

Transition Rule for Applying Section 951(a)(2)(B)

Notice 2025-75

SECTION 1. PURPOSE

This notice announces that the Department of the Treasury (“Treasury Department”) and the Internal Revenue Service (“IRS”) intend to issue proposed regulations (the “forthcoming proposed regulations”) regarding the transition rule for dividends (the “transition rule”) in section 70354(c)(2) of Public Law 119-21, 139 Stat. 72 (July 4, 2025), commonly known as the One, Big, Beautiful Bill Act (“OBBBA”). The transition rule modifies the application of section 951(a)(2)(B) of the Internal Revenue Code (“Code”) for certain taxable years of foreign corporations beginning before January 1, 2026.

SECTION 2. BACKGROUND

.01 Sections 951(a)(1)(A) and 951A(a) before OBBBA

Sections 951(a)(1)(A) and 951A(a), as in effect before amendments made by the OBBBA,¹ require each United States shareholder (within the meaning of section 951(b) or section 953(c)(1)(A), if applicable) (each shareholder, a “U.S. shareholder”) of a

¹ Unless otherwise indicated, all references to sections 951 and 951A in this notice are to the versions of those provisions as in effect before the amendments made by the OBBBA.

controlled foreign corporation (within the meaning of section 957 or section 953(c)(1)(B), if applicable) (a “CFC”) to include amounts in gross income based on certain income of the CFC.

Under section 951(a)(1)(A), a U.S. shareholder of a CFC must include in gross income its pro rata share of the CFC’s subpart F income (as defined in section 952) if the U.S. shareholder owns (within the meaning of section 958(a)) stock of the CFC on the last day of the CFC’s taxable year on which it is a CFC (the “last relevant day,” and such shareholder, a “section 951(a) inclusion shareholder”). Ownership of stock within the meaning of section 958(a) means stock owned directly and stock owned indirectly through foreign corporations and other foreign entities (including certain domestic entities to the extent treated as foreign entities under §1.958-1(d)(1)).²

A U.S. shareholder’s pro rata share of a CFC’s subpart F income for a taxable year of the CFC is calculated by first determining the amount described in section 951(a)(2)(A). This amount, which is determined based on the U.S. shareholder’s proportionate share of a hypothetical distribution by the CFC, represents subpart F income (unreduced by distributions during the taxable year) allocable to stock of the CFC that the U.S. shareholder owns on the last relevant day. See §1.951-1(b) and (e).

² For purposes of this notice, a reference to stock ownership means stock owned within the meaning of section 958(a).

This amount is limited based on the portion of the taxable year during which the foreign corporation is a CFC. The amount determined under section 951(a)(2)(A) is then reduced for certain distributions under section 951(a)(2)(B), as described below in section 2.02 of this notice, to arrive at the U.S. shareholder's pro rata share of the CFC's subpart F income.

Section 951A(a) requires a U.S. shareholder of a CFC to include in gross income its global intangible low-taxed income ("GILTI inclusion amount"). See §1.951A-1(b). A U.S. shareholder's GILTI inclusion amount is determined by taking into account the U.S. shareholder's pro rata share of tested items (as defined in §1.951A-1(f)(5)) of CFCs in which the U.S. shareholder owns stock, such as tested income, tested loss, and qualified business asset investment. See §1.951A-1(c). A U.S. shareholder's pro rata shares of a CFC's tested items are determined in the same manner as a U.S. shareholder's pro rata share of a CFC's subpart F income under section 951(a)(2), subject to certain modifications. See section 951A(e)(1) and §1.951A-1(d).

.02 Section 951(a)(2)(B) before OBBBA

Section 951(a)(2)(B) addresses cases in which stock of a CFC owned by a U.S. shareholder on the last relevant day was acquired by the U.S. shareholder during the CFC's taxable year. In these cases, section 951(a)(2)(B) generally reduces the U.S. shareholder's pro rata share of the CFC's subpart F income or tested income, by the

amount of distributions received by any other person during the taxable year as a dividend with respect to the acquired stock. For this purpose, section 951(a)(2)(B) specifies that any gain included in the gross income of any person as a dividend under section 1248 is treated as a distribution received by such person with respect to the stock involved.

The reduction under section 951(a)(2)(B) cannot exceed the amount of the dividend that would have been received with respect to the acquired stock if the CFC had distributed an amount equal to its subpart F income or tested income, as relevant, for the taxable year multiplied by a fraction, the numerator of which is the number of days during the taxable year on which the U.S. shareholder did not own the acquired stock, and the denominator of which is the number of days during the taxable year. The reduction, as so limited, represents an amount of distributed income of the CFC that the U.S. shareholder otherwise would include in gross income under section 951(a)(1)(A) or 951A(a) by reason of owning the acquired stock on the last relevant day, but that is not allocable to the period during which the U.S. shareholder owned the acquired stock.

Further, under §1.1502-80(j), in determining the amount described in section 951(a)(2)(B) that is attributable to distributions to which section 959(b) applies, members of a consolidated group (as defined in §1.1502-1(h)) are treated as a single

U.S. shareholder for purposes of determining the part of the year during which such shareholder did not own the stock described in section 951(a)(2)(A).

.03 OBBBA Amendments and the Transition Rule

Section 70354 of the OBBBA amends sections 951(a) and 951A for taxable years of foreign corporations beginning after December 31, 2025. As amended, a U.S. shareholder's pro rata share of subpart F income, and tested income and tested loss, of a CFC is generally the portion of such income attributable to the stock of such CFC owned by such shareholder attributable to any period of the CFC's taxable year during which (i) the shareholder owns such stock, (ii) the shareholder is a U.S. shareholder of the corporation, and (iii) the corporation is a CFC.

For certain taxable years before the amendments to sections 951(a) and 951A in the OBBBA take effect, a U.S. shareholder must take into account the transition rule in section 70354(c)(2) of the OBBBA in determining its pro rata share of subpart F income and tested items. Under the transition rule, certain dividends are not treated as dividends for purposes of applying section 951(a)(2)(B), except to the extent provided by the Secretary.

Under section 70354(c)(2)(A) of the OBBBA, a dividend is subject to the transition rule if the dividend is (i) paid or deemed paid on or before June 28, 2025, and during the taxable year of a CFC that includes such date, provided the U.S. shareholder

described in section 951(a) did not own (within the meaning of section 958(a)) the stock of the CFC during the portion of the taxable year on or before June 28, 2025, or (ii) paid or deemed paid after June 28, 2025, and before a foreign corporation's first taxable year beginning after December 31, 2025. Under section 70354(c)(2)(B) of the OBBBA, any dividend subject to the transition rule³ as described in the preceding sentence is not treated as a dividend for purposes of applying section 951(a)(2)(B) if the dividend does not increase the taxable income of a United States person subject to Federal income tax for the taxable year (including by reason of a dividends received deduction, an exclusion from gross income, or an exclusion from subpart F income). The transition rule thus limits the amount of a U.S. shareholder's reduction under section 951(a)(2)(B) when ownership of the stock of the CFC is transferred to the U.S. shareholder during the CFC's taxable year and the CFC paid or is deemed to have paid a dividend that is subject to the transition rule and the dividend does not increase the taxable income of a United States person subject to Federal income tax.

³ This notice refers to a dividend as "subject to the transition rule" if the dividend is described in section 70354(c)(2)(A) of the OBBBA. A dividend "subject to the transition rule" may, however, increase the taxable income of a United States person subject to Federal income tax and therefore still be treated as a dividend for purposes of section 951(a)(2)(B).

SECTION 3. PROPOSED REGULATIONS TO BE ISSUED

.01 In General

The forthcoming proposed regulations would provide the rules described in this section 3.

.02 Meaning of Dividends Paid (or Deemed Paid)

Any amount that is treated as a distribution received by any other person as a dividend under section 951(a)(2)(B), as in effect before the amendments made by the OBBBA, would be a dividend paid (or deemed paid) for purposes of applying the transition rule.⁴ Thus, for example, any gain included in the gross income of any person as a dividend under section 1248 would be treated as a dividend to which the transition rule may apply. This approach is intended to ensure symmetry between “distributions received as a dividend” for purposes of section 951(a)(2)(B) and “dividends paid” for purposes of the transition rule.

.03 Increase in Taxable Income of a United States Person Subject to Federal Income Tax

(1) Meaning of United States Person Subject to Federal Income Tax

⁴ For the remainder of this notice, a reference to dividends paid means “dividends paid (or deemed paid).”

For purposes of the transition rule and regardless of whether the person has any Federal income tax liability for any taxable year, a United States person subject to Federal income tax would mean any United States person as defined in section 7701(a)(30) except for (i) a domestic partnership, (ii) an S corporation (as defined in section 1361), (iii) a domestic grantor trust,⁵ or (iv) a bona fide resident (as defined in section 937(a)) of Guam, the Commonwealth of the Northern Mariana Islands, or the U.S. Virgin Islands. A United States person subject to Federal income tax would also include any nonresident alien individual who elects to be treated as a resident of the United States under section 6013(g) or (h).

(2) Look-Through Rule for Partnerships and S Corporations

(a) In General

A look-through rule would apply with respect to (i) dividends paid by a CFC and received by a partnership (domestic or foreign) or S corporation⁶ and (ii) amounts that are or would be includible in the gross income of an S corporation under section

⁵ The term “domestic grantor trust” for purposes of this notice means any trust that is a United States person described in section 7701(a)(30)(E) and that is treated as owned by a person under sections 671 through 678. In the case of a dividend paid by a CFC to a grantor trust (domestic or foreign), the determination of whether the dividend increases the taxable income of a United States person subject to Federal income tax is made at the level of the grantors or other persons treated as owners of the trust (or the relevant portion thereof). See section 671.

⁶ For purposes of sections 951 through 965, an S corporation is treated as a partnership, and the shareholders of the S corporation are treated as partners of such partnership. See section 1373(a).

951(a)(1)(A) or section 951A(a)⁷ as a result of a dividend paid by a lower-tier CFC to an upper-tier CFC (applying the rules in section 3.03(3)(b) of this notice). Under this rule, the determination of whether a dividend paid by a CFC increases the taxable income of a United States person subject to Federal income tax is made at the level of the partner or shareholder, as applicable (subject to the rule for tiered structures in section 3.03(2)(b) of this notice). Thus, for example, if a partnership receives a dividend from a CFC, the application of the transition rule is determined by reference to each partner that includes in gross income its distributive share of the dividend under section 702. This approach recognizes that a dividend paid to a partnership or S corporation by a CFC may be included in the distributive share or pro rata share of a partner or shareholder that is a United States person, as applicable, and thereby may increase the taxable income of a United States person subject to Federal income tax.

(b) Tiered Structures

If a dividend is paid by a CFC to a partnership, and a direct owner of the partnership is itself a partnership or an S corporation, then, to the extent the dividend would be allocated to that direct owner under the look-through rule described in section

⁷ An S corporation may have an inclusion under section 951(a)(1)(A) or 951A(a) if an election is made to treat the S corporation as owning stock of a CFC under section 958(a) for purposes of applying sections 951 and 951A. See proposed §1.958-1(e), 87 FR 3890 (Jan. 25, 2022).

3.03(2)(a) of this notice, the look-through rule would again be applied at the level of the direct owner. This approach is further applied up the chain until the look-through rule is no longer applicable.

(c) Publicly Held Domestic Partnerships

To the extent a dividend paid by a CFC would be allocated under the look-through rule described in section 3.03(2)(a) of this notice to a de minimis owner (as defined below) by reason of an interest in a class of publicly held interests (as defined below) in a domestic partnership, the dividend would be treated as increasing the taxable income of a United States person subject to Federal income tax for purposes of the transition rule. This rule would not apply, however, if the domestic partnership has actual knowledge of facts that allow the partnership to determine that the de minimis owner is not a United States person subject to Federal income tax or that the dividend paid by the CFC does not increase the de minimis owner's taxable income.

A de minimis owner would be any person that owns no more than 5 percent of a class of publicly held interests in a domestic partnership on any day of the taxable year of the domestic partnership. For this purpose, a person would be treated as owning an interest in a class of publicly held interests if the person owns the interest directly or by applying the rules of section 318(a) (except that section 318(a)(2)(C) and (a)(3)(C) would be applied by substituting "5 percent" for "50 percent"). A class of publicly held

interests would be defined as any class of interests in a domestic partnership that is regularly traded on an established securities market as defined in §1.7704-1(b), but without regard to §1.7704-1(b)(3).

(3) Meaning of Does Not Increase Taxable Income

(a) Taxable Income

For purposes of the transition rule, “taxable income” would generally be defined to mean “taxable income” as defined in section 63. However, this definition would be modified in the case of certain types of entities subject to Federal income tax on a basis other than taxable income under section 63. Thus, for purposes of the transition rule, “taxable income” would mean (i) investment company taxable income (as defined in section 852(b)) in the case of a regulated investment company (“RIC”) that satisfies the requirements of section 852(a) for a relevant taxable year of the RIC, (ii) real estate investment trust taxable income (as defined in section 857(b)(2)) in the case of a real estate investment trust (“REIT”) that satisfies the requirements of section 857(a) for a relevant taxable year of the REIT, and (iii) unrelated business taxable income (as defined in section 512) (“UBTI”) for any organization that is exempt from taxation by reason of section 501(a).

This approach would recognize that in the case of RICs, REITs, and organizations exempt from taxation by reason of section 501(a), investment company

taxable income, real estate investment trust taxable income, and UBTI, respectively, are the categories of income that are generally subject to Federal income tax under Chapter 1 and therefore appropriately treated as taxable income for purposes of the transition rule. See sections 851(b)(1), 857(b)(1), and 511(b)(1).

(b) Increase to Taxable Income

Whether a dividend results in an increase to the taxable income of a United States person subject to Federal income tax for the taxable year would be determined after the application of any exclusion that results in the dividend not being included in gross income or taxable income, or any dividends received deduction that reduces the amount of the dividend included in taxable income. Thus, for example, a dividend would not increase the taxable income of a United States person subject to Federal income tax to the extent (i) the dividend is excluded from gross income under section 931 or 933, (ii) the dividend qualifies for, or gives rise to, a dividends received deduction under section 245A, including by reason of section 1248(j) or 964(e)(4), or (iii) the dividend is paid to a CFC and does not give rise to subpart F income or tested income to the CFC because the exclusion under section 959(b) or 954(c)(6) applies.

Further, the determination of the amount by which a dividend paid by a CFC increases the taxable income of a United States person subject to Federal income tax is made without regard to decreases to taxable income resulting from generally applicable

deductions of the United States person that are not particular to the receipt of a dividend. A dividend may therefore result in an increase to the taxable income of a United States person subject to Federal income tax even if that income is offset by a deduction, such as a deduction for depreciation under section 167, a net operating loss deduction under section 172, a deduction for distributions under section 651 or 661, or a deduction for dividends paid under section 852(b)(2)(D) or 857(b)(2)(B).

In the case of a dividend paid by a lower-tier CFC to an upper-tier CFC, for purposes of the transition rule, the dividend would be treated as increasing the taxable income of a United States person subject to Federal income tax to the extent the dividend is taken into account in determining a U.S. shareholder's inclusion under section 951(a)(1)(A) or 951A(a). Specifically, a dividend is treated as increasing the taxable income of a United States person subject to Federal income tax to the extent the dividend would give rise to an amount includible in gross income by a U.S. shareholder under section 951(a)(1)(A), determined without regard to properly allocable deductions of the upper-tier CFC, the earnings and profits limitation under section 952(c)(1)(A), qualified deficits under section 952(c)(1)(B), or chain deficits under section 952(c)(1)(C). Similarly, a dividend paid by a lower-tier CFC to an upper-tier CFC would be treated as increasing the taxable income of a United States person subject to Federal income tax to the extent the dividend would give rise to an amount includible in

gross income by a U.S. shareholder under section 951A(a), determined without regard to properly allocable deductions of the upper-tier CFC, tested losses of any other CFCs, and the net deemed tangible income return (as defined in section 951A(b)(2)) of the U.S. shareholder. Notwithstanding the phrase “determined without regard to properly allocable deductions” in this paragraph, any dividend paid to a CFC that is excluded from the CFC’s subpart F income or tested income under the high-tax exception or the high-tax exclusion (see section 954(b)(4) and §1.951A-2(c)(1)(iii)) would not be treated as increasing the taxable income of a United States person subject to Federal income tax for purposes of applying the transition rule.

(c) Extent to Which a Dividend Does Not Increase Taxable Income

To the extent a dividend subject to the transition rule increases the taxable income of a United States person subject to Federal income tax by less than the full amount of the dividend, the portion of the dividend that does not increase the taxable income of a United States person subject to Federal income tax would not be treated as a dividend for purposes of applying section 951(a)(2)(B). Thus, for example, if section 1059(a)(2) applies to require the recognition of gain with respect to the nontaxed portion of a dividend that exceeds a domestic recipient corporation’s basis in a share of stock of the foreign distributing corporation, and the dividend is subject to the transition rule, the

nontaxed portion of the dividend that does not result in gain would not be treated as a dividend for purposes of applying section 951(a)(2)(B).

Similarly, if a dividend is subject to the transition rule, and only a portion of the dividend increases the taxable income of a United States person subject to Federal income tax due to the application of the look-through rule described in section 3.03(2) of this notice, the portion of the dividend that does not increase the taxable income of a United States person subject to Federal income tax would not be treated as a dividend for purposes of applying section 951(a)(2)(B). Further, in cases in which a dividend is subject to the transition rule and is paid by a lower-tier CFC to an upper-tier CFC, the dividend would not be treated as a dividend for purposes of applying section 951(a)(2)(B) to the extent the dividend is not taken into account in determining the gross income of a U.S. shareholder of the upper-tier CFC under section 951(a) or 951A(a) (applying the rules in section 3.03(3)(b) of this notice). This could be the case, for example, if neither section 954(c)(6) nor 959(b) applies and such dividend is included in the upper-tier CFC's subpart F income but a portion of the stock of the upper-tier CFC is not owned by a section 951(a) inclusion shareholder.

Additionally, the determination of whether a dividend increases taxable income of a United States person subject to Federal income tax would be made on a share-by-share basis. For example, if a domestic corporation sells multiple shares of stock of a

CFC and the gain on each of those shares is treated as a dividend under section 1248(a) that is subject to the transition rule, but the amount of gain treated as a dividend with respect to certain of those shares does not qualify for the deduction under section 245A because the domestic corporation fails to meet the holding period requirement described in section 246(c)(1) and (5) with respect to such shares, then the amount treated as a dividend with respect to which the deduction under section 245A is allowed would not be treated as a dividend for purpose of section 951(a)(2)(B).

(d) Coordination with Other Rules

(i) In General

The determination of whether a dividend paid by a CFC increases the taxable income of a United States person subject to Federal income tax for purposes of the transition rule would be determined by applying all applicable Code sections and Treasury regulations before applying the transition rule.

(ii) Section 245A and §1.245A-5

Consistent with the general rule described in section 3.03(3)(d)(i) of this notice, the determination of whether a dividend increases the taxable income of a United States person subject to Federal income tax for purposes of the transition rule would be made after applying section 245A and §1.245A-5 without regard to the transition rule. Thus, for example, in determining a controlling section 245A shareholder's pre-reduction pro

rata share under the rules for extraordinary reduction amounts in §1.245A-5(e), the forthcoming proposed regulations would clarify that any decrease for amounts taken into account by a U.S. tax resident under §1.245A-5(e)(2)(ii)(B) is determined before the transition rule could apply to limit the amount of the reduction under section 951(a)(2)(B). Furthermore, because an extraordinary reduction amount or tiered extraordinary reduction amount is determined without regard to the transition rule, the forthcoming proposed regulations would clarify that the election to close a CFC's taxable year described in §1.245A-5(e)(3)(i)(A) remains available to a controlling section 245A shareholder that disposes of stock in a CFC provided the other conditions in §1.245A-5(e)(3)(i)(A) are met.

(4) Establishing a Dividend Increases Taxable Income

A section 951(a) inclusion shareholder that reduces its pro rata share of subpart F income or tested income under section 951(a)(2)(B), as a result of a dividend subject to the transition rule, must determine and document that the dividend increased the taxable income of a United States person subject to Federal income tax. The section 951(a) inclusion shareholder would be required to attach a statement to Form 5471, *Information Return of U.S. Persons With Respect To Certain Foreign Corporations* (or successor), that (i) provides the amount of each dividend paid by the CFC (with respect to the stock owned by the section 951(a) inclusion shareholder filing the return) that is

subject to the transition rule but treated as a dividend for purposes of applying section 951(a)(2)(B), and (ii) describes why the section 951(a) inclusion shareholder filing the return is entitled to treat each such amount as a dividend for purposes of section 951(a)(2)(B) after application of the transition rule. The statement would be required to describe how the section 951(a) inclusion shareholder determined that each amount described in the prior sentence increased the taxable income of a United States person subject to Federal income tax, applying the rules described in section 3 of this notice.

.04 Ownership of Stock of a CFC on or Before June 28, 2025

As described in section 2.03 of this notice, a dividend is not subject to the transition rule if (1) it is paid on or before June 28, 2025, and during the taxable year of a CFC that includes that date, and (2) the section 951(a) inclusion shareholder owned the stock of the CFC during the portion of such taxable year on or before June 28, 2025. The forthcoming proposed regulations would provide that, for this purpose, the reference to “the stock” means the specific shares of stock of the CFC with respect to which a dividend was paid, and for which the section 951(a) inclusion shareholder would otherwise reduce its pro rata share under section 951(a)(2)(B) absent the application of the transition rule. Accordingly, if a U.S. shareholder acquires shares of stock in a CFC after June 28, 2025, dividends paid with respect to those shares on or before June 28, 2025, and during the taxable year of the CFC that includes such date,

are subject to the transition rule even if the U.S. shareholder owned other shares in the CFC on or before June 28, 2025.

SECTION 4. APPLICABILITY DATE AND RELIANCE

The forthcoming proposed regulations would apply to the taxable years of a CFC that either (i) include June 28, 2025, or (ii) begin after June 28, 2025, but before such CFC's first taxable year beginning after December 31, 2025. A taxpayer may rely on the rules described in section 3 of this notice for dividends paid before the forthcoming proposed regulations are published in the Federal Register, provided the taxpayer and its related parties (within the meaning of sections 267(b) and 707(b)(1)) follow the rules in their entirety and in a consistent manner for all dividends paid before the forthcoming proposed regulations are published.

SECTION 5. PAPERWORK REDUCTION ACT

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) ("PRA") generally requires that a federal agency obtain the approval of the Office of Management and Budget ("OMB") before collecting information from the public, whether such collection of information is mandatory, voluntary, or required to obtain or retain a benefit. 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 OMB.

The collection of information in this notice contains reporting and recordkeeping requirements that are required to enable the IRS to verify that a taxpayer is reporting the correct amount of taxable income. The collection of information will be used by the IRS for tax compliance purposes. The likely respondents are business and other for profit institutions.

This notice includes a reporting requirement to provide the IRS with a statement describing why the United States person filing the return is entitled to treat certain dividend amounts as a dividend for purposes of section 951(a)(2)(B) as described in section 3.03(4). The statement must describe how the United States person determined that the dividend increased the taxable income of a United States person subject to Federal income tax, applying the rules described in section 3 of this notice. This reporting requirement to attach a statement to Form 5471 will be included within OMB Control Numbers 1545-0123 for business filers, 1545-0074 for individual filers, 1545-0092 for trust and estate filers, and 1545-0047 for tax exempt filers in accordance with the PRA procedures under 5 CFR 1320.10.

The recordkeeping requirements include that taxpayers keep books of account and records that are adequate to permit verification that the reduction in the taxpayer's pro rata share under section 951(a)(2)(B) was appropriate and that the taxpayer is reporting the correct amount of taxable income. This recordkeeping requirement will be

included within OMB Control Numbers 1545-0123 for business filers, 1545-0074 for individual filers, 1545-0092 for trust and estate filers, and 1545-0047 for tax exempt filers in accordance with the PRA procedures under 5 CFR 1320.10.

SECTION 6. REQUEST FOR COMMENTS AND CONTACT INFORMATION

The Treasury Department and the IRS welcome comments on the rules described in this notice. Comments should be submitted by February 2, 2026. Comments may be submitted electronically via the Federal eRulemaking Portal at <https://www.regulations.gov> (type IRS-2025-0367 in the search field on the regulations.gov homepage to find this notice and submit comments). Written comments may be mailed to Internal Revenue Service, CC:PA:01:PR (Notice 2025-75), Room 5503, P.O. Box 7604, Ben Franklin Station, Washington, D.C., 20044. All commenters are strongly encouraged to submit comments electronically.

The Treasury Department and the IRS will publish for public availability any comment submitted electronically and on paper to its public docket on regulations.gov.

The principal author of this notice is James R. Kostura of the Office of Associate Chief Counsel (International). However, other personnel from the Treasury Department and the IRS participated in its development. For further information regarding this notice, contact Mr. Kostura at (202) 317-6934 (not a toll-free call).