HIGHLIGHTS
OF THIS ISSUE
These synopses are intended only as aids to the reader in identifying the subject matter covered. They may not be relied upon as authoritative interpretations.

SPECIAL ANNOUNCEMENT
This announcement solicits applications from potential partners to participate in the 2005 IRS Individual e-file Partnership Program. The partnership opportunities are a result of RRA 98, which requires the IRS to receive 80 percent of all returns electronically by 2007. RRA 98 authorized the IRS Commissioner to promote the benefits and encourage the use of e-file services through partnerships with various entities that offer low cost tax preparation and electronic filing of individual income tax returns for qualified taxpayers. Those applicants that are accepted as partners will have a link(s) and description(s) of their services placed on the IRS website at www.irs.gov (Partners Page).

INCOME TAX
LIFO; price indexes; department stores. The September 2004 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, September 30, 2004.

EMPLOYEE PLANS
Actuarial assumptions; distributions under section 101 of Pension Funding Equity Act of 2004. This notice provides guidance in question and answer format on the use of actuarial assumptions in determining certain single sum dis- tributions and the limitations of section 415(b)(2) of the Code as a result of section 415(b)(2)(E)(ii) as amended by section 101(b)(4) of the Pension Funding Equity Act of 2004.

ADMINISTRATIVE
The Service is suspending certain income limitation requirements under section 42 of the Code for certain low-income housing credit properties in Alabama as a result of the devastation caused by Hurricane Ivan.

The Service is suspending certain income limitation requirements under section 42 of the Code for certain low-income housing credit properties in Ohio as a result of the devastation caused by remnants of Hurricanes Ivan and Frances.

The Service is suspending certain income limitation requirements under section 42 of the Code for certain low-income housing credit properties in Florida as a result of the devastation caused by Hurricanes Charley, Frances, Ivan, and Jeanne. Notice 2004–66 amplified and superseded.

Announcements of Disbarments and Suspensions begin on page 885.
Finding Lists begin on page ii.
Index for July through November begins on page vi.
The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.

Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly and may be obtained from the Superintendent of Documents on a subscription basis. Bulletin contents are compiled semiannually into Cumulative Bulletins, which are sold on a single-copy basis.

It is the policy of the Service to publish in the Bulletin all substantive rulings necessary to promote a uniform application of the tax laws, including all rulings that supersede, revoke, modify, or amend any of those previously published in the Bulletin. All published rulings apply retroactively unless otherwise indicated. Procedures relating solely to matters of internal management are not published; however, statements of internal practices and procedures that affect the rights and duties of taxpayers are published.

Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. In those based on positions taken in rulings to taxpayers or technical advice to Service field offices, identifying details and information of a confidential nature are deleted to prevent unwarranted invasions of privacy and to comply with statutory requirements.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and procedures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

This part includes rulings and decisions based on provisions of the Internal Revenue Code of 1986.

Part II.—Treaties and Tax Legislation.
This part is divided into two subparts as follows: Subpart A, Tax Conventions and Other Related Items, and Subpart B, Legislation and Related Committee Reports.

Part III.—Administrative, Procedural, and Miscellaneous.
To the extent practicable, pertinent cross references to these subjects are contained in the other Parts and Subparts. Also included in this part are Bank Secrecy Act Administrative Rulings. Bank Secrecy Act Administrative Rulings are issued by the Department of the Treasury’s Office of the Assistant Secretary (Enforcement).

Part IV.—Items of General Interest.
This part includes notices of proposed rulemakings, disbarment and suspension lists, and announcements.

The last Bulletin for each month includes a cumulative index for the matters published during the preceding months. These monthly indexes are cumulated on a semiannual basis, and are published in the last Bulletin of each semiannual period.

The contents of this publication are not copyrighted and may be reprinted freely. A citation of the Internal Revenue Bulletin as the source would be appropriate.

Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

Section 472.—Last-in, First-out Inventories

26 CFR 1.472–1: Last-in, first-out inventories.

LIFO; price indexes; department stores. The September 2004 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, September 30, 2004.

Rev. Rul. 2004–105

The following Department Store Inventory Price Indexes for September 2004 were issued by the Bureau of Labor Statistics. The indexes are accepted by the Internal Revenue Service, under §1.472–1(k) of the Income Tax Regulations and Rev. Proc. 86–46, 1986–2 C.B. 739, for appropriate application to inventories of department stores employing the retail inventory and last-in, first-out inventory methods for tax years ended on, or with reference to, September 30, 2004.

The Department Store Inventory Price Indexes are prepared on a national basis and include (a) 23 major groups of departments, (b) three special combinations of the major groups — soft goods, durable goods, and miscellaneous goods, and (c) a store total, which covers all departments, including some not listed separately, except for the following: candy, food, liquor, tobacco, and contract departments.

BUREAU OF LABOR STATISTICS, DEPARTMENT STORE INVENTORY PRICE INDEXES BY DEPARTMENT GROUPS
(January 1941 = 100, unless otherwise noted)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1. Piece Goods</td>
<td>482.6</td>
<td>488.9</td>
<td>1.3</td>
</tr>
<tr>
<td>2. Domestics and Draperies</td>
<td>559.7</td>
<td>526.6</td>
<td>-5.9</td>
</tr>
<tr>
<td>3. Women’s and Children’s Shoes</td>
<td>651.9</td>
<td>657.4</td>
<td>0.8</td>
</tr>
<tr>
<td>4. Men’s Shoes</td>
<td>847.3</td>
<td>842.8</td>
<td>-0.5</td>
</tr>
<tr>
<td>5. Infants’ Wear</td>
<td>611.8</td>
<td>582.8</td>
<td>-4.7</td>
</tr>
<tr>
<td>6. Women’s Underwear</td>
<td>517.8</td>
<td>509.6</td>
<td>-1.6</td>
</tr>
<tr>
<td>7. Women’s Hosiery</td>
<td>355.5</td>
<td>336.6</td>
<td>-5.3</td>
</tr>
<tr>
<td>8. Women’s and Girls’ Accessories</td>
<td>584.6</td>
<td>576.2</td>
<td>-1.4</td>
</tr>
<tr>
<td>9. Women’s Outerwear and Girls’ Wear</td>
<td>377.3</td>
<td>371.0</td>
<td>-1.7</td>
</tr>
<tr>
<td>10. Men’s Clothing</td>
<td>542.3</td>
<td>531.2</td>
<td>-2.0</td>
</tr>
<tr>
<td>11. Men’s Furnishings</td>
<td>579.8</td>
<td>567.1</td>
<td>-2.2</td>
</tr>
<tr>
<td>12. Boys’ Clothing and Furnishings</td>
<td>448.2</td>
<td>425.7</td>
<td>-5.0</td>
</tr>
<tr>
<td>13. Jewelry</td>
<td>875.9</td>
<td>886.2</td>
<td>1.2</td>
</tr>
<tr>
<td>14. Notions</td>
<td>788.2</td>
<td>797.8</td>
<td>1.2</td>
</tr>
<tr>
<td>15. Toilet Articles and Drugs</td>
<td>980.4</td>
<td>993.2</td>
<td>1.3</td>
</tr>
<tr>
<td>16. Furniture and Bedding</td>
<td>620.7</td>
<td>608.0</td>
<td>-2.0</td>
</tr>
<tr>
<td>17. Floor Coverings</td>
<td>588.6</td>
<td>584.0</td>
<td>-0.8</td>
</tr>
<tr>
<td>18. Housewares</td>
<td>717.2</td>
<td>711.7</td>
<td>-0.8</td>
</tr>
<tr>
<td>19. Major Appliances</td>
<td>210.3</td>
<td>197.4</td>
<td>-6.1</td>
</tr>
<tr>
<td>20. Radio and Television</td>
<td>44.7</td>
<td>41.1</td>
<td>-8.1</td>
</tr>
<tr>
<td>21. Recreation and Education</td>
<td>81.9</td>
<td>79.9</td>
<td>-2.4</td>
</tr>
<tr>
<td>22. Home Improvements</td>
<td>123.9</td>
<td>128.9</td>
<td>4.0</td>
</tr>
<tr>
<td>23. Automotive Accessories</td>
<td>111.7</td>
<td>113.0</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Groups 1–15: Soft Goods .................................. 568.8 559.8 -1.6
Groups 16–20: Durable Goods ............................ 391.4 379.8 -3.0
Groups 21–23: Misc. Goods ................................ 93.5 93.0 0.5

Store Total .................................................. 504.3 495.4 -1.8

1 Absence of a minus sign before the percentage change in this column signifies a price increase.
2 Indexes on a January 1986 = 100 base.
3 The store total index covers all departments, including some not listed separately, except for the following: candy, food, liquor, tobacco and contract departments.
The principal author of this revenue ruling is Michael Burkom of the Office of Associate Chief Counsel (Income Tax and Accounting). For further information regarding this revenue ruling, contact Mr. Burkom at (202) 622–7924 (not a toll-free call).
Part III. Administrative, Procedural, and Miscellaneous

Relief From Certain Low-Income Housing Credit Requirements in the State of Alabama Due to Hurricane Ivan

Notice 2004–74

The Internal Revenue Service is suspending certain income limitation requirements under § 42 of the Internal Revenue Code for certain low-income housing credit properties in Alabama as a result of the devastation caused by Hurricane Ivan. This relief is being granted pursuant to the Service’s authority under § 42(n) and § 1.42–13(a) of the Income Tax Regulations.

BACKGROUND

On September 15, 2004, the President declared a major disaster for the State of Alabama as a result of Hurricane Ivan. This declaration was made under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Title 42 U.S.C. 5121–5206 (2000 & Supp. I 2001). Subsequently, the Federal Emergency Management Agency (FEMA) designated counties for Individual Assistance.

The State of Alabama has requested that the Service allow owners of low-income housing credit projects to provide temporary housing in vacant units to individuals displaced because their homes were destroyed or damaged as a result of the devastation caused by Hurricane Ivan (displaced individuals). The State of Alabama has further requested that the Service's authority under § 42(n) and § 1.42–13(a) of the Income Tax Regulations.

SUSPENSION OF INCOME LIMITATIONS

Because of the widespread damage to housing caused by Hurricane Ivan, the Service has determined that it is appropriate to temporarily suspend certain income limitation requirements under § 42 for qualified low-income housing projects in the State of Alabama that are beyond the first year of the credit period under § 42(f)(1). The suspension will apply to low-income housing projects, approved by the Alabama Housing Finance Authority, in which vacant units are rented to individuals displaced by Hurricane Ivan. The Alabama Housing Finance Authority will determine the appropriate period of temporary housing for each project, not to extend beyond September 30, 2005.

During the temporary housing period established by the Alabama Housing Finance Authority, the status of a vacant unit (that is, market rate or low-income for purposes of § 42) that becomes temporarily occupied by a displaced individual remains the same as the unit’s status before the displaced individual moves in. Displaced individuals temporarily occupying vacant units will not be treated as low-income tenants under § 42(ii)(3)(A)(ii) (a low-income unit that was vacant before the effective date of this notice will continue to be treated as a vacant low-income unit even if it houses a displaced individual and a market rate unit that was vacant before the effective date of this notice will continue to be treated as a vacant market rate unit even if it houses a displaced individual). Thus, the fact that a vacant unit becomes occupied by a displaced individual will not affect the building’s applicable fraction under § 42(c)(1)(B) for purposes of determining the building’s qualified basis, nor will it affect the 20–50 test or 40–60 test of § 42(g)(1). If the income of occupants in low-income units exceeds 140 percent of the applicable income limitation, the temporary occupancy of a unit by a displaced individual will not cause application of the available unit rule under § 42(g)(2)(D)(ii). In addition, the project owner is not required during the temporary housing period to make attempts to rent to low-income individuals the low-income units housing displaced individuals. All other rules and requirements of § 42 will continue to apply.

At the end of the temporary housing period established by the Alabama Housing Finance Authority, the applicable income limitations contained in § 42(g)(1), the available unit rule under § 42(g)(2)(D)(ii), and the requirement to make reasonable attempts to rent vacant units to low-income individuals resume.

The suspension of income limitations is subject to the requirements listed below.

REQUIREMENTS FOR SUSPENSION OF INCOME LIMITATIONS

To qualify for the suspension of income limitations, the project owner must meet all of the following requirements:

(1) Major Disaster Area

The displaced individual must have resided in an Alabama county designated for Individual Assistance by FEMA as a result of Hurricane Ivan.

(2) Approval of Alabama Housing Finance Authority

The project owner must obtain approval from the Alabama Housing Finance Authority to obtain the relief described in this notice. The Alabama Housing Finance Authority will determine the appropriate period of temporary housing for each project, not to exceed beyond September 30, 2005.

(3) Certifications and Recordkeeping

To comply with the requirements of § 1.42–5, project owners are required to maintain and certify certain information concerning each displaced individual temporarily housed in the project, specifically: name, address of damaged home, social security number, and a statement signed under penalties of perjury by the displaced individual that, because of damage to the individual’s home in an Alabama county designated for Individual Assistance by FEMA as a result of Hurricane Ivan, the individual requires temporary housing. The owner must also certify the date the individual began temporary occupancy and the date the project will discontinue providing temporary housing as established by the Alabama Housing Finance Authority. The certifications and recordkeeping for displaced individuals must be maintained as part of the annual compliance monitoring process with the Alabama Housing Finance Authority.
Rent for the low-income units housing displaced individuals must not exceed the existing rent-restricted rates for the low-income units established under § 42(g)(2).

Existing tenants in occupied low-income units cannot be evicted or have their tenancy terminated as a result of efforts to provide temporary housing for displaced individuals.

The estimated number of recordkeepers is 700.

Books or records relating to a collection of information must be retained as long as their contents may become material to the administration of the internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

The principal author of this notice is Jack Malgeri of the Office of the Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this notice, contact Mr. Malgeri at (202) 622–3040 (not a toll-free call).

Relief From Certain Income Limitation Requirements in the State of Ohio Due to Post-Hurricane Severe Storms and Flooding Notice 2004–75

The Internal Revenue Service is suspending certain income limitation requirements under § 42 of the Internal Revenue Code for certain low-income housing credit properties in Ohio as a result of the devastation caused by severe storms and flooding from the remnants of Hurricanes Frances and Ivan. This relief is being granted pursuant to the Service’s authority under § 42(n) and § 1.42–13(a) of the Income Tax Regulations.

BACKGROUND

On September 19, 2004, the President declared a major disaster for the State of Ohio as a result of severe storms and flooding from the remnants of Hurricanes Frances and Ivan. This declaration was made under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Title 42 U.S.C. 5121–5206 (2000 & Supp. 1 2001). Subsequently, the Federal Emergency Management Agency (FEMA) designated counties for Individual Assistance.

The State of Ohio has requested that the Service allow owners of low-income housing credit projects located in Ohio counties designated for Individual Assistance by FEMA (designated counties) to provide temporary housing in vacant units to individuals displaced because their homes were destroyed or damaged as a result of the devastation caused by the severe storms and flooding from the remnants of Hurricanes Frances and Ivan (displaced individuals). The State of Ohio has further requested that the temporary housing of the displaced individuals in low-income units without regard to income not cause the owners to lose low-income housing credits.

SUSPENSION OF INCOME LIMITATIONS

Because of the significant damage to housing caused by the post-hurricane severe storms and flooding in designated counties in the State of Ohio, the Service has determined that it is appropriate to temporarily suspend certain income limitation requirements under § 42 for qualified low-income housing projects located in designated counties that are beyond the first year of the credit period under § 42(f)(1). The suspension will apply to low-income housing projects, approved by the Ohio Housing Finance Agency, in which vacant units are rented to individuals displaced by the post-hurricane severe storms and flooding. The Ohio Housing Finance Agency will determine the appropriate period of temporary housing for each project, not to extend beyond September 30, 2005.

During the temporary housing period established by the Ohio Housing Finance Agency, the status of a vacant unit (that is, market rate or low-income for purposes of § 42) that becomes temporarily occupied by a displaced individual remains the same as the unit’s status before the displaced individual moves in. Displaced individuals temporarily occupying vacant units will not be treated as low-income tenants under § 42(i)(3)(A)(ii) (a low-income unit that was vacant before the effective date of this notice will continue to be treated as a vacant low-income unit even if it houses a displaced individual and a market rate unit that was vacant before the effective date of this notice will continue to be treated as a vacant market rate unit even if it houses a displaced individual). Thus, the fact that a vacant unit becomes occupied by a displaced individ-
ual will not affect the building’s applicable fraction under § 42(c)(1)(B) for purposes of determining the building’s qualified basis, nor will it affect the 20–50 test or 40–60 test of § 42(g)(1). If the income of occupants in low-income units exceeds 140 percent of the applicable income limitation, the temporary occupancy of a unit by a displaced individual will not cause application of the available unit rule under § 42(g)(2)(D)(ii). In addition, the project owner is not required during the temporary housing period to make attempts to rent to low-income individuals the low-income units housing displaced individuals. All other rules and requirements of § 42 will continue to apply.

At the end of the temporary housing period established by the Ohio Housing Finance Agency, the applicable income limitations contained in § 42(g)(1), the available unit rule under § 42(g)(2)(D)(ii), and the requirement to make reasonable attempts to rent vacant units to low-income individuals resume.

The suspension of income limitations is subject to the requirements listed below.

REQUIREMENTS FOR SUSPENSION OF INCOME LIMITATIONS

To qualify for the suspension of income limitations, the project owner must meet all of the following requirements:

(1) Major Disaster Area

The displaced individual must have resided in an Ohio county designated for Individual Assistance by FEMA as a result of the severe storms and flooding from the remnants of Hurricane Frances or Hurricane Ivan. Additionally, the low-income housing project providing temporary housing to the displaced individual must be located in an Ohio county designated for Individual Assistance by FEMA as a result of the severe storms and flooding from the remnants of Hurricane Frances or Hurricane Ivan.

(2) Approval of Ohio Housing Finance Agency

The project owner must obtain approval from the Ohio Housing Finance Agency to obtain the relief described in this notice. The Ohio Housing Finance Agency will determine the appropriate period of temporary housing for each project, not to extend beyond September 30, 2005.

(3) Certifications and Recordkeeping

To comply with the requirements of § 1.42–5, project owners are required to maintain and certify certain information concerning each displaced individual temporarily housed in the project, specifically: name, address of damaged home, social security number, and a statement signed under penalties of perjury by the displaced individual that, because of damage to the individual’s home in an Ohio county designated for Individual Assistance by FEMA as a result of the severe storms and flooding, the individual requires temporary housing. The owner must also certify the date the individual began temporary occupancy and the date the project will discontinue providing temporary housing as established by the Ohio Housing Finance Agency. The certifications and recordkeeping for displaced individuals must be maintained as part of the annual compliance monitoring process with the Ohio Housing Finance Agency.

(4) Rent Restrictions

Rent for the low-income units housing displaced individuals must not exceed the existing rent-restricted rates for the low-income units established under § 42(g)(2).

(5) Protection of Existing Tenants

Existing tenants in occupied low-income units cannot be evicted or have their tenancy terminated as a result of efforts to provide temporary housing for displaced individuals.

EFFECTIVE DATE

This notice is effective September 19, 2004 (the date of the President’s major disaster declaration in Ohio as a result of the severe storms and flooding).

PAPERWORK REDUCTION ACT

The collection of information contained in this notice has been reviewed and approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545–1907. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

The collection of information in this notice is in the section titled “REQUIREMENTS FOR SUSPENSION OF INCOME LIMITATIONS,” under “(3) Certifications and Recordkeeping.” This information is required to enable the Service and the Ohio Housing Finance Agency to verify that the individuals obtaining temporary housing in approved low-income housing projects are displaced from their homes in an Ohio county designated for Individual Assistance by FEMA as a result of the severe storms and flooding.

This information will be used in the Ohio Housing Finance Agency’s compliance monitoring process. The collection of information is required to obtain a benefit. The likely respondents are individuals, businesses, and nonprofit institutions.

The estimated total annual recordkeeping burden is 63 hours.

The estimated annual burden per recordkeeper is approximately 15 minutes. The estimated number of recordkeepers is 250.

Books or records relating to a collection of information must be retained as long as their contents may become material to the administration of the internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

DRAFTING INFORMATION

The principal author of this notice is Jack Malgeri of the Office of the Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this notice, contact Mr. Malgeri at (202) 622–3040 (not a toll-free call).
Relief From Certain Low-Income Housing Credit Requirements in the State of Florida Due to Hurricanes Charley, Frances, Ivan, and Jeanne

Notice 2004–76

The Internal Revenue Service is suspending certain income limitation requirements under § 42 of the Internal Revenue Code for certain low-income housing credit properties in Florida as a result of the devastation caused by Hurricanes Charley, Frances, Ivan, and Jeanne. This relief is being granted pursuant to the Service’s authority under § 42(n) and § 1.42–13(a) of the Income Tax Regulations. This notice amplifies and supersedes Notice 2004–66, 2004–42 I.R.B. 677.

BACKGROUND


On September 16, 2004, the Service issued Notice 2004–66, which, because of the widespread damage to housing caused by Hurricanes Charley and Frances, temporarily suspended certain income limitation requirements under § 42 for qualified low-income housing projects in the State of Florida.

The Florida Housing Finance Corporation, in which the State of Florida has determined that it is appropriate to temporarily suspend certain income limitation requirements under § 42 for qualified low-income housing projects in the State of Florida that are beyond the first year of the credit period under § 42(f)(1). The suspension will apply to low-income housing projects, approved by the Florida Housing Finance Corporation, in which vacant units are rented to individuals displaced by Hurricane Charley, Frances, Ivan, or Jeanne (displaced individuals). The Florida Housing Finance Corporation will determine the appropriate period of temporary housing for each project, not to extend beyond September 30, 2005.

During the temporary housing period established by the Florida Housing Finance Corporation, the status of a vacant unit (that is, market rate or low-income for purposes of § 42) that becomes temporarily occupied by a displaced individual remains the same as the unit’s status before the displaced individual moves in. Displaced individuals temporarily occupying vacant units will not be treated as low-income tenants under § 42(i)(3)(A)(ii) (a low-income unit that was vacant before the effective date of this notice will continue to be treated as a vacant low-income unit even if it houses a displaced individual and a market rate unit that was vacant before the effective date of this notice will continue to be treated as a vacant market rate unit even if it houses a displaced individual). Thus, the fact that a vacant unit becomes occupied by a displaced individual will not affect the building’s applicable fraction under § 42(c)(1)(B) for purposes of determining the building’s qualified basis, nor will it affect the 20–50 test or 40–60 test of § 42(g)(1). If the income of occupants in low-income units exceeds 140 percent of the applicable income limitation, the temporary occupancy of a unit by a displaced individual will not cause application of the available unit rule under § 42(g)(2)(D)(ii). In addition, the project owner is not required during the temporary housing period to make attempts to rent to low-income individuals the low-income units housing displaced individuals. All other rules and requirements of § 42 will continue to apply.

At the end of the temporary housing period established by the Florida Housing Finance Corporation, the applicable income limitations contained in § 42(g)(1), the available unit rule under § 42(g)(2)(D)(ii), and the requirement to make reasonable attempts to rent vacant units to low-income individuals resume.

The suspension of income limitations is subject to the requirements listed below.

REQUIREMENTS FOR SUSPENSION OF INCOME LIMITATIONS

To qualify for the suspension of income limitations, the project owner must meet all of the following requirements:

(1) Major Disaster Area

The displaced individual must have resided in a Florida county designated for Individual Assistance by FEMA as a result of Hurricane Charley, Frances, Ivan, or Jeanne.

(2) Approval of Florida Housing Finance Corporation

The project owner must obtain approval from the Florida Housing Finance Corporation to obtain the relief described in this notice. The Florida Housing Finance Corporation will determine the appropriate period of temporary housing for each project, not to extend beyond September 30, 2005.

(3) Certifications and Recordkeeping

To comply with the requirements of § 1.42–5, project owners are required to maintain and certify certain information concerning each displaced individual temporarily housed in the project, specifically: name, address of damaged home, social security number, and a statement signed under penalties of perjury by the displaced individual that, because of damage to the individual’s home in a Florida county designated for Individual Assistance by FEMA as a result of Hurricane Charley, Frances, Ivan, or Jeanne, the individual requires temporary housing. The owner must also certify the date the individual began temporary occupancy and the date the project will discontinue providing temporary housing as established by the Florida Housing Finance Corporation.
The certifications and recordkeeping for displaced individuals must be maintained as part of the annual compliance monitoring process with the Florida Housing Finance Corporation.

(4) Rent Restrictions

Rent for the low-income units housing displaced individuals must not exceed the existing rent-restricted rates for the low-income units established under § 42(g)(2).

(5) Protection of Existing Tenants

Existing tenants in occupied low-income units cannot be evicted or have their tenancy terminated as a result of efforts to provide temporary housing for displaced individuals.

EFFECTIVE DATE

This notice is effective August 13, 2004 (the date of the President’s major disaster declaration as a result of Hurricane Charley).

EFFECT ON OTHER DOCUMENTS

Notice 2004–66 is amplified and superseded.

PAPERWORK REDUCTION ACT

The collection of information contained in this notice has been reviewed and approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545–1907.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

The collection of information in this notice is in the section titled “REQUIREMENTS FOR SUSPENSION OF INCOME LIMITATIONS,” under “(3) CERTIFICATIONS AND RECORDKEEPING.” This information is required to enable the Service and the Florida Housing Finance Corporation to verify that individuals obtaining temporary housing in approved low-income housing projects are displaced from their homes in a Florida county designated for Individual Assistance by FEMA as a result of Hurricane Charley, Frances, Ivan, or Jeanne.

This information will be used in the Florida Housing Finance Corporation’s compliance monitoring processes. The collection of information is required to obtain a benefit. The likely respondents are individuals, businesses, and nonprofit institutions.

The estimated total annual recordkeeping burden is 1,700 hours.

The estimated annual burden per recordkeeper is approximately 15 minutes. The estimated number of recordkeepers is 6,800.

Books or records relating to a collection of information must be retained as long as their contents may become material to the administration of the internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

DRAFTING INFORMATION

The principal author of this notice is Jack Malgeri of the Office of the Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this notice, contact Mr. Malgeri at (202) 622–3040 (not a toll-free call).

Distributions Under the Pension Funding Equity Act of 2004

Notice 2004–78

This notice provides guidance regarding the actuarial assumptions that must be used for distributions with annuity starting dates occurring during plan years beginning in 2004 and 2005, to determine whether an amount payable under a defined benefit plan in a form that is subject to the minimum present value requirements of § 417(e)(3) is the greater of (1) the actuarially equivalent straight life annuity computed using the plan rate and plan mortality table or plan tabular factor specified in the plan for actuarial equivalence for the particular form of benefit payable and (2) the actuarially equivalent straight life annuity computed using the applicable interest rate and the applicable mortality table under § 417(e)(3).

Section 415(b) of the Code provides limitations on the annual benefit under a defined benefit plan. Under § 415(b)(2)(B), if the benefit under the plan is payable in any form other than a straight life annuity, the determination as to whether the limitations of § 415(b) have been satisfied shall be made by adjusting such benefit so that it is equivalent to a straight life annuity.

Section 415(b)(2)(E) provides limitations on the actuarial assumptions that must be used to adjust a benefit payable in a form other than a straight life annuity to determine the annual benefit for this purpose. Prior to its amendment by PFEA '04, § 415(b)(2)(E)(ii) provided that, for purposes of adjusting any benefit payable in a form that is subject to the minimum present value requirements of § 417(e)(3), the interest rate assumption must not be less than the greater of the applicable interest rate (as defined in § 417(e)(3)) or the rate specified in the plan. Section 415(b)(2)(E)(ii) also prescribes a specific mortality table to be used for this purpose.

Rev. Rul. 98–1, 1998–1 C.B. 249, Q&A 8 provides that the actuarially equivalent straight life annuity for a benefit that is paid in a form that is subject to the minimum present value requirements of § 417(e)(3) is the greater of (1) the actuarially equivalent straight life annuity computed using the plan rate and plan mortality table or plan tabular factor specified in the plan for actuarial equivalence for the particular form of benefit payable and (2) the actuarially equivalent straight life annuity computed using the applicable interest rate and the applicable mortality table under § 417(e)(3).

Section 101(b)(4) of PFEA '04 amended § 415(b)(2)(E)(ii) of the Code to provide that, for purposes of adjusting any benefit payable in a form that is subject to the minimum present value requirements of § 417(e)(3), the interest rate assumption must not be less than the greater of the applicable interest rate (as defined in § 417(e)(3)) or the rate specified in the plan, except that in the case of plan years beginning in 2004 or 2005, 5.5% is used in lieu of the applicable interest rate.
to meet the requirements of § 411(d)(6) of the Code and section 204(g) of the Employee Retirement Income Security Act of 1974 (“ERISA”), provided that the plan is amended on or before the last day of the first plan year beginning on or after January 1, 2006, and the plan is operated as though the amendment were in effect during the period beginning on the date the amendment is effective.

Section 101(d)(3) of PFEA ’04 provides that, in the case of any participant or beneficiary receiving a distribution after December 31, 2003, and before January 1, 2005, the amount payable under any form of benefit subject to § 417(e)(3) of the Code and subject to any adjustment under § 415(b)(2)(B) shall not, solely by reason of the change to § 415(b)(2)(E)(ii) made by section 101(b)(4) of PFEA ’04, be less than the amount that would have been so payable had the amount payable been determined using the applicable interest rate in effect on the last day of the last plan year beginning before January 1, 2004.

Questions and Answers

Q–1. What is the effect of section 101(b)(4) of PFEA ’04?

A–1. Under the changes to § 415(b)(2) of the Code made by section 101(b)(4) of PFEA ’04, if a defined benefit plan provides a benefit in a form that is subject to the minimum present value requirements of § 417(e)(3) of the Code in a plan year beginning in 2004 or 2005, the actuarially equivalent straight life annuity (that is used for demonstrating compliance with § 415) is the greater of the straight life annuity determined using the plan rate and plan mortality table and the straight life annuity determined using 5.5% and the applicable mortality table. Thus, for example, where a plan’s interest rate is 5%, the applicable interest rate under § 417(e)(3) is 5.25%, and where the plan uses the applicable mortality table for determining actuarial equivalence, the effect of section 101(b)(4) of PFEA ’04 would be to require the conversion of a single-sum distribution paid during the plan year beginning in 2004 to an equivalent straight life annuity using 5.5% rather than the applicable interest rate of 5.25% as required under prior law. However, higher distributions may be permitted in certain situations during 2004 pursuant to the transition rule of section 101(d)(3). See Q&A 4.

Q–2. What is the effective date of the changes made to § 415 of the Code by PFEA ’04?

A–2. The changes to § 415 of the Code made by PFEA ’04 are effective for plan years beginning on or after January 1, 2004. However, the changes do not apply to plans that terminated prior to April 10, 2004, the date of enactment of PFEA ’04.

Q–3. What is the effect of the transition rule prescribed in section 101(d)(3) of PFEA ’04?

A–3. The transition rule of section 101(d)(3) of PFEA ’04 sets out a transition period during which a plan is permitted to pay a benefit subject to § 417(e)(3) of the Code in an amount that would be higher than what is otherwise permitted under § 415 as amended by PFEA ’04. This higher amount is the lesser of the transition amount as calculated in Q&A–4 and the benefit calculated under the terms of the plan reflecting the limitations of § 415 disregarding the enactment of PFEA ’04.

Q–4. How is the transition amount calculated?

A–4. The transition amount is the otherwise determined benefit that when converted to an actuarially equivalent straight life annuity determined using the plan rate and the plan mortality table is within the limitations of § 415 of the Code and when converted to an actuarially equivalent straight life annuity determined using the transition rate and the applicable mortality table is within the limitations of § 415. For this purpose, the transition rate is the applicable interest rate determined under the plan terms that are adopted and in effect on the last day of the last plan year beginning before January 1, 2004. In the example in Q&A–1, if the transition rate is 5.25%, when a plan provides a single-sum distribution, then the effect of the transition rule of § 101(d)(3) of PFEA ’04 would be to allow the conversion of the single sum distribution to an equivalent straight life annuity using the transition rate of 5.25% (the greater of the transition rate and the plan rate) rather than 5.5% which was required under § 101(b)(4) of PFEA ’04. In such a case, the maximum single-sum distribution for a participant who is age 65 in 2004 would be $1,866,645 calculated using 5.5% as required by section 101(b)(4) of PFEA ’04 rather than $1,905,638 calculated using 5.25% as required under prior law. However, higher distributions may be permitted in certain situations during 2004 pursuant to the transition rule of section 101(d)(3). See Q&A 4.

Q–5. What is the period during which the transition rule of section 101(d)(3) of PFEA ’04 applies (transition period)?

A–5. The transition period begins on the first day of the first plan year beginning on or after January 1, 2004. The transition period ends on December 31, 2004. Thus, the transition rule of section 101(d)(3) of PFEA ’04 applies to a distribution if the distribution has an annuity starting date that is on or after the first day of the first plan year beginning in 2004, but only if the annuity starting date is before December 31, 2004.

Q–6. Which plan amendments relating to sections 101(b)(4) and 101(d)(3) of PFEA ’04 are treated as not violating the requirements of § 411(d)(6) of the Code and section 204(g) of ERISA pursuant to section 101(c) of PFEA ’04?

A–6. Under section 101(c)(1) of PFEA ’04, a plan that is amended pursuant to any change made by section 101 does not fail to meet the requirements of § 411(d)(6) of the Code and section 204(g) of ERISA provided that the plan is amended on or before the last day of the first plan year beginning on or after January 1, 2006, and the plan is operated as though the amendment were in effect during the period beginning on the date the amendment is effective. With respect to plan amendments implementing the change to § 415 of the Code under section 101(b)(4) of PFEA ’04 or the transition rule under section 101(d)(3) of PFEA ’04, this relief applies to:

1. Plan amendments that implement the change to § 415 of the Code under section 101(b)(4) of PFEA ’04 and the transition rule of section 101(d)(3) of PFEA ’04 pursuant to the guidance set forth this notice;

2. Plan amendments that implement the change to § 415 of the Code under section 101(b)(4) of PFEA ’04 but do not implement the transition rule of section 101(d)(3) of PFEA ’04; and

3. Plan amendments that implement the change to § 415 of the Code under section 101(b)(4) of PFEA ’04 and the
transition rule of section 101(d)(3) of PFEA ’04 pursuant to a reasonable interpretation of that transition rule that is different than the guidance set forth in Q&A–3 through Q&A–5 but that results in a lower distribution amount than the amount that would have been distributed under that guidance.

Drafting Information

The principal authors of this notice are Kathleen J. Herrmann of the Employee Plans, Tax Exempt and Government Entities Division and Linda S. F. Marshall of the Office of the Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities). Ms. Herrmann may be reached at 202–283–9635 (not a toll-free number).
Part IV. Items of General Interest

Request for Applications to Participate in the 2005 IRS Individual e-file Partnership Program

Announcement 2004–93

The Stakeholder Partnerships, Education and Communication (SPEC) function within the Internal Revenue Service (IRS) is continuing its efforts to establish IRS e-file partnerships with various entities. The IRS is seeking non-monetary e-file partnerships for Filing Season 2005. No applications for funding (monetary compensation) will be considered. A commercial business, non-profit organization, state government or local government may submit applications. Applications are not solicited from other Federal government agencies. The program is an annual program and covers the period January 2005, through October 15, 2005. All prior year partners must reapply for Filing Season 2005.

BACKGROUND

The IRS Restructuring and Reform Act of 1998 (RAA 98) requires the IRS to receive 80 percent of all returns electronically by 2007. RAA 98 authorized the IRS Commissioner to promote the benefits of and encourage the use of e-file services. As a result of RAA 98, the IRS enters into non-monetary partnerships with businesses to offer low cost income tax preparation and electronic filing for qualified taxpayers.

Continued opportunities for growth in electronic tax administration are evident. For Filing Season 2004, the IRS received 61.5 million electronically filed returns, an increase of 16.17% over the previous year. Visit the IRS web site, http://www.irs.gov, for the most current results from market research on individual taxpayers, including demographic data and psychographic studies. This research includes attitudinal surveys, customer satisfaction surveys, Public Service Communications, tracking studies and any focus group results.

The IRS accepts most forms and schedules for electronic filing. Visit the IRS web site for a complete listing of accepted forms and schedules.

FILING SEASON 2005

For Filing Season 2005, the IRS will focus on the 1040 series income tax returns covering “IRS e-file Using a Tax Preparer” and “IRS e-file Using a Personal Computer.” Additional emphasis is being placed on the following features: “Self-Select Personal Identification Number (PIN) for e-file”, “Using e-file for Federal/State Returns”, and “Electronic Payment Options” for balance due and estimated payment options.

A major area of emphasis is to reach those taxpayers who continue to file computer prepared paper returns (v-code). Research indicates that the number of v-code returns continues to increase (76% of all v-code returns are prepared by paid preparers). Emphasis should be placed on converting v-code filers to electronically file their returns through the marketing and promotion of the benefits of e-file.

Participants should also reach first-time filers and those individuals eligible for the Earned Income Tax Credit (EITC). It’s important to note that many of the military families may also qualify for EITC since supplemental payments and combat pay are exempt from the income calculations.

Participants are encouraged to focus on reducing the number of errors made on electronically filed returns, including those returns claiming EITC. A new electronic tool has been established to help tax professionals determine whether their clients are eligible for EITC. The new “EITC Assistant” is a step taken by the IRS to maximize taxpayer participation, minimize EITC errors while increasing compliance. The “EITC Assistant” will make its debut for Filing Season 2005, and it will be prominently displayed on the IRS Homepage at http://www.irs.gov.

The IRS expects all accepted partners to aggressively market, promote and offer e-file products and services through October 15, 2005. The IRS will supply the partners with the Filing Season and post-April 15th e-file campaign message(s), as they become available, to target additional qualified taxpayers, i.e., extensions, military returns, etc. For additional information on the various e-file programs, features, and market research, visit our web site at http://www.irs.gov.

Participants will receive hyperlinks from the IRS web site — irs.gov (Partners Page) — to the Participant’s web site. Potential Participants may request links for the following categories:

- IRS e-file Partners for Taxpayers
- IRS e-file Partners for Tax Professionals
- IRS e-file Partners for Financial Institutions/Employers
- IRS e-file Partners for Credit Card Payment Options

PARTICIPATION STANDARDS & REQUIREMENTS

Participants will abide to the following standards and requirements, if applicable:

- The Participant (Electronic Return Originator, Intermediate Service Provider, Software Developer, and Transmitter) must be in good standing with the IRS, comply with the e-file requirements stated in the IRS Revenue Procedure 2000–31, Publications 1345 and 1345A, 26 U.S.C. 7216, U.S.C. 6103, and pass the annual Suitability and Participants Acceptance Testing (PATS) conducted by the IRS.

- The Participant will offer their products and services to filers of the 1040 Series returns, including complex returns, balance due returns, Federal/State returns, and 1040EZ returns.

- The Participant will target EITC eligibles, first-time filers and v-coders.

- The Participant will focus on reducing the number of errors on electronically prepared returns, including those returns claiming EITC.

- The Participant will offer a variety of e-file features including the Self-Select PIN, Electronic Payment Options, Federal/State e-file, Direct Deposit of Refunds, etc.

- The Participant will aggressively market, promote and offer e-file services
The Participant will be required to supply the IRS with a link to their web site in their application or no less than ten (10) business days before the site is expected to go live (start date of electronic filing). All sites must be examined before they can be posted on the IRS e-file Partners Page. The purpose of the review is to ensure each Participant’s web site complies with the standards and requirements set forth in this document.

- The Participant will adhere to industry best practices to ensure the taxpayer return information entrusted to them is secure and the privacy of such information is maintained. In any instance where a Participant contracts with a service provider to obtain technology services, it will adhere to this standard. To the extent multiple Participants rely on a single service provider for front or back office services (not ISP services), it is even more critical that such taxpayer security and privacy be maintained with respect to others who share these services.

- A Participant’s web site must be functionally adequate and consistent with the Participant’s offer in permitting a taxpayer to complete their return. Failure to comply could result in the Participant’s removal from the Partners Page.

- The Participant will place the IRS e-file logo on its web site. The e-file logo and guidelines can be downloaded from http://www.irs.gov.

- The Participant will have a link(s) to the IRS web site, http://www.irs.gov, from its web site.

- The Participant will be required to prove and display third-party certifications for the privacy/security/authenticity of its online service. The Participant’s web site should display the third-party certification and privacy seals. Examples of third-party certifications are those received from VeriSign, Thawte, Truste, etc.

- The Participant’s web site will not contain inappropriate content. Further, the Participant will ensure that all online advertising and hyperlinks posted on its web site neither promote nor link to inappropriate content.

- The Participant will clearly disclose its customer service support options (including associated fees, if any) and privacy policy on the landing page of its web site. Participants must provide taxpayers with a business contact point by on-line form, email, facsimile or telephone number which the Participant maintains and reviews. The Participant must provide taxpayers a method to obtain the status of their tax return. Taxpayers can be directed to “Where’s My Tax Refund?” located on the Homepage of irs.gov (http://www.irs.gov).

- The Participant will prominently display on the landing page of its web site the promotion of income tax preparation and electronic filing for EITC eligibles, low-income taxpayers, and first-time filers. Participants are encouraged to offer a monetary incentive (reduced return preparation and electronic filing costs) to attract these taxpayers.

- The Participant will disclose limitations in the forms and schedules that are likely to be needed to support their offerings. The Participant should display a listing of the forms and schedules that will be offered either from the Participant’s landing page or the Participant must have a clear link from the landing page that takes the user to a forms and schedules listing.

- The Participant will clearly disclose on its web site the States that their software supports. This disclosure can appear on the Participant’s landing page of its web site or the Participant must have a clear link from the landing page which will take the user to a listing of States.

- The Participant is permitted to offer commercial products and services consistent with obtaining the positive consent of the user as described in 26 U.S.C. 7616 before offering fee-based products and services not related to tax preparation.

- The Participant will include a feature in their tax preparation software that will “time out” the session after no changes are made for a period of time consistent with best practices approved by privacy seal certification programs.
The Participant, upon learning of an inappropriate disclosure of a taxpayer’s return information to a member of the public, such as another taxpayer or other unauthorized party in the course of providing e-file services as a result of their hyperlink on the IRS e-file Partners Page, will immediately notify the IRS of this disclosure and then shut down its program immediately.

The Participant will submit written notification (e.g., email) to the IRS of changes, additions and deletions to URLs, link descriptions, etc.

The Participant will submit Performance Reports to the IRS Point of Contact by May 31, 2005, covering Filing Season activity, and by November 15, 2005, covering post Filing Season activity. The reports will cover information such as e-file statistics (including the number of EITC returns), web site activity and anything else the IRS deems necessary. The IRS Point of Contact will provide written reporting instructions and requirements to accepted Participants.

**PERFORMANCE STANDARDS**

- The IRS will have the accepted Participant’s hyperlink(s) available on the IRS web site for the start of electronic filing, subject to the participant’s passing of the annual Suitability, PATS testing, and web site review. Hyperlinks will remain on the IRS e-file Partners Page through October 15, 2005, or later, at the discretion of the IRS.

- The IRS will randomize on a daily basis the hyperlinks that exist on the IRS e-file Partners Page.

- The IRS may establish a link from the IRS e-file Partners Page to the Free File web page.

- The IRS will accept, if appropriate, the Participant’s written request for changes/additions/deletions to a URL, link description, etc.

- The IRS will review the Participant’s web site(s) at any time to ensure that participation requirements are met.

- The IRS will not endorse specific offerings or products, but will promote the IRS e-file Partners Page. A “Site Disclaimer” will exist on the IRS web site before the user enters the Participant’s web site.

**PARTICIPATION TERMS**

The IRS Individual e-file Partnership Program is an annual program, and all prospective Participants, including returning Participants, must reapply each year following the guidelines in the Internal Revenue Bulletin announcement advertised on [http://www.irs.gov](http://www.irs.gov).

- If the IRS determines that the Participant is not meeting the “Participation Standards & Requirements,” the IRS may terminate its partnership with the Participant and remove the participant’s hyperlink(s) from the IRS e-file Partners Page.

- The Participant will notify the IRS immediately if it wishes to terminate its partnership with the IRS. The notification should be submitted through email to the IRS Point of Contact or sent to the Point of Contact’s address indicated below in “IRS Point of Contact/Application Submission.”

**APPLICATION PROCESS**

Applications should contain the following information, if applicable:

- Include the Applicant’s Point of Contact information (name, title, address, telephone number, fax number and email address) for discussion of your application.

- Identify the Applicant’s secure web site.

- Identify the Applicant’s tax preparation software and the States it will support.

- Identify the IRS forms and schedules that support your offering(s).

- Include the Applicant’s Electronic Filer Identification Number(s) (EFIN) and/or Electronic Transmitter Identification Number (ETIN).

- Identify the Applicant’s hyperlink(s) and provide a short description (not to exceed 350 characters including spaces) of the services and products to be promoted on the IRS e-file Partners Page. In addition, the Applicant should provide the associated URL(s). The URL(s) cannot contain the word “IRS.” Indicate the category for each hyperlink:

- IRS e-file Partners for Taxpayers
- IRS e-file Partners for Tax Professionals
- IRS e-file Partners for Financial Institutions/Employers
- IRS e-file Partners for Electronic Payment Options.

- Identify the Applicant’s third party administrators (i.e., VeriSign, Thawte, Truste) that certify the privacy and security of its online service.

- Identify the Applicant’s communication vehicle(s) (i.e., web site, marketing/promotional products, etc.) to market and promote your products and services and IRS e-file. Describe the incentives, discounts, offers, benefits to taxpayers or other specific approaches to increase e-file volumes.

- Describe steps the Applicant will take to reach EITC and first-time filers. This can include marketing/promotional efforts, monetary incentives (reduced return preparation and electronic filing costs).

- Describe steps the Applicant will take to reduce errors on electronically filed returns, including those returns claiming EITC.

- Certify the Applicant’s compliance with the privacy and disclosure provisions of 26 U.S.C. 7216 and 26 U.S.C. 6103.

**IRS POINT OF CONTACT/APPLICATION SUBMISSION**

Applications to participate in the IRS Individual e-file Partnership
Program should be submitted as a Word document through email at *WIe-filepartners@irs.gov* (Please make sure there is an asterisk before the WI (Wage and Investment) when submitting an application.) An application may also be sent to Karen Bradley at the following address:

Internal Revenue Service  
5000 Ellin Road  
Lanham, MD 20706  
Attention: Karen Bradley  
SE:W:CAR:SPEC:FO:IMS  
C5–351

If you wish to have a hyperlink(s) on the IRS e-file Partners Page for the start of electronic filing, your application must be submitted by **December 10, 2004**. If your application is received after the deadline, the IRS has a right not to accept the application.

Illustrations of marketing materials may be submitted in Adobe Acrobat Portable Document (PDF) or other appropriate files.

Any questions regarding the development of applications, the submission of Performance Reports, or any other type of contact for this program should be directed to Karen Bradley at (202) 283–7034 or through email to *WIe-filepartners@irs.gov*. Please make sure there is an asterisk (*) before the WI (Wage and Investment) for any type of email contact.

**APPLICATION EVALUATION**

All applications will be evaluated based on the required information provided to the IRS and the applicant’s ability to fulfill their responsibilities. Prior year performance will also be considered when evaluating applications from returning partners.

**ACCEPTANCE/DENIAL OF APPLICATION**

If your application is accepted, you will receive written notification from the IRS. If your application is denied, you will receive written notification from the IRS with an explanation of the denial.

**e-Help Desk**

If you have any questions related to e-products/electronic filing, you can contact the e-Help Desk toll-free at 1–866–255–0654. The e-Help desk assistants are ready to respond to non-account related questions and issues. You can also go to [http://www.irs.gov](http://www.irs.gov) where the IRS houses a variety of information which impacts the tax professional.

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**Announcement of Disciplinary Actions Involving Attorneys, Certified Public Accountants, Enrolled Agents, and Enrolled Actuaries — Suspensions, Censures, Disbarments, and Resignations**

**Announcement 2004-95**

Under Title 31, Code of Federal Regulations, Part 10, attorneys, certified public accountants, enrolled agents, and enrolled actuaries may not accept assistance from, or assist, any person who is under disbarment or suspension from practice before the Internal Revenue Service if the assistance relates to a matter constituting practice before the Internal Revenue Service and may not knowingly aid or abet another person to practice before the Internal Revenue Service during a period of suspension, disbarment, or ineligibility of such other person.

To enable attorneys, certified public accountants, enrolled agents, and enrolled actuaries to identify persons to whom these restrictions apply, the Director, Office of Professional Responsibility, will announce in the Internal Revenue Bulletin their names, their city and state, their professional designation, the effective date of disciplinary action, and the period of suspension. This announcement will appear in the weekly Bulletin at the earliest practicable date after such action and will continue to appear in the weekly Bulletins for five successive weeks.
Consent Suspensions From Practice Before the Internal Revenue Service

Under Title 31, Code of Federal Regulations, Part 10, an attorney, certified public accountant, enrolled agent, or enrolled actuary, in order to avoid institution or conclusion of a proceeding for his or her disbarment or suspension from practice before the Internal Revenue Service, may offer his or her consent to suspension from such practice. The Director, Office of Professional Responsibility, in his discretion, may suspend an attorney, certified public accountant, enrolled agent, or enrolled actuary in accordance with the consent offered.

The following individuals have been placed under consent suspension from practice before the Internal Revenue Service:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Designation</th>
<th>Date of Suspension</th>
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</thead>
<tbody>
<tr>
<td>Sanchez, Wayne L.</td>
<td>Derby, KS</td>
<td>Attorney</td>
<td>Indefinite from July 12, 2004</td>
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<tr>
<td>Gatti, John T.</td>
<td>Orlando, FL</td>
<td>Enrolled Agent</td>
<td>Indefinite from July 16, 2004</td>
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<tr>
<td>Hall, Beverly J.</td>
<td>Newberg, OR</td>
<td>Enrolled Agent</td>
<td>Indefinite from July 26, 2004</td>
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<tr>
<td>Spencer, Robert E.</td>
<td>Wilmington, NC</td>
<td>Enrolled Agent</td>
<td>Indefinite from August 11, 2004</td>
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<tr>
<td>Lebaron, Betty J.</td>
<td>Mesa, AZ</td>
<td>Enrolled Agent</td>
<td>Indefinite from August 17, 2004</td>
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<tr>
<td>Worrell, Douglas</td>
<td>Streamwood, IL</td>
<td>Attorney</td>
<td>Indefinite from August 23, 2004</td>
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<tr>
<td>Singleton, Stan R.</td>
<td>Derby, KS</td>
<td>Attorney</td>
<td>Indefinite from August 30, 2004</td>
</tr>
<tr>
<td>Halpern, Barbara</td>
<td>Weston, CT</td>
<td>CPA</td>
<td>Indefinite from September 15, 2004</td>
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<tr>
<td>Johnson, Jeanne M.</td>
<td>Hoquiam, WA</td>
<td>Enrolled Agent</td>
<td>Indefinite from September 27, 2004</td>
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<td>Fisher, Robert</td>
<td>Holbrook, AZ</td>
<td>Enrolled Agent</td>
<td>Indefinite from October 5, 2004</td>
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<tr>
<td>Valdez II, Arthur</td>
<td>Albuquerque, NM</td>
<td>CPA</td>
<td>Indefinite from October 19, 2004</td>
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Expedited Suspensions From Practice Before the Internal Revenue Service

Under Title 31, Code of Federal Regulations, Part 10, the Director, Office of Professional Responsibility, is authorized to immediately suspend from practice before the Internal Revenue Service any practitioner who, within five years from the date the expedited proceeding is instituted (1) has had a license to practice as an attorney, certified public accountant, or actuary suspended or revoked for cause or (2) has been convicted of certain crimes.

The following individuals have been placed under suspension from practice before the Internal Revenue Service by virtue of the expedited proceeding provisions:

<table>
<thead>
<tr>
<th>Name</th>
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<th>Designation</th>
<th>Date of Suspension</th>
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<tbody>
<tr>
<td>Daly, Thomas J.</td>
<td>Elmsford, NY</td>
<td>CPA</td>
<td>Indefinite from August 20, 2004</td>
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<tr>
<td>Jewett, Jerry A.</td>
<td>Fremont, OH</td>
<td>Attorney</td>
<td>Indefinite from September 8, 2004</td>
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<tr>
<td>Kyllo, Harry N.</td>
<td>Portland, OR</td>
<td>CPA</td>
<td>Indefinite from September 9, 2004</td>
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<tr>
<td>Pearl, David S.</td>
<td>Reisterstown, MD</td>
<td>Attorney</td>
<td>Indefinite from September 21, 2004</td>
</tr>
<tr>
<td>Graugnard, Paul E.</td>
<td>Alexandria, LA</td>
<td>Attorney</td>
<td>Indefinite from September 21, 2004</td>
</tr>
<tr>
<td>Thomas, Robert C.</td>
<td>Natchitoches, LA</td>
<td>Attorney</td>
<td>Indefinite from September 21, 2004</td>
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<tr>
<td>Culver Jr., Allan J.</td>
<td>Bel Air, MD</td>
<td>Attorney</td>
<td>Indefinite from September 21, 2004</td>
</tr>
<tr>
<td>Christovich, Michael</td>
<td>New Orleans, LA</td>
<td>Attorney</td>
<td>Indefinite from September 27, 2004</td>
</tr>
<tr>
<td>Turner, Haiden W.</td>
<td>Farmers Branch, TX</td>
<td>CPA</td>
<td>Indefinite from September 27, 2004</td>
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<tr>
<td>Tuttle, Heidi</td>
<td>Unionville, CT</td>
<td>Attorney</td>
<td>Indefinite from September 27, 2004</td>
</tr>
<tr>
<td>Name</td>
<td>Address</td>
<td>Designation</td>
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<tr>
<td>Oberhauser Jr., Louis</td>
<td>Wayzata, MN</td>
<td>Attorney</td>
<td>Indefinite from September 27, 2004</td>
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<tr>
<td>Nelson, John A.</td>
<td>Wilmar, MN</td>
<td>Attorney</td>
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<tr>
<td>Judd Jr., John K.</td>
<td>Taft, CA</td>
<td>CPA</td>
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<tr>
<td>McGrady, Michael S.</td>
<td>Hankins, NY</td>
<td>Attorney</td>
<td>Indefinite from October 1, 2004</td>
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<tr>
<td>Wahl-Taylor, Kimberly</td>
<td>Council Bluffs, IA</td>
<td>Attorney</td>
<td>Indefinite from October 4, 2004</td>
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<tr>
<td>Haneberg III, Elmer C.W.</td>
<td>Chicago, IL</td>
<td>Attorney</td>
<td>Indefinite from October 6, 2004</td>
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<tr>
<td>McDonald, Michael G.</td>
<td>Methuen, MA</td>
<td>Attorney</td>
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<tr>
<td>Mason Jr., Maurice</td>
<td>Dracut, MA</td>
<td>Attorney</td>
<td>Indefinite from October 6, 2004</td>
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<tr>
<td>Aaron, Stanley R.</td>
<td>Baton Rouge, LA</td>
<td>Attorney</td>
<td>Indefinite from October 6, 2004</td>
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<tr>
<td>McFarland, Sheila E.</td>
<td>Chicago, IL</td>
<td>Attorney</td>
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<td>Deutchman, Murray L.</td>
<td>Barnesville, MD</td>
<td>Attorney</td>
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<tr>
<td>Wolfert, Marvin L.</td>
<td>Foxboro, MA</td>
<td>Attorney</td>
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<tr>
<td>Andricopoulos, Maureen</td>
<td>Chelmsford, MA</td>
<td>Attorney</td>
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<tr>
<td>Ezuruike, Maurice</td>
<td>Austin, TX</td>
<td>Attorney</td>
<td>Indefinite from October 6, 2004</td>
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<td>Jones, Thomas C.</td>
<td>Dekalb, IL</td>
<td>Attorney</td>
<td>Indefinite from October 6, 2004</td>
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<tr>
<td>Name</td>
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<tr>
<td>Yopp, L. Gregory</td>
<td>Louisville, KY</td>
<td>Attorney</td>
<td>Indefinite from October 6, 2004</td>
</tr>
<tr>
<td>Waples, Alan N.</td>
<td>Burlington, IA</td>
<td>Attorney</td>
<td>Indefinite from October 6, 2004</td>
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<td>Ghitelman, Gayle S.</td>
<td>Brookline, MA</td>
<td>Attorney</td>
<td>Indefinite from October 6, 2004</td>
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<tr>
<td>Bulas Jr., Luis</td>
<td>Hollywood, FL</td>
<td>Enrolled Agent</td>
<td>Indefinite from October 15, 2004</td>
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<tr>
<td>Earl, Thomas J.</td>
<td>Moses Lake, WA</td>
<td>Attorney</td>
<td>Indefinite from October 8, 2004</td>
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<tr>
<td>George, Gary R.</td>
<td>Milwaukee, WI</td>
<td>Attorney</td>
<td>Indefinite from October 8, 2004</td>
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<td>Jordan, David M.</td>
<td>San Antonio, TX</td>
<td>Attorney</td>
<td>Indefinite from October 8, 2004</td>
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<tr>
<td>Young III, George G.</td>
<td>Havertown, PA</td>
<td>Attorney</td>
<td>Indefinite from October 8, 2004</td>
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<td>Tanner, Martin</td>
<td>Salt Lake City, UT</td>
<td>Attorney</td>
<td>Indefinite from October 8, 2004</td>
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<td>Jensen, Georg</td>
<td>Cheyenne, WY</td>
<td>Attorney</td>
<td>Indefinite from October 8, 2004</td>
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<tr>
<td>Slowiaczek, Peter A.</td>
<td>Lakewood, WA</td>
<td>Attorney</td>
<td>Indefinite from October 8, 2004</td>
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<tr>
<td>Fennell, David E.</td>
<td>New Castle, WA</td>
<td>Attorney</td>
<td>Indefinite from October 8, 2004</td>
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<td>Gish, Robert</td>
<td>Basin, WY</td>
<td>Attorney</td>
<td>Indefinite from October 8, 2004</td>
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<td>Ramirez, Silverio</td>
<td>Roselle, NJ</td>
<td>Attorney</td>
<td>Indefinite from October 8, 2004</td>
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<tr>
<td>Flaherty, Patrick J.</td>
<td>Traverse City, MI</td>
<td>CPA</td>
<td>Indefinite from October 19, 2004</td>
</tr>
<tr>
<td>Vanden Berg, Steven</td>
<td>Mason City, IA</td>
<td>Attorney</td>
<td>Indefinite from October 25, 2004</td>
</tr>
</tbody>
</table>
### Censure Issued by Consent

Under Title 31, Code of Federal Regulations, Part 10, in lieu of a proceeding being instituted or continued, an attorney, certified public accountant, enrolled agent, or enrolled actuary, may offer his or her consent to the issuance of a censure. Censure is a public reprimand.

The following individuals have consented to the issuance of a Censure:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Designation</th>
<th>Date of Censure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dayandayan, Angel Y.</td>
<td>Irvine, CA</td>
<td>Enrolled Agent</td>
<td>July 27, 2004</td>
</tr>
<tr>
<td>Summers, Todd W.</td>
<td>Stockton, CA</td>
<td>Enrolled Agent</td>
<td>August 10, 2004</td>
</tr>
<tr>
<td>Barrett Sr., Jeffrey J.</td>
<td>Catskill, NY</td>
<td>CPA</td>
<td>August 31, 2004</td>
</tr>
<tr>
<td>Davis, Charles W.</td>
<td>San Francisco, CA</td>
<td>Enrolled Agent</td>
<td>September 28, 2004</td>
</tr>
<tr>
<td>Giles, Benjamin M.</td>
<td>Wichita, KS</td>
<td>CPA</td>
<td>September 30, 2004</td>
</tr>
</tbody>
</table>

### Suspensions From Practice Before the Internal Revenue Service After Notice and an Opportunity for a Proceeding

Under Title 31, Code of Federal Regulations, Part 10, after notice and an opportunity for a proceeding before an administrative law judge, the following individuals have been placed under suspension from practice before the Internal Revenue Service:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Designation</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lim, Edgar E.</td>
<td>St. Louis, MO</td>
<td>Attorney</td>
<td>August 2, 2004 to July 31, 2007</td>
</tr>
</tbody>
</table>
Resignations of Enrolled Agents

Under Title 31, Code of Federal Regulations, Part 10, an enrolled agent, in order to avoid the institution or conclusion of a proceeding for his or her disbarment or suspension from practice before the Internal Revenue Service, may offer his or her resignation as an enrolled agent. The Director, Office of Professional Responsibility, in his discretion, may accept the offered resignation.

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Date of Resignation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gleason, Daniel J.</td>
<td>Franklin, TN</td>
<td>September 30, 2004</td>
</tr>
</tbody>
</table>

Consent Disbarment From Practice Before the Internal Revenue Service

Under Title 31, Code of Federal Regulations, Part 10, an attorney, certified public accountant, enrolled agent, or enrolled actuary, in order to avoid institution or conclusion of a proceeding for his or her disbarment or suspension from practice before the Internal Revenue Service, may offer his or her consent to disbarment from such practice. The Director, Office of Professional Responsibility, in his discretion, may disbar an attorney, certified public accountant, enrolled agent, or enrolled actuary in accordance with the consent offered.

The following individuals have been placed under consent disbarment from practice before the Internal Revenue Service:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Designation</th>
<th>Date of Disbarment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort, Gala J.</td>
<td>Las Vegas, NV</td>
<td>CPA</td>
<td>Indefinite from October 19, 2004</td>
</tr>
</tbody>
</table>
Definition of Terms

Revenue rulings and revenue procedures (hereinafter referred to as “rulings”) that have an effect on previous rulings use the following defined terms to describe the effect:

Amplified describes a situation where no change is being made in a prior published position, but the prior position is being extended to apply to a variation of the fact situation set forth therein. Thus, if an earlier ruling held that a principle applied to A, and the new ruling holds that the same principle also applies to B, the earlier ruling is amplified. (Compare with modified, below).

Clarified is used in those instances where the language in a prior ruling is being made clear because the language has caused, or may cause, some confusion. It is not used where a position in a prior ruling is being changed.

Distinguished describes a situation where a ruling mentions a previously published ruling and points out an essential difference between them.

Modified is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the new ruling holds that it applies to both A and B, the prior ruling is modified because it corrects a published position. (Compare with amplified and clarified, above).

Obsoleted describes a previously published ruling that is not considered determinative with respect to future transactions. This term is most commonly used in a ruling that lists previously published rulings that are obsoleted because of changes in laws or regulations. A ruling may also be obsoleted because the substance has been included in regulations subsequently adopted.

Revoked describes situations where the position in the previously published ruling is not correct and the correct position is being stated in a new ruling.

Superseded describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the new ruling does more than restate the substance of a prior ruling, a combination of terms is used. For example, modified and superseded describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case, the previously published ruling is first modified and then, as modified, is superseded.

Supplemented is used in situations in which a list, such as a list of the names of countries, is published in a ruling and that list is expanded by adding further names in subsequent rulings. After the original ruling has been supplemented several times, a new ruling may be published that includes the list in the original ruling and the additions, and supersedes all prior rulings in the series.

Suspended is used in rare situations to show that the previous published rulings will not be applied pending some future action such as the issuance of new or amended regulations, the outcome of cases in litigation, or the outcome of a Service study.

Abbreviations

The following abbreviations in current use and formerly used will appear in material published in the Bulletin.

A—Individual.
Acq.—Acquisition.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
C.Y.—County.
D—Decedent.
DC—Dummy Corporation.
DE—Donee.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.
E.O.—Executive Order.
ER—Employer.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FX—Foreign corporation.
G.C.M.—Chief Counsel’s Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantee.
IC—Insurance Company.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.
PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.
PRS—Partnership.
PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
X—Corporation.
Y—Corporation.
Z—Corporation.
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Key to Abbreviations:
Ann Announcement
CD Court Decision
DO Delegation Order
EO Executive Order
PL Public Law
PTE Prohibited Transaction Exemption
RP Revenue Procedure
RR Revenue Ruling
SPR Statement of Procedural Rules
TC Tax Convention
TD Treasury Decision
TDO Treasury Department Order

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157.6061–1T, removed; 157.6065–1, added; 157.6065–1T,
removed; 157.6071–1, added; 157.6071–1T, removed;
157.6081–1, added; 157.6081–1T, removed; 157.6091–1,
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