

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 301.7508-1: Time for performing certain acts postponed by reason of service in a combat zone or a Presidentially declared disaster.

(Also Part I, §§ 7508, 7508A; §§ 301.7508-1, 301.7508A-1.)

Rev. Proc. 2005-27

SECTION 1. PURPOSE AND NATURE OF CHANGES

.01 This revenue procedure provides an updated list of time-sensitive acts, the performance of which may be postponed under sections 7508 and 7508A of the Internal Revenue Code (Code). Section 7508 of the Code postpones the time to perform specified acts for individuals serving in the Armed Forces of the United States or serving in support of such Armed Forces, in a combat zone, or serving with respect to a contingency operation (as defined in 10 U.S.C. 101(a)(3)). Section 7508A of the Code permits a postponement of the time to perform specified acts for taxpayers affected by a Presidentially declared disaster or a terroristic or military action. The list of acts in this revenue procedure supplements the list of postponed acts in section 7508(a)(1) of the Code and section 301.7508A-1(b) of the Regulations on Procedure and Administration.

.02 This revenue procedure does not, by itself, provide any postponements under section 7508A. In order for taxpayers to be entitled to a postponement of any act listed in this revenue procedure, the IRS generally will publish a Notice or issue other guidance (including an IRS News Release) providing relief with respect to a Presidentially declared disaster, or a terroristic or military action.

.03 For purposes of section 7508, this revenue procedure sets forth such other acts as contemplated by section 7508(a)(1)(K). Unlike section 7508A, when a taxpayer qualifies under section 7508, all the acts listed in section 7508(a)(1) are postponed. Therefore, when a taxpayer qualifies under section 7508, the acts listed in this revenue procedure are also postponed for that taxpayer, whether or not the IRS publishes a

Notice or issues other guidance.

.04 This revenue procedure will be updated as needed when the IRS determines that additional acts should be included in the list of postponed acts or that certain acts should be removed from the list. Also, taxpayers may recommend that additional acts be considered for postponement under sections 7508 and 7508A. See section 19 of this revenue procedure.

05. Significant Changes

(1) This Revenue Procedure clarifies that the acts listed below are automatically postponed for taxpayers afforded relief pursuant to section 7508.

(2) New section 17 expands the categories of taxpayers qualifying for relief, and provides additional postponements of deadlines solely with respect to section 1031 like-kind exchange transactions that are affected by a Presidentially declared disaster.

SECTION 2. BACKGROUND

.01 Section 7508(a)(1) of the Internal Revenue Code permits a postponement of certain time-sensitive acts for individuals serving in the Armed Forces or in support of such Armed Forces in an area designated by the President as a combat zone under section 112 or serving with respect to a contingency operation (as defined in 10 U.S.C. 101(a)(3)). Among these acts are the filing of returns, the payment of tax, the filing of a Tax Court petition, and the filing of a refund claim. In the event of service in a combat zone or service with respect to a contingency operation, the acts specified in section 7508(a)(1) of the Code are automatically postponed. This revenue procedure sets forth such other acts as contemplated by section 7508(a)(1)(K). Thus, the acts listed in this revenue procedure are also automatically postponed. In addition, the Service may include acts not listed in this revenue procedure in any other published guidance (including an IRS News Release) related to the combat zone or contingency operation.

.02 Section 7508A of the Code provides that certain acts performed by taxpayers and the government may be postponed if the taxpayer is affected by a Presidentially declared disaster or a terroristic or military action. A “Presidentially declared disaster” is defined in section 1033(h)(3) of the Code. A “terroristic or military action” is defined in section 692(c)(2) of the Code. Section 301.7508A-1(d)(1) of the regulations defines seven types of affected taxpayers, including any individual whose principal residence (for purposes of section 1033(h)(4)) is located in a “covered disaster area” and any business entity or sole proprietor whose principal place of business is located in a “covered disaster area.” Postponements under section 7508A are not available simply because a disaster or a terroristic or military action has occurred. Generally, the IRS will publish a Notice or issue other guidance (including an IRS News Release) authorizing the postponement. Such guidance will describe the acts postponed, the duration of the postponement, and the location of the covered disaster area. See, for example, Notice 2001-68, 2001-2 C.B. 504, supplementing Notice 2001-61, 2001-2 C.B. 305. When a Notice or other guidance for a particular disaster is published, or issued,

the guidance generally will refer to this revenue procedure and may provide for a postponement of all the acts listed in the regulations and this revenue procedure. Alternatively, the guidance may provide that only certain acts listed in this revenue procedure are postponed based on the time when the disaster occurred, its severity, and other factors.

SECTION 3. SCOPE

This revenue procedure applies to individuals serving in the Armed Forces in a combat zone, or in support of such Armed Forces, individuals serving with respect to contingency operations, affected taxpayers by reason of Presidentially declared disasters within the meaning of section 301.7508A-1(d)(1) of the regulations, and taxpayers whom the IRS determines are affected by a terroristic or military action.

SECTION 4. APPLICATION

.01 The tables below list provisions of the internal revenue laws requiring the timely performance of specified acts that may be postponed under sections 7508 and 7508A. In addition, section 17 of this revenue procedure expands the categories of taxpayers qualifying for relief and provides additional postponements of deadlines solely with respect to section 1031 like-kind exchange transactions that are affected by a Presidentially declared disaster. Taxpayers may use the postponement rules provided in section 17 in lieu of the general extension dates provided by an IRS News Release or other guidance issued with respect to a specific Presidentially declared disaster. Taxpayers who are covered by the rules of section 17, but who are not otherwise treated as “affected taxpayers” by the IRS News Release or other guidance or section 301.7508A-1(d)(1) are not eligible for relief under section 7508A, except for the relief for section 1031 like-kind exchanges.

.02 In order to avoid unnecessary duplication, the following tables do not include acts specified in sections 7508 or 7508A or the regulations thereunder. Thus, for example, no mention is made in the following tables of the filing of tax returns or the payment of taxes (or an installment thereof) because these acts are already covered by sections 7508 and 7508A and the regulations thereunder. Also, the following tables do not refer to the making of accounting method elections or any other elections required to be made on tax returns or attachments thereto. Reference to these elections is not necessary because postponement of the filing of a tax return automatically postpones the making of any election required to be made on the return or an attachment thereto.

.03 The following tables refer only to postponement of acts performed by taxpayers. Additional guidance will be published in the Internal Revenue Bulletin if a decision is made that acts performed by the government may be postponed under section 7508A.

SECTION 5. ACCOUNTING METHODS AND PERIODS

	Statute or Regulation	Act Postponed
1.	Chapter 1, Subchapter E of the Code	Any act relating to the adoption, election, retention, or change of any accounting method or accounting period, or to the use of an accounting method or accounting period, that is required to be performed on or before the due date of a tax return (including extensions). Examples of such acts include (a) the requirements in Rev. Procs. 2002-37, 2002-1 C.B. 1030, 2002-38, 2002-1 C.B. 1037 and 2002-39, 2002-1 C.B. 1046., and 2003-62, 2003-32 I.R.B. 299, that Form 1128, Application to Adopt, Change, or Retain a Tax Year, be filed with the Director, Internal Revenue Service Center, on or before the due date (or the due date including extensions) of the tax return for the short period required to effect the change in accounting period; and (b) the requirement in Rev. Proc. 2002-9, 2002-1 C.B. 327, section 6.02 (3) that a copy of Form 3115 must be filed with the national office no later than when the original Form 3115 is filed with the timely filed tax return for the year of the accounting method change.
2.	Treas. Reg. § 1.381(c)(4)-1(d)(2)	If the acquiring corporation is not permitted to use the method of accounting used by the acquiring corporation, the method of accounting used by the distributor/transferor corporation, or the principal method of accounting; or if the corporation wishes to use a new method of accounting, then the acquiring corporation must apply to the Commissioner to use another method. Section 1.381(c)(4)-1(d)(2) requires applications to be filed not later than 90 days after the date of distribution or transfer. Rev. Proc. 83-77, 1983-2 C.B. 594, provides an automatic 90-day extension.
3.	Treas. Reg. § 1.381(c)(5)-1(d)(2)	If the acquiring corporation is not permitted to use the inventory method used by the acquiring corporation, the inventory method used by the distributor/transferor corporation, or the principal method of accounting, or wishes to use a new method of accounting, then the acquiring corporation must apply to the Commissioner to use another method. Section 1.381(c)(5)-1(d)(2) requires applications to be filed not later than 90 days after the date of distribution or transfer. Rev. Proc. 83-77 provides an automatic 90-day extension.
4.	Treas. Reg. § 1.442-1(b)(1)	In order to secure prior approval of an adoption, change, or retention of a taxpayer's annual accounting period, the taxpayer generally must file an application on Form 1128, Application to Adopt, Change, or Retain a Tax Year, with the Commissioner within such time as is provided in administrative procedures published by the Commissioner from time to time. <u>See</u> , for example, Rev. Procs. 2002-37, 2002-38, 2002-39 and 2003-62.

5.	Treas. Reg. § 1.444-3T(b)(1)	A section 444 election must be made by filing Form 8716, Election to Have a Tax Year Other Than a Required Tax Year, with the Service Center. Generally, Form 8716 must be filed by the earlier of (a) the 15 th day of the fifth month following the month that includes the first day of the taxable year for which the election will first be effective, or (b) the due date (without regard to extensions) of the income tax return resulting from the section 444 election.
6.	Treas. Reg. § 1.446-1(e)(2)(i)	Section 6 of Rev. Proc. 2002-9, 2002-1 C.B. 327, 341, allows a taxpayer to change a method of accounting within the terms of the revenue procedure by attaching the application form to the timely filed return for the year of change. Section 6.02(3)(b) grants an automatic extension of 6 months within which to file an amended return with the application for the change following a timely filed original return for the year of change.
7.	Treas. Reg. § 1.446-1(e)(3)(i)	To secure the Commissioner's consent to a change in method of accounting, the taxpayer must file an application on Form 3115, Application for Change in Accounting Method, with the Commissioner during the taxable year in which the taxpayer desires to make the change in method of accounting (<u>i.e.</u> , must be filed by the last day of such taxable year). This filing requirement is also in Rev. Proc. 97-27, 1997-21 I.R.B. 11. (<u>But see</u> Rev. Proc. 2002-9 for automatic changes in method of accounting that can be made with the return.)
8.	Sec. 451(e)	Section 451(e) permits a taxpayer using the cash receipts and disbursements method of accounting who derives income from the sale or exchange of livestock in excess of the number he would sell if he followed his usual business practices to elect (which election is deemed valid if made within the period described in section 1033(e)(2)) to include such income for the taxable year following the taxable year of such sale or exchange if, under his usual business practices, the sale or exchange would not have occurred if it were not for drought, flood, or other weather-related conditions and that such conditions resulted in the area being designated as eligible for Federal assistance.
9.	Treas. Reg. § 1.461-1(c)(3)(ii)	A taxpayer may elect, with the consent of the Commissioner, to accrue real property taxes ratably in accordance with section 461(c). A written request for permission to make such an election must be submitted within 90 days after the beginning of the taxable year to which the election is first applicable. Rev. Proc. 83-77 provides an automatic 90-day extension.

10.	Treas. Reg. § 1.7519-2T(a)(2),(3) and (4)	A partnership or S corporation must file the Form 8752, Required Payment or Refund Under Section 7519, if the taxpayer has made an election under section 444 to use a taxable year other than its required taxable year and the election is still in effect. The Form 8752 must be filed and any required payment must be made by the date stated in the instructions to Form 8752.
11.	Rev. Proc. 92-29, section 6.02	A developer of real estate requesting the Commissioner's consent to use the alternative cost method must file a private letter ruling request within 30 days after the close of the taxable year in which the first benefited property in the project is sold. The request must include a consent extending the period of limitation on the assessment of income tax with respect to the use of the alternative cost method.

SECTION 6. BUSINESS AND INDIVIDUAL TAX ISSUES

	Statute or Regulation	Act Postponed
1.	Treas. Reg. § 1.71-1T(b), Q&A-7	A payer spouse may send cash to a third party on behalf of a spouse that qualifies for alimony or separate maintenance payments if the payments are made to the third party at the written request or consent of the payee spouse. The request or consent must state that the parties intend the payment to be treated as an alimony payment to the payee spouse subject to the rules of section 71. The payer spouse must receive the request or consent prior to the date of filing of the payer spouse's first return of tax for the taxable year in which the payment was made.
2.	Treas. Reg. § 1.77-1	A taxpayer who receives a loan from the Commodity Credit Corporation may elect to include the amount of the loan in his gross income for the taxable year in which the loan is received. The taxpayer in subsequent taxable years must include in his gross income all amounts received during those years as loans from the Commodity Credit Corporation, unless he secures the permission of the Commissioner to change to a different method of accounting. Section 1.77-1 requires such requests to be filed within 90 days after the beginning of the taxable year of change. Rev. Proc. 83-77 provides an automatic 90-day extension.
3.	Treas. Reg. § 1.110-1(b)(4)(ii)(A)	The lessee must expend its construction allowance on the qualified long-term real property within eight and one-half months after the close of the taxable year in which the construction allowance was received.

4.	Sec. 118(c)(2)	A contribution in aid of construction received by a regulated public utility that provides water or sewerage disposal services must be expended by the utility on qualifying property before the end of the second taxable year after the year in which it was received by the utility.
5.	Treas. Reg. § 1.170A-5(a)(2)	A contribution of an undivided present interest in tangible personal property shall be treated as made upon receipt by the donee of a formally executed and acknowledged deed of gift. The period of initial possession by the donee may not be deferred for more than one year.
6.	Sec. 172(b)(3)	A taxpayer entitled to a carryback period under section 172(b)(1) may elect to relinquish the entire carryback period. The taxpayer must make the election by the due date of the taxpayer's federal income tax return (including extensions) for the taxable year of the net operating loss for which the election is to be effective.
7.	Sec. 172(f)(6)	A taxpayer entitled to a 10-year carryback under section 172(b)(1)(C) (relating to certain specified liability losses) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to that section. The taxpayer must make the election by the due date of the taxpayer's federal income tax return (including extensions) for the taxable year of the net operating loss.
8.	Sec. 172(i)(3)	A taxpayer entitled to a 5-year carryback period under section 172(b)(1)(G) (relating to certain farming losses) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to that section. The taxpayer must make the election by the due date of the taxpayer's federal income tax return (including extensions) for the taxable year of the net operating loss.
9.	Sec. 468A(g)	A taxpayer that makes payments to a nuclear decommissioning fund with respect to a taxable year must make the payments within 2½-months after the close of such taxable year (the deemed payment date).
10.	Treas. Reg. § 1.468A-3(h)(1)(v)	A taxpayer must file a request for a schedule of ruling amounts for a nuclear decommissioning fund by the deemed payment date (2½-months after the close of the taxable year for which the schedule of ruling amounts is sought).
11.	Treas. Reg. § 1.468A-3(h)(1)(vii)	A taxpayer has 30 days to provide additional requested information with respect to a request for a schedule of ruling amounts. If the information is not provided within the 30 days, the request will not be considered filed until the date the information is provided.

12.	Sec. 530(h)	A trustee of a Coverdell education savings account must provide certain information concerning the account to the beneficiary by January 31 following the calendar year to which the information relates. In addition, Form 5498, Individual Retirement Arrangement Information, must be filed with the IRS by May 31 following the calendar year to which the information relates.
13.	Sec. 563(a)	In the determination of the dividends paid deduction for purposes of the accumulated earnings tax imposed by section 531, a dividend paid after the close of any taxable year and on or before the 15 th day of the third month following the close of such taxable year shall be considered as paid during such taxable year. The close of the taxable year is not affected by this revenue procedure; the 3½-month period within which the dividend is paid is the period extended.
14.	Sec. 563(b)	In the determination of the dividends paid deduction for purposes of the personal holding company tax imposed by section 541, a dividend paid after the close of any taxable year and on or before the 15 th day of the third month following the close of such taxable year shall, to the extent the taxpayer elects on its return for the taxable year, be considered as paid during such taxable year. The close of the taxable year is not affected by this revenue procedure; the 3½-month period within which the dividend is paid is the period extended.
15.	Sec. 563(c)	In the determination of the dividends paid deduction for purposes of part III, a dividend paid after the close of any taxable year and on or before the 15 th day of the third month following the close of such taxable year shall, to the extent the company designates such dividend as being taken into account, be considered as paid during such taxable year. The close of the taxable year is not affected by this revenue procedure; the 3½-month period within which the dividend is paid is the period extended.
16.	Sec. 563(d)	For the purpose of applying section 562(a), with respect to distributions under subsection (a), (b), or (c) of section 562, a distribution made after the close of the taxable year and on or before the 15 th day of the third month following the close of the taxable year shall be considered as made on the last day of such taxable year. The close of the taxable year is not affected by this revenue procedure; the 3½-month period within which the dividend is paid is the period extended.
17.	Sec. 529 (c)(3)(C)(i)	A rollover contribution to another qualified tuition program must be made no later than the 60 th day after the date of a distribution from a qualified tuition program.

18.	Sec. 530(d)(4)(C)(i)	Excess contributions to a Coverdell education savings account must be distributed before a specified time in the taxable year following the taxable year in which the contribution is made.
19.	Sec. 530(d)(5)	A rollover contribution to another Coverdell education savings account must be made no later than the 60 th day after the date of a payment or distribution from a Coverdell education savings account.
20.	Sec. 1031(a)(3)	In a deferred exchange, property otherwise qualified as like-kind property under section 1031 is treated as like-kind property if the 45-day identification period and the 180-day exchange period requirements under section 1031(a)(3) and section 1.1031(k)-1(b)(2) are met. <u>See also</u> section 17 of this revenue procedure.
21.	Sec. 1031	Property held in a qualified exchange accommodation arrangement may qualify as “replacement property” or “relinquished property” under section 1031 if the requirements of section 4 of Rev. Proc. 2000-37, 2000-2 C.B. 308, modified by Rev. Proc. 2004-51, 2004-33 I.R.B. 294, are met, including the 5-business day period to enter into a qualified exchange accommodation agreement (QEAA), the 45-day identification period, the 180-day exchange period, and the 180-day combined time period. <u>See also</u> section 17 of this revenue procedure.
22.	Sec. 1033	An election respecting the nonrecognition of gain on the involuntary conversion of property (section 1.1033(a)-2(c)(1) and (2)) is required to be made within the time periods specified in section 1.1033(a)-2(c)(3), section 1.1033(g)-1(c), section 1033(e)(2)(A), or section 1033(h)(1)(B), as applicable.
23.	Sec. 1043(a)	If an eligible person (as defined under section 1043(b)) sells any property pursuant to a certificate of divestiture, then at the election of the taxpayer, gain from such sale shall be recognized only to the extent that the amount realized on such sale exceeds the cost of any permitted property purchased by the taxpayer during the 60-day period beginning on the date of such sale.
24.	Sec. 1045(a)	A taxpayer other than a corporation may elect to roll over gain from the sale of qualified small business stock held for more than six months if other qualified small business stock is purchased by the taxpayer during the 60-day period beginning on the date of sale.
25.	Sec. 1382(d)	An organization, to which section 1382(d) applies, is required to pay a patronage dividend within 8½-months after the close of the year.

26.	Sec. 1388(j)(3)(A)	Any cooperative organization that exercises its option to net patronage gains and losses, is required to give notice to its patrons of the netting by the 15 th day of the 9 th month following the close of the taxable year.
27.	Treas. Reg. § 301.7701-3(c)	The effective date of an entity classification election (Form 8832, Entity Classification Election) cannot be more than 75 days prior to the date on which the election is filed.
28.	Treas. Reg. § 301.9100-2(a)(1)	An automatic extension of 12 months from the due date for making a regulatory election is granted to make certain elections, including the election to use other than the required taxable year under section 444, and the election to use LIFO under section 472.
29.	Treas. Reg. §§ 301.9100-2(b)-(d)	An automatic extension of 6 months from the due date of a return, excluding extensions, is granted to make the regulatory or statutory elections whose due dates are the due date of the return or the due date of the return including extensions (for example, a taxpayer has an automatic 6 month extension to file an application to change a method of accounting under Rev. Proc. 2002-9), provided the taxpayer (a) timely filed its return for the year of election, (b) within that 6-month extension period, takes the required corrective action to file the election in accordance with the statute, regulations, revenue procedure, revenue ruling, notice or announcement permitting the election, and (c) writes at the top of the return, statement of election or other form "FILED PURSUANT TO section 301.9100-2."

SECTION 7. CORPORATE ISSUES

	Statute or Regulation	Act Postponed
1.	Sec. 302(e)(1)	A corporation must complete a distribution in pursuance of a plan of partial liquidation of a corporation within the specified period.
2.	Sec. 303 and Treas. Reg. § 1.303-2	A corporation must complete the distribution of property to a shareholder in redemption of all or part of the stock of the corporation which (for Federal estate tax purposes) is included in determining the estate of a decedent. Section 303 and section 1.303-2 require, among other things, that the distribution occur within the specified period.
3.	Sec. 304(b)(3)(C)	If certain requirements are met, section 304(a) does not apply to a transaction involving the formation of a bank holding company. One requirement is that within a specified period (generally 2 years) after control of a bank is acquired, stock constituting control of the bank is transferred to a bank holding company in connection with the bank holding company's formation.

4.	Sec. 316(b)(2)(A) and (B)(ii) and Treas. Reg. § 1.316-1(b)(2) and (5)	A personal holding company may designate as a dividend to a shareholder all or part of a distribution in complete liquidation described in section 316(b)(2)(B) and section 1-316-1(b) by, <u>inter alia</u> , including such amount as a dividend in Form 1099-DIV, Dividends and Distributions, filed in respect of such shareholder pursuant to section 6042(a) and the regulations thereunder and in a written statement of dividend payments furnished to such shareholder pursuant to section 6042(c) and section 1.6042-4.
5.	Sec. 332(b) and Treas. Reg. §§ 1.332-3 and 1.332-4	A corporation must completely liquidate a corporate subsidiary within the specified period.
6.	Sec. 338(d)(3) and (h), and Treas. Reg. § 1.338-2	An acquiring corporation must complete a “qualified stock purchase” of a target corporation’s stock within the specified acquisition period.
7.	Sec. 338(g) and Treas. Reg. § 1.338-2	An acquiring corporation may elect to treat certain stock purchases as asset acquisitions. The election must be made within the specified period.
8.	Sec. 338(h)(10) and Treas. Reg. § 1.338(h)(10)-1(c)	An acquiring corporation and selling group of corporations may elect to treat certain stock purchases as asset purchases, and to avoid gain or loss upon the stock sale. The election must be made within the specified period.
9.	Treas. Reg. § 1.381(c)(17)-1(c)	An acquiring corporation files a Form 976, Claim for Deficiency Dividends Deduction by a Personal Holding Company, Regulated Investment Company, or Real Estate Investment Trust, within 120 days after the date of the determination under section 547(c) to claim a deduction of a deficiency dividend.
10.	Treas. Reg. § 1.441-3(b)	A personal service corporation may obtain the approval of the Commissioner to adopt, change, or retain an annual accounting period by filing Form 1128, Application to Adopt, Change or Retain a Tax Year, within such time as is provided in the administrative procedures published by the Commissioner. <u>See</u> Rev. Procs. 2002-38, 2002-1 C.B. 1037, and 2002-39.

11.	Sec. 562(b)(1)(B)	In the case of a complete liquidation (except in the case of a complete liquidation of a personal holding company or foreign personal holding company) occurring within 24 months after the adoption of a plan of liquidation, any distribution within such period pursuant to such plan shall, to the extent of the earnings and profits (computed without regard to capital losses) of the corporation for the taxable year in which such distribution is made, be treated as a dividend for purposes of computing the dividends paid deduction.
12.	Sec. 562(b)(2)	In the case of a complete liquidation of a personal holding company occurring within 24 months after the adoption of a plan of liquidation, the amount of any distribution within such period pursuant to such plan shall be treated as a dividend for purposes of computing the dividends paid deduction to the extent that such is distributed to corporate distributees and represents such corporate distributees' allocable share of the undistributed personal holding company income for the taxable year of such distribution.
13.	Sec. 597 and Treas. Reg. § 1.597-4(g)	A consolidated group of which an Institution (as defined by section 1.591-1(b)) is a subsidiary may elect irrevocably not to include the Institution in its affiliated group if the Institution is placed in Agency (as defined by section 1.591-1(b)) receivership (whether or not assets or deposit liabilities of the Institution are transferred to a Bridge Bank (as defined by section 1.591-1(b))). Except as otherwise provided in section 1.597-4(g)(6), a consolidated group makes the election by sending a written statement by certified mail to the affected Institution on or before the later of 120 days after its placement in Agency (as defined by section 1.591-1(b)) receivership or May 31, 1996.
14.	Sec. 1502 and Treas. Reg. § 1.1502-75(c)(1)(i)	A common parent must apply for permission to discontinue filing consolidated returns within a specified period after the date of enactment of a law affecting the computation of tax liability.
15.	Sec. 6425 and Treas. Reg. § 1.6425-1	Corporations applying for an adjustment of an overpayment of estimated income tax must file Form 4466, Corporation Application for Quick Refund of Overpayment of Estimated Tax, on or before the 15 th day of the third month after the taxable year, or before the date the corporation first files its income tax return for such year, whichever is earlier.
16.	Rev. Proc. 2003-33, Section 5	If the filer complies with the procedures set forth in the revenue procedure, including a requirement that the filer file Form 8023, Elections Under Section 338 for Corporations Making Qualified Stock Purchases, within the specified period, the filer gets an automatic extension under section 301.9100-3 to file an election under section 338.

SECTION 8. EMPLOYEE BENEFIT ISSUES

	Statute or Regulation	Act Postponed
1.	Sec. 72(p)(2)(B) and (C), and Treas. Reg. § 1.72(p)-1, Q&A-10	A loan from a qualified employer plan to a participant in, or a beneficiary of, such plan must be repaid according to certain time schedules specified in section 72(p)(2)(B) and (C) (including, if applicable, any grace period granted pursuant to section 1.72(p)-1, Q&A-10).
2.	Sec. 72(t)(2)(A)(iv)	Under section 72(t)(2)(A)(iv), to avoid the imposition of a 10-percent additional tax on a distribution from a qualified retirement plan, the distribution must be part of a series of substantially equal periodic payments, made at least annually.
3.	Sec. 72(t)(2)(F)	To avoid the imposition of a 10-percent additional tax on a distribution from an individual retirement arrangement (IRA) for a first-time home purchase, such distribution must be used within 120 days of the distribution to pay qualified acquisition costs or rolled into an IRA.
4.	Sec. 83(b) and Treas. Reg. § 1.83-2(b)	If substantially nonvested property to which section 83 applies is transferred to any person, the service provider may elect to include the excess of the fair market value of the property over the amount paid (if any) for the property in gross income for the taxable year in which such property is transferred. This election must occur not later than 30 days after the date the property was transferred.
5.	Proposed Treas. Reg. § 1.125-1, Q&A-15	Cafeteria plan participants will avoid constructive receipt of the taxable amounts if they elect the benefits they will receive before the beginning of the period during which the benefits will be provided.
6.	Proposed Treas. Reg. § 1.125-1, Q&A-14 and Proposed Treas. Reg. § 1.125-2, Q&A-7	Cafeteria plan participants will not be in constructive receipt if, at the end of the plan year, they forfeit amounts elected but not used during the plan year.
7.	Proposed Treas. Reg. § 1.125-2, Q&A-5	Cafeteria plan participants may receive in cash the value of unused vacation days on or before the earlier of the last day of the cafeteria plan year or the last day of the employee's taxable year to which the unused days relate.

8.	Treas. Reg. § 1.162-27(e)(2)	A performance goal is considered preestablished if it is established in writing by the corporation's compensation committee not later than 90 days after the commencement of the period of service to which the performance goal relates if the outcome is substantially uncertain at the time the compensation committee actually establishes the goal. In no event, however, will the performance goal be considered pre-established if it is established after 25 percent of the period of service has elapsed.
9.	Sec. 220(f)(5)	A rollover contribution to an Archer MSA must be made no later than the 60 th day after the day on which the holder receives a payment or distribution from an Archer MSA.
10.	Sec. 220(h)	A trustee or custodian of an MSA (Archer MSA or Medicare+Choice MSA) must provide certain information concerning the MSA to the account holder by January 31 following the calendar year to which the information relates. In addition, MSA contribution information must be furnished to the account holder, and Form 5498 filed with the IRS, by May 31 following the calendar year to which the information relates.
11.	Secs. 401(a)(9), 403(a)(1), 403(b)(10), 408(a)(6), 408(b)(3) and 457(d)(2)	The first required minimum distribution from plans subject to the rules in section 401(a)(9) must be made no later than the required beginning date. Subsequent required minimum distributions must be made by the end of each distribution calendar year.
12.	Sec. 401(a)(28)(B)(i)	A qualified participant in an ESOP (as defined in section 401(a)(28)(B)(iii)) may elect within 90 days after the close of each plan year in the qualified election period (as defined in section 401(a)(28)(B)(iv)) to direct the plan as to the investment of at least 25 percent of the participant's account in the plan (50 percent in the case of the last election).
13.	Sec. 401(a)(28)(B)(ii)	A plan must distribute the portion of the participant's account covered by an election under section 401(a)(28)(B)(i) within 90 days after the period during which an election can be made; or the plan must offer at least 3 investment options (not inconsistent with regulations prescribed by the Secretary) to each participant making the election under section 401(a)(28)(B)(i) and within 90 days after the period during which the election may be made, the plan must invest the portion of the participant's account in accordance with the participant's election.

14.	Sec. 401(a)(30) and Treas. Reg. § 1.401(a)-30 and § 1.402(g)-1	Excess deferrals for a calendar year, plus income attributable to the excess, must be distributed no later than the first April 15 following the calendar year.
15.	Sec. 401(b) and Treas. Reg. § 1.401(b)-1	A retirement plan that fails to satisfy the requirements of section 401(a) or section 403(a) on any day because of a disqualifying provision will be treated as satisfying such requirements on such day if, prior to the expiration of the applicable remedial amendment period, all plan provisions necessary to satisfy the requirements of section 401(a) or 403(a) are in effect and have been made effective for the whole of such period.
16.	Sec. 401(k)(8)	A cash or deferred arrangement must distribute excess contributions for a plan year, plus income attributable to the excess, pursuant to the terms of the arrangement no later than the close of the following plan year.
17.	Sec. 401(m)(6)	A plan subject to section 401(m) must distribute excess aggregate contributions for a plan year, plus income attributable to the excess, pursuant to the terms of the plan no later than the close of the following plan year.
18.	Sec. 402(g)(2)(A) and Treas. Reg. § 1.402(g)-1	An individual with excess deferrals for a taxable year must notify a plan, not later than a specified date following the taxable year that excess deferrals have been contributed to that plan for the taxable year. A distribution of excess deferrals identified by the individual, plus income attributable to the excess, must be accomplished no later than the first April 15 following the taxable year of the excess.
19.	Sec. 404(k)(2)(A)(ii)	An ESOP receiving dividends on stock of the C corporation maintaining the plan must distribute the dividend in cash to participants or beneficiaries not later than 90 days after the close of the plan year in which the dividend was paid.
20.	Secs. 408(i) and 6047(c)	A trustee or issuer of an individual retirement arrangement (IRA) must provide certain information concerning the IRA to the IRA owner by January 31 following the calendar year to which the information relates. In addition, IRA contribution information must be furnished to the owner, and Form 5498 filed with the IRS, by May 31 following the calendar year to which the information relates.

21.	Sec. 409(h)(4)	An employer required to repurchase employer securities under section 409(h)(1)(B) must provide a put option for a period of at least 60 days following the date of distribution of employer securities to a participant, and if the put option is not exercised, for an additional 60-day period in the following plan year. A participant who receives a distribution of employer securities under section 409(h)(1)(B) must exercise the put option provided by that section within a period of at least 60 days following the date of distribution, or if the put option is not exercised within that period, for an additional 60-day period in the following plan year.
22.	Sec. 409(h)(5)	An employer required to repurchase employer securities distributed as part of a total distribution must pay for the securities in substantially equal periodic payments (at least annually) over a period beginning not later than 30 days after the exercise of the put option and not exceeding 5 years.
23.	Sec. 409(h)(6)	An employer required to repurchase employer securities distributed as part of an installment distribution must pay for the securities not later than 30 days after the exercise of the put option under section 409(h)(4).
24.	Sec. 409(o)	An ESOP must commence the distribution of a participant's account balance, if the participant elects, not later than 1 year after the close of the plan year -- i) in which the participant separates from service by reason of attaining normal retirement age under the plan, death or disability; or ii) which is the 5 th plan year following the plan year in which the participant otherwise separates from service (except if the participant is reemployed before distribution is required to begin).
25.	Sec. 457(e)(16)(B)	An eligible rollover distribution from a section 457 eligible governmental plan may be rolled over to an eligible retirement plan no later than the 60 th day following the day the distributee received the distributed property.
26.	Sec. 1042(a)(2)	A taxpayer must purchase qualified replacement property (defined in section 1042(c)(4)) within the replacement period, defined in section 1042(c)(3) as the period which begins 3 months before the date of the sale of qualified securities to an ESOP and ends 12 months after the date of such sale.
27.	Sec. 4972(c)(3)	Nondeductible plan contributions must be distributed prior to a certain date to avoid a 10 percent tax.

28.	Sec. 4979 and Treas. Reg. § 54.4979-1	A 10 percent tax on the amount of excess contributions and excess aggregate contributions under a plan for a plan year will be imposed unless the excess, plus income attributable to the excess is distributed (or, if forfeitable, forfeited) no later than 2½-months after the close of the plan year. In the case of an employer maintaining a SARSEP, employees must be notified of the excess by the employer within the 2½-month period to avoid the tax.
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29.	Secs. 6033, 6039D, 6047, 6057, 6058, and 6059	<p>Form 5500, Annual Return/Report of Employee Benefit Plan, and Form 5500-EZ, Annual Return of One-Participant Pension Retirement Plan, which are used to report annual information concerning employee benefit plans and fringe benefit plans, must be filed by a specified time.</p> <p><u>General Advice</u></p> <p>Affected filers are advised to follow the instructions accompanying the Form 5500 series (or other guidance published on the postponement) regarding how to file the forms when postponements are granted pursuant to section 7508 or section 7508A.</p> <p><u>Combat Zone Postponements under Section 7508</u></p> <p>Individual taxpayers who meet the requirements of section 7508 are entitled to a postponement of time to file the Form 5500 or Form 5500-EZ under section 7508. The postponement of the Form 5500 series filing due date under section 7508 will also be permitted by the Department of Labor and the Pension Benefit Guaranty Corporation (PBGC) for similarly situated individuals who are plan administrators.</p> <p><u>Postponements for Presidentially Declared Disasters and Terroristic or Military Actions under Section 7508A</u></p> <p>In the case of “affected taxpayers,” as defined in section 301.7508A-1(d), the IRS may permit a postponement of the filing of the Form 5500 or Form 5500-EZ. Taxpayers who are unable to obtain on a timely basis information necessary for completing the forms from a bank, insurance company, or any other service provider because such service providers’ operations are located in a covered disaster area will be treated as “affected taxpayers.” Whatever postponement of the Form 5500 series filing due date is permitted by the IRS under section 7508A will also be permitted by the Department of Labor and PBGC for similarly situated plan administrators and direct filing entities.</p>
30.	Rev. Proc. 2003-44, Sections 9.02(1) and (2)	<p>The correction period for self-correction of operational failures is the last day of the second plan year following the plan year for which the failure occurred. The correction period for self-correction of operational failures for transferred assets does not end until the last day of the first plan year that begins after the corporate merger, acquisition, or other similar employer transaction.</p>

31.	Rev. Proc. 2003-44, Section 12.07	If the submission involves a plan with transferred assets and no new incidents of the failures in the submission occurred after the end of the second plan year that begins after the corporate merger, acquisition, or other similar employer transaction, the plan sponsor may calculate the amount of plan assets and number of plan participants based on the Form 5500 information that would have been filed by the plan sponsor for the plan year that includes the employer transaction if the transferred assets were maintained as a separate plan.
32.	Rev. Proc. 2003-44, Section 14.03	If an examination involves a plan with transferred assets and the IRS determines that no new incidents of the failures that relate to the transferred assets occurred after the end of the second plan year that begins after the corporate merger, acquisition, or other similar employer transaction, the sanction under Audit CAP will not exceed the sanction that would apply if the transferred assets were maintained as a separate plan.

SECTION 9. ESTATE, GIFT AND TRUST ISSUES

	Statute or Regulation	Act Postponed
1.	Sec. 643(g)	The trustee may elect to treat certain payments of estimated tax as paid by the beneficiary. The election shall be made on or before the 65 th day after the close of the taxable year of the trust.
2.	Sec. 645 and Treas. Reg. § 1.645-1(c)	An election to treat a qualified revocable trust as part of the decedent's estate must be made by filing Form 8855, Election To Treat a Qualified Revocable Trust as Part of an Estate, by the due date (including extensions) of the estate's Federal income tax return for the estate's first taxable year, if there is an executor, or by the due date (including extensions) of the trust's Federal income tax return for the trust's first taxable year (treating the trust as an estate), if there is no executor.
3.	Sec. 2011(c)	The executor of a decedent's estate must file a claim for a credit for state estate, inheritance, legacy or succession taxes by filing a claim within 4 years of filing Form 706, United States Estate (and Generation Skipping Transfer) Tax Return. (Section 2011 does not apply to estates of decedents dying after December 31, 2004; <u>see</u> section 2058).
4.	Sec. 2014(e)	The executor of a decedent's estate must file a claim for foreign death taxes within 4 years of filing Form 706.
5.	Sec. 2016 and Treas. Reg. § 20.2016-1	If an executor of a decedent's estate (or any other person) receives a refund of any state or foreign death taxes claimed as a credit on Form 706, the IRS must be notified within 30 days of receipt. (Section 2016 is amended effective for estates of decedents dying after December 31, 2004; <u>see</u> section 2058).

6.	Sec. 2031(c)	If an executor of a decedent's estate elects on Form 706 to exclude a portion of the value of land that is subject to a qualified conservation easement, agreements relating to development rights must be implemented within 2 years after the date of the decedent's death.
7.	Sec. 2032(d)	The executor of a decedent's estate may elect an alternate valuation on a late filed Form 706 if the Form 706 is not filed later than 1 year after the due date.
8.	Sec. 2032A(c)(7)	A qualified heir, with respect to specially valued property, is provided a two-year grace period immediately following the date of the decedent's death in which the failure by the qualified heir to begin using the property in a qualified use will not be considered a cessation of qualified use and therefore will not trigger additional estate tax.
9.	Sec. 2032A(d)(3)	The executor of a decedent's estate has 90 days after notification of incomplete information/signatures to provide the information/signatures to the IRS regarding an election on Form 706 with respect to specially valued property.
10.	Sec. 2046	A taxpayer may make a qualified disclaimer no later than 9 months after the date on which the transfer creating the interest is made, or the date the person attains age 21.
11.	Sec. 2053(d) and Treas. Reg. §§ 20.2053-9(c) and 10(c)	If the executor of a decedent's estate elects to take a deduction for state and foreign death tax imposed upon a transfer for charitable or other uses, the executor must file a written notification to that effect with the IRS before expiration of the period of limitations on assessments (generally 3 years). (Section 2053 is amended effective for estates of decedents dying after December 31, 2004 to apply only with respect to foreign death taxes).
12.	Sec. 2055(e)(3)	A party in interest must commence a judicial proceeding to change an interest into a qualified interest no later than the 90 th day after the estate tax return (Form 706) is required to be filed or, if no return is required, the last date for filing the income tax return for the first taxable year of the trust.
13.	Sec. 2056(d)	A qualified domestic trust (QDOT) election must be made on Form 706, Schedule M, and the property must be transferred to the trust before the date on which the return is made. Any reformation to determine if a trust is a QDOT requires that the judicial proceeding be commenced on or before the due date for filing the return.
14.	Sec. 2056A(b)(2)	The trustee of a QDOT must file a claim for refund of excess tax no later than 1 year after the date of final determination of the decedent's estate tax liability.

15.	Sec. 2057(i)(3)(G)	A qualified heir, with respect to qualified family owned business, has a two-year grace period immediately following the date of the decedent's death in which the failure by the qualified heir to begin using the property in a qualified use will not be considered a cessation of qualified use and therefore will not trigger additional estate tax. (The section 2057 election is not available to estates of decedents dying after December 31, 2004).
16.	Sec. 2057(i)(3)(H)	The executor of a decedent's estate has 90 days after notification of incomplete information/signatures to provide the information/signatures to the IRS regarding an election on Form 706 with respect to specially valued property.
17.	Sec. 2058(d)	The executor of a decedent's estate may deduct estate, inheritance, legacy, or succession taxes actually paid to any state or the District of Columbia from the decedent's gross estate. With certain exceptions, the deduction is only allowed provided the taxes are actually paid and the deduction claimed within 4 years of filing Form 706.
18.	Sec. 2516	The IRS will treat certain transfers as made for full and adequate consideration in money or money's worth where husband and wife enter into a written agreement relative to their marital and property rights and divorce actually occurs within the 3-year period beginning on the date 1 year before such agreement is entered into.
19.	Sec. 2518(b)	A taxpayer may make a qualified disclaimer no later than 9 months after the date on which the transfer creating the interest is made, or the date the person attains age 21.

SECTION 10. EXEMPT ORGANIZATION ISSUES

	Statute or Regulation	Act Postponed
1.	Sec. 501(h)	Under section 501(h), certain eligible 501(c)(3) organizations may elect on Form 5768, Election/Revocation of Election by an Eligible Sec. 501(c)(3) Organization to Make Expenditures to Influence Legislation, to have their legislative activities measured solely by expenditures. Form 5768 is effective beginning with a taxable period, provided it is filed before the end of the organization's taxable period.
2.	Sec. 505(c)(1)	An organization must give notice by filing Form 1024, Application for Recognition of Exemption Under Section 501(a), to be recognized as an organization exempt under section 501(c)(9) or section 501(c)(17). Generally, if the exemption is to apply for any period before the giving of the notice, section 505(c)-1T, Q&A-6, of the regulations requires that Form 1024 be filed within 15 months from the end of the month in which the organization was organized.

3.	Sec. 508 and Treas. Reg. § 1.508-1	A purported section 501(c)(3) organization must generally file Form 1023, Application for Recognition of Exemption, to qualify for exemption. Generally, if the exemption is to apply for any period before the giving of the notice, the Form 1023 must be filed within 15 months from the end of the month in which the organization was organized.
4.	Sec. 527(i)(2)	Certain political organizations shall not be treated as tax-exempt section 527 organizations unless each such organization electronically files a notice (Form 8871, Political Organization Notice of Section 527 Status) not less than 24 hours after the date on which the organization is established, or, in the case of a material change in the information required, not later than 30 days after such material change.
5.	Sec. 527(j)(2)	Under section 527(j)(2), certain tax-exempt political organizations that accept contributions or make expenditures for an exempt function under section 527 during a calendar year are required to file periodic reports on Form 8872, Political Organization Report of Contributions and Expenditures, beginning with the first month or quarter in which they accept contributions or make expenditures, unless excepted. In addition, tax-exempt political organizations that make contributions or expenditures with respect to an election for federal office may be required to file pre-election reports for that election. A tax-exempt political organization that does not file the required Form 8872, or that fails to include the required information, must pay an amount calculated by multiplying the amount of the contributions or expenditures that are not disclosed by the highest corporate tax rate.
6.	Sec.6033(g)(1) and Treas. Reg. § 1.6033-2(e)	Annual information returns, Forms 990, Return of Organization Exempt From Income Tax, of certain tax-exempt political organizations described under section 527 must be filed on or before the 15 th day of the 5 th month following the close of the taxable year.
7.	Sec. 6072(e) and Treas. Reg. § 1. 6033-2(e)	Annual returns of organizations exempt under section 501(a) must be filed on or before the 15 th day of the 5 th month following the close of the taxable year.
8.	Rev. Proc. 80- 27, Section 6.01	The central organization of a group ruling is required to report information regarding the status of members of the group annually (at least 90 days before the close of its annual accounting period).

SECTION 11. EXCISE TAX ISSUES

	Statute or Regulation	Act Postponed
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1.	Treas. Reg. § 48.4101-1(h)(v)	A registrant must notify the IRS of any change in the information a registrant has submitted within 10 days.
2.	Sec. 4221(b) and Treas. Reg. § 48.4221-2(c)	A manufacturer is allowed to make a tax-free sale of articles for resale to a second purchaser for use in further manufacture. This rule ceases to apply six months after the earlier of the sale or shipment date unless the manufacturer receives certain proof.
3.	Sec. 4221(b) and Treas. Reg. § 48.4221-3(c)	A manufacturer is allowed to make a tax-free sale of articles for export. This rule ceases to apply six months after the earlier of the sale or shipment date unless the manufacturer receives certain proof.
4.	Sec. 4221(e)(2)(A) and Treas. Reg. § 48.4221-7(c)	A manufacturer is allowed to make a tax-free sale of tires for use by the purchaser in connection with the sale of another article manufactured or produced by the purchaser. This rule ceases to apply six months after the earlier of the sale or shipment date unless the manufacturer receives certain proof.

SECTION 12. INTERNATIONAL ISSUES

	Statute or Regulation	Act Postponed
1.	Sec. 482 and Treas. Reg. § 1.482-1(g)(4)(ii)(C)	A claim for a setoff of a section 482 allocation by the IRS must be filed within 30 days of either the date of the IRS's letter transmitting an examination report with notice of the proposed adjustment or the date of a notice of deficiency.
2.	Sec. 482 and Treas. Reg. § 1.482-1(j)(2)	A claim for retroactive application of the final section 482 regulations, otherwise effective only for taxable years beginning after October 6, 1994, must be filed prior to the expiration of the statute of limitations for the year for which retroactive application is sought.
3.	Sec. 482 and Treas. Reg. § 1.482-7(j)(2)	A participant in a cost-sharing arrangement must provide documentation regarding the arrangement, as well as documentation specified in sections 1.482-7(b)(4) and 1.482-7(c)(1), within 30 days of a request by the IRS.
4.	Treas. Reg. § 1.882-5(d)(2)(ii)(A)(2)	Liabilities of a foreign corporation that is not a bank must be entered on a set of books at a time reasonably contemporaneous with the time the liabilities are incurred.
5.	Treas. Reg. § 1.882-5(d)(2)(iii)(A)(1)	Liabilities of foreign corporations that are engaged in a banking business must be entered on a set of books relating to an activity that produces ECI before the close of the day on which the liability is incurred.

6.	Treas. Reg. § 1.884-2T(b)(3)(i)	Requirement that marketable securities be identified on the books of a U.S. trade or business within 30 days of the date an equivalent amount of U.S. assets ceases to be U.S. assets. This requirement applies when a taxpayer has elected to be treated as remaining engaged in a U.S. trade or business for branch profits tax purposes.
7.	Treas. Reg. § 1.884-4(b)(3)(ii)(B)	Requirement that a foreign corporation which identifies liabilities as giving rise to U.S. branch interest, send a statement to the recipients of such interest within two months of the end of the calendar year in which the interest was paid, stating that such interest was U.S. source income (if the corporation did not make a return pursuant to section 6049 with respect to the interest payment).
8.	Sec. 922(a)(1)(E) and Treas. Reg. § 1.922-1(j) (Q&A-19)	The FSC must appoint a new non-U.S. resident director within 30 days of the date of death, resignation, or removal of the former director, in the event that the sole non-U.S. resident director of a FSC dies, resigns, or is removed.
9.	Sec. 924(b)(2)(B) and Treas. Reg. § 1.924(a)-1T(j)(2)(i)	A taxpayer must execute an agreement regarding unequal apportionment at a time when at least 12 months remain in the period of limitations (including extensions) for assessment of tax with respect to each shareholder of the small FSC in order to apportion unequally among shareholders of a small FSC the \$5 million foreign trading gross receipts used to determine exempt foreign trade income.
10.	Sec. 924(c)(2) and Treas. Reg. § 1.924(c)-1(c)(4)	The FSC must open a new qualifying foreign bank account within 30 days of the date of termination of the original bank account, if a FSC's qualifying foreign bank account terminates during the taxable year due to circumstances beyond the control of the FSC.
11.	Sec. 924(c)(3) and Treas. Reg. § 1.924(c)-1(d)(1)	The FSC must transfer funds from its foreign bank account to its U.S. bank account, equal to the dividends, salaries, or fees disbursed, and such transfer must take place within 12 months of the date of the original disbursement from the U.S. bank account, if dividends, salaries, or fees are disbursed from a FSC's U.S. bank account.
12.	Sec. 924(c)(3) and Treas. Reg. § 1.924(c)-1(d)(2)	The FSC must reimburse from its own bank account any dividends or other expenses that are paid by a related person, on or before the due date (including extensions) of the FSC's tax return for the taxable year to which the reimbursement relates.

13.	Sec. 924(c)(3) and Treas. Reg. § 1.924(c)-1(d)(3)	If the Commissioner determines that the taxpayer acted in good faith, the taxpayer may comply with the reimbursement requirement by reimbursing the funds within 90 days of the date of the Commissioner's determination, notwithstanding a taxpayer's failure to meet the return-filing-date reimbursement deadline in section 1.924(c)-1(d)(2).
14.	Sec. 924(e)(4) and Treas. Reg. § 1.924(e)-1(d)(2)(iii)	If a payment with respect to a transaction is made directly to the FSC or the related supplier in the United States, the funds must be transferred to and received by the FSC bank account outside the United States no later than 35 days after the receipt of good funds (i.e., date of check clearance) on the transaction.
15.	Temp. Treas. Reg. § 1.925(a)-1T(e)(4)	A FSC and its related supplier may redetermine a transfer pricing method, the amount of foreign trading gross receipts, and costs and expenses, provided such redetermination occurs before the expiration of the statute of limitations for claims for refund for both the FSC and related supplier, and provided the statute of limitations for assessment applicable to the party that has a deficiency in tax on account of the redetermination is open. See Treas. Reg. § 1.925(a)-1(c)(8)(i) for time limitations with respect to FSC administrative pricing grouping redeterminations and for a cross-reference to section 1.925(a)-1T(e)(4).
16.	Sec. 927(f)(3)(A) and Treas. Reg. § 1.927(f)-1(b) (Q&A-12)	A corporation may terminate its election to be treated as a FSC or a small FSC by revoking the election during the first 90 days of the FSC taxable year (other than the first year in which the election is effective) in which the revocation was to take effect.
17.	Sec. 927 and Temp. Treas. Reg. § 1.927(a)-1T(d)(2)(i)(B)	A taxpayer may satisfy the destination test with respect to property sold or leased by a seller or lessor if such property is delivered by the seller or lessor (or an agent of the seller or lessor) within the United States to a purchaser or lessee, if the property is ultimately delivered outside the United States (including delivery to a carrier or freight forwarder for delivery outside the United States) by the purchaser or lessee (or a subsequent purchaser or sublessee) within one year after the sale or lease.
18.	Sec. 927 and Temp. Treas. Reg. § 1.927(b)-1T(e)(2)(i)	A taxpayer that claims FSC commission deductions must designate the sales, leases, or rentals subject to the FSC commission agreement no later than the due date (as extended) of the tax return of the FSC for the taxable year in which the transaction(s) occurred.

19.	Sec. 927 and Treas. Reg. § 1.927(f)-1(a) (Q&A 4)	A transferee or other recipient of shares in the corporation (other than a shareholder that previously consented to the election) must consent to be bound by the prior election within 90 days of the first day of the FSC's taxable year to preserve the status of a corporation that previously qualified as a FSC or as a small FSC.
20.	Sec. 936 and Treas. Reg. § 1.936-11	A taxpayer that elects retroactive application of the regulation regarding separate lines of business for taxable years beginning after December 31, 1995, must elect to do so prior to the expiration of the statute of limitations for the year in question.
21.	Treas. Reg. §§ 1.964 - 1(c)(3)(ii) and -1T(g)(2).	An election of, or an adoption of or change in a method of accounting of a CFC (controlled foreign corporation) requires the filing of a written statement jointly executed by the controlling U.S. shareholders of the CFC within 180 days after the close of the taxable year of the CFC.
22.	Sec. 982(c)(2)(A)	Any person to whom a formal document request is mailed shall have the right to bring a proceeding to quash such request not later than the 90 th day after the day such request was mailed.
23.	Treas. Reg. § 1.988- 1(a)(7)(ii).	An election to have section 1.988-1(a)(2)(iii) apply to regulated futures contracts and nonequity options must be made on or before the first day of the taxable year, or if later, on or before the first day during such taxable year on which the taxpayer holds a contract described in section 988(c)(1)(D)(ii) and section 1.988-1(a)(7)(ii). A late election may be made within 30 days after the time prescribed for the election.
24.	Sec. 988(c)(1)(E) (iii)(V) (qualified fund) and Treas. Reg. § 1.988- 1(a)(8)(i)(E).	A qualified fund election must be made on or before the first day of the taxable year, or if later, on or before the first day during such taxable year on which the partnership holds an instrument described in section 988(c)(1)(E)(i).
25.	Treas. Reg. § 1.988-3(b)	An election to treat (under certain circumstances) any gain or loss recognized on a contract described in section 1.988-2(d)(1) as capital gain or loss must be made by clearly identifying such transaction on taxpayer's books and records on the date the transaction is entered into.
26.	Treas. Reg. § 1.988- 5(a)(8)(i)	Taxpayer must establish a record, and before the close of the date the hedge is entered into, the taxpayer must enter into the record for each qualified hedging transaction the information contained in sections 1.988-5(a)(8)(i)(A) through (E).
27.	Treas. Reg. § 1.988- 5(b)(3)(i)	Taxpayer must establish a record and before the close of the date the hedge is entered into, the taxpayer must enter into the record a clear description of the executory contract and the hedge.

28.	Treas. Reg. § 1.988-5(c)(2)	Taxpayer must identify a hedge and underlying stock or security under the rules of section 1.988-5(b)(3).
29.	Sec. 991	A corporation that elects IC-DISC treatment (other than in the corporation's first taxable year) must file Form 4876-A, Election To Be Treated as an Interest Charge DISC, with the regional service center during the 90-day period prior to the beginning of the tax year in which the election is to take effect.
30.	Sec. 991 and Treas. Reg. § 1.991-2(g)(2)	A corporation that filed a tax return as a DISC, but subsequently determines that it does not wish to be treated as a DISC, must notify the Commissioner more than 30 days before the expiration of period of limitations on assessment applicable to the tax year.
31.	Sec. 992 and Treas. Reg. § 1.992-2(a)(1)(i)	A qualifying corporation must file Form 4876-A or attachments thereto, containing the consent of every shareholder of the corporation to be treated as a DISC as of the beginning of the corporation's first taxable year.
32.	Sec. 992 and Treas. Reg. § 1.992-2(b)(2)	A qualifying corporation must file consents of the shareholders of the corporation to be treated as a DISC with the service center with which the DISC election was first filed, within 90 days after the first day of the taxable year, or within the time granted for an extension to file such consents.
33.	Sec. 992 and Treas. Reg. § 1.992-2(e)(2)	A corporation seeking to revoke a prior election to be treated as a DISC, must file a statement within the first 90 days of the taxable year in which the revocation is to take effect with the service center with which it filed the election or, if the corporation filed an annual information return, by filing the statement at the service center with which it filed its most recent annual information return.
34.	Sec. 992 and Treas. Reg. § 1.992-3(c)(3)	A DISC that makes a deficiency distribution with respect to the 95 percent of gross receipts test or the 95 percent assets test, or both tests, for a particular taxable year, must make such distribution within 90 days of the date of the first written notification from the IRS that the DISC failed to satisfy such test(s).
35.	Sec. 993 and Treas. Reg. § 1.993-3(d)(2)(i)(b)	In certain cases, property may not qualify as export property for DISC purposes unless, among other things, such property is ultimately delivered, directly used, or directly consumed outside the U.S. within one year of the date of sale or lease of the property.

36.	Sec. 1445 Treas. Reg. § 1.1445-1	Form 8288, U.S. Withholding Tax Return for Dispositions by Foreign Persons of U.S. Real Property Interests, must be filed by a buyer or other transferee of a U.S. real property interest, and a corporation, partnership, or fiduciary that is required to withhold tax. The amount withheld is to be transmitted with Form 8288, which is generally to be filed by the 20 th day after the date of transfer.
37.	Sec. 1446	All partnerships with effectively connected gross income allocable to a foreign partner in any tax year must file forms 8804, Annual Return for Partnership Withholding Tax, and 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, on or before the 15 th day of the 4 th month following the close of the partnership's taxable year.
38.	Sec. 1446	Form 8813, Partnership Withholding Tax Payment Voucher, is used to pay the withholding tax under section 1446 for all partnerships with effectively connected gross income allocable to a foreign partner in any tax year. Form 8813, Partnership Withholding Tax Payment Voucher (Section 1446), must accompany each payment of section 1446 tax made during the partnership's taxable year. Form 8813 is to be filed on or before the 15 th day of the 4 th , 6 th , 9 th , and 12 th months of the partnership's taxable year for U.S. income tax purposes.
39.	Sec. 6038A(d)(2) and Treas. Reg. § 1.6038A- 4(d)(1)	A reporting corporation must cure any failure to furnish information or failure to maintain records within 90 days after the IRS gives notice of the failure to avoid the continuation penalty.
40.	Sec. 6038A(d)(2) and Treas. Reg. § 1.6038A- 4(d)(1)	A reporting corporation must cure any failure to furnish information or failure to maintain records before the beginning of each 30-day period after expiration of the initial 90-day period to avoid additional continuation penalties.
41.	Sec. 6038A(e)(1) and Treas. Reg. § 1.6038A- 5(b)	A reporting corporation must furnish an authorization of agent within 30 days of a request by the IRS to avoid a penalty.
42.	Sec. 6038A(e)(4) (A)	A reporting corporation must commence any proceeding to quash a summons filed by the IRS in connection with an information request within 90 days of the date the summons is issued.

43.	Sec. 6038A(e) (4)(B)	A reporting corporation must commence any proceeding to review the IRS's determination of noncompliance with a summons within 90 days of the IRS's notice of noncompliance.
44.	Sec. 6038A and Treas. Reg. § 1.6038A- 3(b)(3)	A reporting corporation must supply an English translation of records provided pursuant to a request for production within 30 days of a request by the IRS for a translation to avoid a penalty.
45.	Sec. 6038A and Treas. Reg. § 1.6038A- 3(f)(2)	A reporting corporation must, within 60 days of a request by the IRS for records maintained outside the United States, either provide the records to the IRS, or move them to the United States and provide the IRS with an index to the records to avoid a penalty.
46.	Sec. 6038A and Treas. Reg. § 1.6038A- 3(f)(2)(i)	A reporting corporation must supply English translations of documents maintained outside the United States within 30 days of a request by the IRS for translation to avoid a penalty.
47.	Sec. 6038A and Treas. Reg. § 1.6038A- 3(f)(4)	A reporting corporation must request an extension of time to produce or translate documents maintained outside the United States beyond the period specified in the regulations within 30 days of a request by the IRS to avoid a penalty.
48.	Secs. 6038, 6038B, and 6046A	The filing of Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, for those taxpayers who do not have to file an income tax return. The form is due at the time that an income tax return would have been due had the taxpayer been required to file an income tax return.
49.	Sec. 6662(e) and Treas. Reg. § 1.6662- 6(d)(2)(iii)(A)	A taxpayer must provide, within 30 days of a request by the IRS, specified "principal documents" regarding the taxpayer's selection and application of transfer pricing method to avoid potential penalties in the event of a final transfer pricing adjustment by the IRS. <u>See also</u> Treas. Reg. § 1.6662-6(d)(2)(iii)(C) (similar requirement re: background documents).

SECTION 13. PARTNERSHIP AND S CORPORATION ISSUES

	Statute or Regulation	Act Postponed
1.	Treas. Reg. §§ 1.442- 1(b)(1) and (3) and 1.706- 1(b)(8)	A partnership may obtain approval of the Commissioner to adopt, change or retain an annual accounting period by filing Form 1128, Application to Adopt, Change, or Retain a Tax Year, with such time as provided in administrative procedures published by the Commissioner.

2.	Treas. Reg. § 1.743-1(k)(2)	A transferee that acquires, by sale or exchange, an interest in a partnership with an election under section 754 in effect for the taxable year of the transfer, must notify the partnership, in writing, within 30 days of the sale or exchange. A transferee that acquires, on the death of a partner, an interest in a partnership with an election under section 754 in effect for the taxable year of the transfer, must notify the partnership, in writing, within one year of the death of the deceased partner.
3.	Treas. Reg. § 1.754-1(c)(1)	Generally, a partnership may revoke a section 754 election by filing the revocation no later than 30 days after the close of the partnership taxable year with respect to which the revocation is intended to take effect.
4.	Treas. Reg. § 1.761-2(b)(3)	A partnership may generally elect to be excluded from subchapter K. The election will be effective unless within 90 days after the formation of the organization any member of the organization notifies the Commissioner that the member desires subchapter K to apply to such organization and also advises the Commissioner that he has so notified all other members of the organization. In addition, an application to revoke an election to be excluded from subchapter K must be submitted no later than 30 days after the beginning of the first taxable year to which the revocation is to apply.
5.	Treas. Reg. § 1.761-2(c)	A partnership requesting permission to be excluded from certain provisions of subchapter K must submit the request to the Commissioner no later than 90 days after the beginning of the first taxable year for which partial exclusion is desired.
6.	Sec. 1361(e)	In general, the trustee of the electing small business trust (ESBT) must file the ESBT election within the 2-month and 16-day period beginning on the day the stock is transferred to the trust. <u>See</u> Treas. Reg. § 1.1361-1(m)(2)(ii).
7.	Treas. Reg. § 1.1361-1(j)(6)	The current income beneficiary of a qualified subchapter S trust (QSST) must make a QSST election within the 2-month and 16-day period from one of the dates prescribed in section 1.1361-1(j)(6)(iii).
8.	Treas. Reg. § 1.1361-1(j)(10)	The successive income beneficiary of a QSST may affirmatively refuse to consent to the QSST election. The beneficiary must sign the statement and file the statement with the IRS within 15 days and 2 months after the date on which the successive income beneficiary becomes the income beneficiary.
9.	Treas. Reg. § 1.1361-3(a)(4)	If an S corporation elects to treat an eligible subsidiary as a qualified subchapter S subsidiary (QSUB), the election cannot be effective more than 2 months and 15 days prior to the date of filing the election.

10.	Treas. Reg. § 1.1361-3(b)(2)	An S corporation may revoke a QSUB election by filing a statement with the service center. The effective date of a revocation of a QSUB election cannot be more than 2 months and 15 days prior to the filing date of the revocation.
11.	Treas. Reg. § 1.1362-2(a)(2), (4)	If a corporation revokes its subchapter S election after the first 2½-months of its taxable year, the revocation will not be effective until the following taxable year. An S corporation may rescind a revocation of an S election at any time before the revocation becomes effective.
12.	Sec. 1362(b)(1)	An election under section 1362(a) to be an S corporation may be made by a small business corporation for any taxable year at any time during the preceding taxable year, or at any time during the taxable year and on or before the 15 th day of the 3d month of the taxable year.
13.	Rev. Proc. 2003-43	This revenue procedure provides a simplified method for taxpayers requesting relief for late S corporation elections, Qualified Subchapter S Subsidiary (QSub) elections, Qualified Subchapter S Trust (QSST) elections, and Electing Small Business Trust (ESBT) elections. Generally, this revenue procedure provides that certain eligible entities may file late elections within 24 months of the due date of the election.
14.	Rev. Proc. 2004-48	This revenue procedure provides a simplified method for taxpayers to request relief for a late S corporation election and a late corporate classification election which was intended to be effective on the same date that the S corporation election was intended to be effective. This revenue procedure provides that within 6 months after the due date for the tax return, excluding extensions, for the first year the entity intended to be an S corporation, the corporation must file a properly completed Form 2553, Election by a Small Business Corporation, with the applicable service center.
15.	Sec. 1378(b) and Treas. Reg. § 1.1378-1(c)	An S or electing S corporation may obtain the approval of the Commissioner to adopt, change or retain an annual accounting period by filing Form 1128, Application to Adopt, Change, or Retain a Tax Year, within such time as is provided in administrative procedures published by the Commissioner. <u>See</u> Rev. Procs. 2002-38 and 2002-39.

SECTION 14. PROCEDURE & ADMINISTRATION ISSUES

.01 Bankruptcy and Collection

	Statute or Regulation	Act Postponed
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1.	Treas. Reg. § 301.6036-1(a)(2) and (3)	A court-appointed receiver or fiduciary in a non-bankruptcy receivership, a fiduciary in aid of foreclosure who takes possession of substantially all of the debtor's assets, or an assignee for benefit of creditors, must give written notice within ten days of his appointment to the IRS as to where the debtor will file his tax return.
2.	Sec. 6320(a)(3)(B) and (c) and Treas. Reg. § 301.6320-1(b), (c) and (f)	A taxpayer has 30 days after receiving a notice of a lien to request a Collection Due Process (CDP) administrative hearing. After a determination at the CDP hearing, the taxpayer may appeal this determination within 30 days to the United States Tax Court or a United States district court.
3.	Sec. 6330(a)(3)(B) and (d)(1) and Treas. Reg. § 301.6330-1(b), (c) and (f)	The taxpayer must request a Collections Due Process (CDP) administrative hearing within 30 days after the IRS sends notice of a proposed levy. After a determination at the CDP hearing, the taxpayer may appeal this determination within 30 days to the United States Tax Court or a United States district court.
4.	Sec. 6331(k)(1) and Treas. Reg. § 301.7122-1(g)(2)	If a taxpayer submits a good-faith revision of a rejected offer in compromise within 30 days after the rejection, the Service will not levy to collect the liability before deciding whether to accept the revised offer.
5.	Sec. 6331(k)(2) and Treas. Reg. § 301.6331-4(a)(1)	If, within 30 days following the rejection or termination of an installment agreement, the taxpayer files an appeal with the IRS Office of Appeals, no levy may be made while the rejection or termination is being considered by Appeals.
6.	Sec. 7122(d)(2) and Treas. Reg. § 301.7122-1(f)(5)(i)	A taxpayer must request administrative review of a rejected offer in compromise within 30 days after the date on the letter of rejection.

.02 Information Returns

1.	Sec. 6050I	Any person engaged in a trade or business receiving more than \$10,000 cash in one transaction (or 2 or more related transactions) must file an information return, Form 8300, Report of Cash Payments over \$10,000 Received in a Trade or Business, by the 15 th day after the date the cash was received. Additionally, a statement must be provided to the person with respect to whom the information is required to be furnished by Jan. 31 st of the year following.
2.	Sec. 6050L	Returns relating to certain dispositions of donated property, Forms 8282, Donee Information Return, must be filed within 125 days of the disposition.

.03 Miscellaneous

1.	Sec. 1314(b)	A taxpayer may file a claim for refund or credit of tax based upon the mitigation provisions of sections 1311 through 1314 if, as of the date a determination (as defined in section 1313(a)) is made, one year remains on the period for filing a claim for refund.
2.	Sec. 6015	A requesting spouse must request relief under section 6015 within 2 years of the first collection activity against the requesting spouse.
3.	Sec. 6411	Taxpayers applying for a tentative carryback adjustment of the tax for the prior taxable year must file Form 1139, Corporation Application for Tentative Refund, (for corporations) or Form 1045, Application for Tentative Refund, (for entities other than corporations) within 12 months after the end of such taxable year that generates such net operating loss, net capital loss, or unused business credit from which the carryback results.
4.	Sec. 6656(e)(2)	A taxpayer who is required to deposit taxes and fails to do so is subject to a penalty under section 6656. Under section 6656(e)(2), the taxpayer may, within 90 days of the date of the penalty notice, designate to which deposit period within a specified tax period the deposits should be applied.

SECTION 15. TAX CREDIT ISSUES

	Statute or Regulation	Act Postponed
1.	Sec. 42(e)(3)(A)(ii)	A taxpayer has a 24-month measuring period in which the requisite amount of rehabilitation expenditures has to be incurred in order to qualify for treatment as a separate new building.
2.	Treas. Reg. § 1.42-5(c)(1)	The taxpayer must make certain certifications at least annually to the Agency.

3.	Treas. Reg. § 1.42-5(c)(1)(iii)	The taxpayer must receive an annual income certification from each low-income tenant with documentation to support the certification.
4.	Treas. Reg. § 1.42-8(a)(3)(v)	The taxpayer and an Agency may elect to use an appropriate percentage under section 42(b)(2)(A)(ii)(I) by notarizing a binding agreement by the 5 th day following the end of the month in which the binding agreement was made.
5.	Treas. Reg. § 1.42-8(b)(1)(vii)	The taxpayer and an Agency may elect an appropriate percentage under section 42(b)(2)(A)(ii)(II) by notarizing a binding agreement by the 5 th day following the end of the month in which the tax-exempt bonds are issued.
6.	Sec. 42(d)(2)(D)(ii)(IV)	In order to claim section 42 credits on an existing building, section 42(d)(2)(B)(ii)(I) requires that the building must have been placed in service at least ten years before the date the building was acquired by the taxpayer. A building is not considered placed in service for purposes of section 42(d)(2)(B)(ii) if the building is resold within a 12-month period after acquisition by foreclosure of any purchase-money security interest.
7.	Sec. 42(g)(3)(A)	A building shall be treated as a qualified low-income building only if the project meets the minimum set aside requirement by the close of the first year of the credit period of the building.
8.	Sec. 42(h)(6)(J)	A low-income housing agreement commitment must be in effect as of the beginning of the year for a building to receive credit. If such a commitment was not in effect, the taxpayer has a one-year period for correcting the failure.
9.	Sec. 42(h)(1)(E) and (F)	The taxpayer's basis in the building project, as of the later of the date which is 6 months after the date the allocation was made or the close of the calendar year in which the allocation is made, must be more than 10 percent of the taxpayer's reasonably expected basis in the project.
10.	Sec. 47(c)(1)(C) and Treas. Reg. § 1.48-12(b)(2)	A taxpayer has a 24- or 60-month measuring period in which the requisite amount of rehabilitation expenditures have to be incurred in order to satisfy the "substantial rehabilitation" test.
11.	Treas. Reg. § 1.48-12(d)(7)	In the historic rehabilitation context, if the taxpayer fails to receive final certification of completed work prior to the date that is 30 months after the date that the taxpayer filed the return on which the credit is claimed, the taxpayer must, prior to the last day of the 30 th month, consent to extending the statute of limitations by submitting a written statement to the Service.

12.	Sec. 51(d)(12)(A)(ii)(II) and 51A(d)(1)	An employer seeking the Work Opportunity Credit or the Welfare-to-Work Credit with respect to an individual must submit Form 8850, Pre-Screening Notice and Certification Request for the Work Opportunity and Welfare-to-Work Credits, to the State Employment Security Agency not later than the 21 st day after the individual begins work for the employer.
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SECTION 16. TAX-EXEMPT BOND ISSUES

	Statute or Regulation	Act Postponed
1.	Treas. Reg. § 1.25-4T(c)	On or before the date of distribution of mortgage credit certificates under a program or December 31, 1987, the issuer must file an election not to issue an amount of qualified mortgage bonds. An election may be revoked, in whole or on part, at any time during the calendar year in which the election was made.
2.	Treas. Reg. §§ 1.141-12(d)(3) and 1.142-2(c)(2)	An issuer must provide notice to the Commissioner of the establishment of a defeasance escrow within 90 days of the date such defeasance escrow is established in accordance with sections 1.141-12(d)(1) or 1.142-2(c)(1).
3.	Sec. 142(d)(7)	An operator of a multi-family housing project for which an election was made under section 142(d) must submit to the Secretary an annual certification as to whether such project continues to meet the requirements of section 142(d).
4.	Sec. 142(f)(4) and Treas. Reg. § 1.142(f)(4)-1	A person engaged in the local furnishing of electric energy or gas (a local furnisher) that uses facilities financed with exempt facility bonds under section 142(a)(8) and expands its service area in a manner inconsistent with the requirements of sections 142(a)(8) and 142(f), may make an election to ensure that those bonds will continue to be treated as exempt facility bonds. The election must be filed with the IRS on or before 90 days after the date of the service area expansion that causes the bonds to cease to meet the applicable requirements.
5.	Sec. 146(f) and Notice 89-12	If an issuing authority's volume cap for any calendar year exceeds the aggregate amount of tax-exempt private activity bonds issued during such calendar year by such authority, such authority may elect to treat all (or any portion) of such excess as a carryforward for 1 or more carryforward purposes. Such election must be filed by the earlier of (1) February 15 of the calendar year following the year in which the excess amount arises, or (2) the date of issue of bonds issued pursuant to the carryforward election.

6.	Sec. 148(f)(3) and Treas. Reg. § 1.148-3(g)	An issuer of a tax-exempt municipal obligation must make any required rebate payment no later than 60 days after the computation date to which the payment relates. A rebate payment is paid when it is filed with the IRS at the place or places designated by the Commissioner. A payment must be accompanied by the form provided by the Commissioner for this purpose.
7.	Treas. Reg. § 1.148-5(c)	An issuer of a tax-exempt municipal obligation must make a yield reduction payment on or before the date of required rebate installment payments as described in section 1.148-3(f), (g), and (h).
8.	Sec. 148(f)(4)(C) (xvi) and Treas. Reg. § 1.148-7(k)(1)	As issuer of a tax-exempt municipal obligation that elects to pay certain penalties in lieu of rebate must make any required penalty payments not later than 90 days after the period to which the penalty relates.
9.	Sec. 149(e)	An issuer of a tax-exempt municipal obligation must submit to the Secretary a statement providing certain information regarding the municipal obligation not later than the 15 th day of the 2 nd calendar month after the close of the calendar quarter in which the municipal obligation is issued.

SECTION 17. SPECIAL RULES FOR SECTION 1031 LIKE-KIND EXCHANGE TRANSACTIONS

.01 (1) The last day of a 45-day identification period set forth in section 1.1031(k)-1(b)(2) of the Income Tax Regulations, the last day of a 180-day exchange period set forth in section 1.1031(k)-1(b)(2), and the last day of a period set forth in section 4.02(3) through (6) of Rev. Proc. 2000-37, modified by Rev. Proc. 2004-51, that falls on or after the date of a Presidentially declared disaster is postponed by 120 days or to the last day of the general disaster extension period authorized by an IRS News Release or other guidance announcing tax relief for victims of the specific Presidentially declared disaster, whichever is later, if such IRS News Release or other guidance provides relief for acts listed in this revenue procedure.

(2) A taxpayer who is a transferor qualifies for a postponement under section 17.01 only if—

(a) The relinquished property was transferred on or before the date of the Presidentially declared disaster, or in a transaction governed by Rev. Proc. 2000-37, modified by Rev. Proc. 2004-51, qualified indicia of ownership were transferred to the exchange accommodation titleholder on or before that date; and

(b) The taxpayer (transferor)—

(i) Is an “affected taxpayer” as defined in the IRS News Release or other guidance announcing tax relief for the victims of the specific Presidentially declared disaster; or

(ii) Has difficulty meeting the 45-day identification or 180-day exchange deadline set forth in section 1.1031(k)-1(b)(2), or a deadline set forth in section 4.02(3) through (6) of Rev. Proc. 2000-37, modified by Rev. Proc. 2004-51, due to the Presidentially declared disaster for the following or similar reasons:

(A) The relinquished property or the replacement property is located in a covered disaster area (as defined in section 301.7508A-1(d)(2)) as provided in the IRS News Release or other guidance (the covered disaster area);

(B) The principal place of business of any party to the transaction (for example, a qualified intermediary, exchange accommodation titleholder, transferee, settlement attorney, lender, financial institution, or a title insurance company) is located in the covered disaster area;

(C) Any party to the transaction (or an employee of such a party who is involved in the section 1031 transaction) is killed, injured, or missing as a result of the Presidentially declared disaster;

(D) A document prepared in connection with the exchange (for example, the agreement between the transferor and the qualified intermediary or the deed to the relinquished property or replacement property) or a relevant land record is destroyed, damaged, or lost as a result of the Presidentially declared disaster;

(E) A lender decides not to fund either permanently or temporarily a real estate closing due to the Presidentially declared disaster or refuses to fund a loan to the taxpayer because flood, disaster, or other hazard insurance is not available due to the Presidentially declared disaster; or

(F) A title insurance company is not able to provide the required title insurance policy necessary to settle or close a real estate transaction due to the Presidentially declared disaster.

02. The postponement described in section 17.01 also applies to the last day of a 45-day identification period described in section 1.1031(k)-1(b)(2) and the last day of a 45-day identification period described in section 4.05(4) of Rev. Proc. 2000-37, modified by Rev. Proc. 2004-51, that falls prior to the date of a Presidentially declared disaster if an identified replacement property (in the case of an exchange described in section 1.1031(k)-1), or an identified relinquished property (in the case of an exchange described in Rev. Proc. 2000-37, modified by Rev. Proc. 2004-51) is substantially damaged by the Presidentially declared disaster.

.03 For purposes of this section 17, the deadlines to which the 120-day postponements apply do not include the due date of the taxpayer's tax return in section 1.1031(k)-1(b)(2), which is used to determine the last day of the exchange period.

.04 If the taxpayer (transferor) qualifies for relief under this section for any reason other than section 17.01(2)(b)(i), then such taxpayer is not considered an affected taxpayer for purposes of any other act listed in this revenue procedure or for any acts listed in an IRS News Release or other published guidance related to the specific Presidentially declared disaster.

SECTION 18. INQUIRIES

If you wish to recommend that other acts qualify for postponement, please write to the Office of Associate Chief Counsel, Procedure and Administration (Administrative Provisions and Judicial Practice Division), CC:PA:APJP:B2, 1111 Constitution Avenue, NW, Washington, DC 20224. Please mark "7508A List" on the envelope. In the alternative, e-mail your comments to: Notice.Comments@irs.counsel.treas.gov, and refer to Rev. Proc. 2005-27 in the Subject heading.

SECTION 19. EFFECT ON OTHER REVENUE PROCEDURES

Rev. Proc. 2004-13, 2004-4 I.R.B. 335, is superseded.

SECTION 20. EFFECTIVE DATE

This revenue procedure is effective for acts that may be performed on or after May 16, 2005.

SECTION 21. DRAFTING INFORMATION

The principal author of this revenue procedure is Dillon Taylor of the Office of Associate Chief Counsel, Procedure and Administration (Administrative Provisions and Judicial Practice Division). For further information regarding this revenue procedure, contact Mr. Taylor at (202) 622-4940 (not a toll-free call).