I.R.B. 1, and 2014-2, 2014-1 I.R.B. 90, describe how the Associate Chief Counsel offices issue letter rulings, information letters, and TAMs on matters within the jurisdiction of those offices. Rev. Proc. 2014-3, 2014-1 I.R.B. 111, lists the areas under the jurisdiction of the Associate Chief Counsel offices on which the IRS will not issue rulings. Rev. Procs. 2014-4 through 2014-6, 2014-9, and 2014-10 describe how TE/GE issues rulings, information letters, TAMs, and determination letters on matters under the jurisdiction of that office. Rev. Proc. 2014-4, 2014-1 I.R.B. 125; Rev. Proc. 2014-5, 2014-1 I.R.B. 169; Rev. Proc. 2014-6, 2014-1 I.R.B. 198; Rev. Proc. 2014-9, 2014-2 I.R.B. 281; and Rev.

Proc. 2014-10, 2014-2 I.R.B. 293. Rev. Proc. 2014-8, 2014-1 I.R.B. 242, describes the user fees required to obtain a ruling or determination from TE/GE.

The annual updates of Rev. Procs. 2014-1 through 2014-4 and 2014-8 will reflect the transfer of authority described herein from TE/GE to TEGE Counsel. Aside from minor changes, the realignment will not affect the annual updates of Rev. Procs. 2014-6, 2014-9, and 2014-10. Because the authority for issuing all TAMs will shift to TEGE Counsel after January 1, 2015, for years after 2014 there will be no revenue procedure covering issuance of TAMs by TE/GE. Instead, Rev. Proc. 2015-5 will incorporate and update Rev. Proc. 2014-40, 2014-30 I.R.B. 229, which describes the processing of applications for recognition of exemption on Form 1023-EZ, *Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code*. Taxpayers should refer to Rev. Procs. 2015-1 through 2015-3 regarding the procedures for letter rulings and TAMs requested from or issued by TEGE Counsel after January 1, 2015 (including procedures that may affect letter rulings and TAMs that were requested from TE/GE before January 2, 2015). Letter ruling requests that were submitted to TE/GE before January 2, 2015, and that are pending on that date, will be transferred to TEGE Counsel without the need for the taxpayer that requested the ruling to take any action.

DRAFTING INFORMATION

This announcement was drafted by TE/GE with the assistance of TEGE Counsel. For further information regarding the changes to exempt organizations issues described

in this announcement, contact TEGE Counsel at (202) 317-5800. For further information regarding the changes to employee plans issues described in this announcement, contact TEGE Counsel at (202) 317-6799.