

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.

INCOME TAX

Rev. Rul. 2005-73, page 1050.

LIFO; price indexes; department stores. The September 2005 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, 2005.

T.D. 9229, page 1051.

REG-144898-04, page 1062.

Final, temporary, and proposed regulations under section 6081 of the Code relate to the simplification of procedures for obtaining automatic extensions of time to file certain returns. The temporary regulations allow individual income taxpayers and certain other taxpayers to obtain an automatic six-month extension of time to file certain returns by filing a single request. For these returns, the regulations also remove the requirements for a signature and an explanation of the need for an extension of time to file.

Notice 2005-88, page 1060.

This notice provides procedures for corporations, electing small business corporations, and organizations required to file returns under section 6033 to seek a waiver of the requirement to electronically file Form 1120, *U.S. Corporation Income Tax Return*; Form 1120S, *U.S. Income Tax Return for an S Corporation*; Form 990, *Return of Organization Exempt From Income Tax*; and Form 990-PF, *Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation*.

Announcement 2005-84, page 1064.

This announcement is to advise fiscal year pass-through entities of two new act sections of the Katrina Emergency Tax Relief Act (KETRA) of 2005 (these act sections will not be codified). Act section 301 concerns the temporary suspension of limitations of charitable contributions for individuals. Act section 305 concerns the donation of "apparently wholesome food" by individuals, corporations, and partnerships.

EXEMPT ORGANIZATIONS

Announcement 2005-85, page 1065.

A list is provided of organizations now classified as private foundations.

Announcement 2005-86, page 1069.

The Adelphi Foundation, Inc., of Adelphi, MD; Anaheim Cinco De Mayo Festivals, Inc., of Los Angeles, CA; Metro Housing Partnership, Inc., of Arlington, TX; and Summerside, Inc., of Vallejo, CA, no longer qualify as organizations to which contributions are deductible under section 170 of the Code.

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Finding Lists begin on page ii.

Index for July through November begins on page vi.



ADMINISTRATIVE

T.D. 9229, page 1051.

REG-144898-04, page 1062.

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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:

Part I.—1986 Code.

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.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

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 2005 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, 2005.

Rev. Rul. 2005-73

The following Department Store Inventory Price Indexes for September 2005 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 in-

ventory methods for tax years ended on, or with reference to, September 30, 2005.

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)

Groups	Sep. 2004	Sep. 2005	Percent Change from Sep. 2004 to Sep. 2005 ¹
1. Piece Goods	488.9	497.3	1.7
2. Domestic and Draperies	526.6	514.7	-2.3
3. Women's and Children's Shoes	657.4	700.4	6.5
4. Men's Shoes	842.8	890.9	5.7
5. Infants' Wear	582.8	569.6	-2.3
6. Women's Underwear	509.6	541.1	6.2
7. Women's Hosiery	336.6	338.6	0.6
8. Women's and Girls' Accessories	576.2	572.2	-0.7
9. Women's Outerwear and Girls' Wear	371.0	364.0	-1.9
10. Men's Clothing	531.2	532.9	0.3
11. Men's Furnishings	567.1	561.0	-1.1
12. Boys' Clothing and Furnishings	425.7	393.1	-7.7
13. Jewelry	886.2	882.6	-0.4
14. Notions	797.8	807.4	1.2
15. Toilet Articles and Drugs	993.2	996.4	0.3
16. Furniture and Bedding	608.0	596.0	-2.0
17. Floor Coverings	584.0	606.7	3.9
18. Housewares	711.7	703.4	-1.2
19. Major Appliances	197.4	204.4	3.5
20. Radio and Television	41.1	38.6	-6.1
21. Recreation and Education ²	79.9	77.4	-3.1
22. Home Improvements ²	128.9	136.4	5.8
23. Automotive Accessories ²	113.0	116.3	2.9
Groups 1-15: Soft Goods	559.8	559.6	0.0
Groups 16-20: Durable Goods	379.8	377.0	-0.7
Groups 21-23: Misc. Goods ²	93.0	92.8	-0.2
Store Total ³	495.4	494.5	-0.2

¹Absence of a minus sign before the percentage change in this column signifies a price increase.

²Indexes on a January 1986 = 100 base.

³The store total index covers all departments, including some not listed separately, except for the following: candy, food, liquor, tobacco, and contract departments.

DRAFTING INFORMATION

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).

Section 6081.—Extension of Time for Filing Returns

26 CFR 1.6081-2T: Automatic extension of time to file certain returns filed by partnerships (temporary).

T.D. 9229

DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Parts 1, 25, 26, 53, 55, 156, 157, 301

Extension of Time for Filing Returns

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final and temporary regulations.

SUMMARY: This document contains final and temporary regulations relating to the simplification of procedures for obtaining automatic extensions of time to file certain returns. The portions of this document that are final regulations provide necessary cross-references to the temporary regulations. The temporary regulations allow individual income taxpayers and certain other taxpayers to obtain an automatic six-month extension of time to file certain returns by filing a single request. For these returns, the temporary regulations also remove the requirements for a signature and an explanation of the need for an extension of time to file. The temporary regulations affect taxpayers who are required to file certain returns and need an extension of time to file. The text of the temporary regulations also serves as the text of the proposed regulations (REG-144898-04) set forth in the notice of proposed rulemaking on this subject in this issue of the Bulletin.

DATES: *Effective Date:* These regulations are effective November 7, 2005.

Applicability Dates: For dates of applicability of these regulations, see §§1.6081-2T(i), 1.6081-3T(e)(2), 1.6081-4T(f), 1.6081-5T(g), 1.6081-6T(g), 1.6081-7T(g), 1.6081-10T(f), 1.6081-11T(e), 25.6081-1T(f), 26.6081-1T(f), 53.6081-1T(f), 55.6081-1T(f), 156.6081-1T(f), 157.6081-1T(f), and 301.6081-2T(e).

FOR FURTHER INFORMATION CONTACT: Allen D. Madison, (202) 622-4940 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

This document contains amendments to 26 CFR parts 1, 25, 26, 53, 55, 156, 157, and 301 under section 6081 of the Internal Revenue Code. Section 6081(a) provides that the Secretary may grant a reasonable extension of time for filing any return, declaration, statement, or other document required by Title 26 or by regulations. Except in the case of taxpayers who are abroad, no such extension shall be for more than six months. The regulations under section 6081 provide specific rules taxpayers must follow to request an extension of time to file Federal tax returns. A taxpayer must generally submit a written application for the extension on or before the due date of the return. An extension of time for filing a return does not extend the time for payment of tax.

Explanation of Provisions

Rationale for Change

Currently, most taxpayers other than corporations can receive a full six-month extension of time to file their income tax returns, but to obtain the full six-month extension they must file one application for an initial extension of time and then file a second application to obtain an extension for the balance of the six months. For example, individual income taxpayers request an initial four-month automatic extension on one form and then use a second form to request a two-month discretionary extension. Similarly, trusts and partnerships request an initial three-month automatic extension on one form and then use

a second form to request a three-month discretionary extension. Requiring these taxpayers to file two different forms to obtain the full six-month extension creates an unnecessary burden on taxpayers and the IRS, and it can cause unnecessary confusion.

To reduce the complexity of the current extension process, and to provide cost savings and other benefits to taxpayers and the IRS, these temporary regulations simplify the extension process by allowing certain taxpayers to file a single request for an automatic six-month extension of time to file certain returns. Because the extension is automatic, these taxpayers do not need to sign the extension request or provide an explanation of the reasons for requesting an extension. Simplifying, consolidating, and standardizing extension forms will reduce taxpayer burden and will also reduce taxpayer confusion and error in filing the correct form. In addition, taxpayers will save considerable time and expense by not having to complete and file a second request to obtain the full six-month extension. This simplification will also lower processing costs and facilitate increased efficiency for the IRS. According to IRS research, simplification of the extension process will save taxpayers between \$73-94 million annually and will save the IRS \$4.6 million annually.

Individual Income Taxpayers

Currently, individual income taxpayers submit Form 4868 “*Application for Automatic Extension of Time To File a U.S. Individual Income Tax Return*,” for an initial four-month extension of time to file an individual income tax return. The Form 4868 must be filed by the original due date of the return. Taxpayers do not have to sign or give a reason for the extension request. Taxpayers must, however, provide a proper estimate of their tax liability.

Form 4868 does not extend the time for payment of tax. Although no payment of tax is necessary in order to receive the extension, penalties and interest may apply on any amounts that are not paid as of the original due date of the return. Individual income taxpayers can seek an additional two-month extension of time to file on Form 2688, “*Application for Additional Extension of Time To File U.S. Individual Income Tax Return*,” which requires

taxpayers to provide an explanation of the need for an extension and must be signed under penalties of perjury.

To reduce burden on taxpayers and the IRS, the temporary regulations provide an automatic six-month extension to taxpayers who must file an individual income tax return if they submit a timely, completed application for extension on Form 4868. Taxpayers do not have to sign the request or explain why an extension is needed in order to receive the automatic six-month extension of time to file. An automatic extension under the temporary regulations does not extend the time for payment of tax. Accordingly, taxpayers must make a proper estimate of any tax due. While no payment of tax is required in order to obtain the extension, failure to pay any tax as of the original due date of the return may subject the taxpayer to penalties and interest.

Corporate Income Taxpayers

These temporary regulations do not change the rules regarding filing extensions for corporate income tax returns. Currently, corporations may obtain an automatic six-month extension of time to file their income tax returns by submitting Form 7004, “*Application for Automatic Extension of Time To File Corporation Income Tax Return.*” Corporations do not have to sign the extension request or give a reason for their request. The Form 7004 does not extend the time for payment of tax. Accordingly, corporations filing Form 7004 must compute the total amount of their tentative tax and make a remittance of any balance due. Although these regulations do not change the rules regarding filing extensions for corporations, they do change the title to and appearance of Form 7004. Taxpayers filing certain other types of returns will now also use Form 7004 to request an automatic six-month extension of time to file. The new Form 7004 will be titled “*Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns*” and will apply to a larger number of returns than the prior form.

Taxpayers Previously Filing Form 2758 to Request an Extension of Time

Under these regulations, taxpayers that previously requested additional time to file

certain excise, income, information, and other returns by submitting Form 2758, “*Application for Extension of Time To File Certain Excise, Income, Information, and Other Returns.*” may request an automatic six-month extension of time to file by filing the new Form 7004, “*Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns.*” Previously, these taxpayers filed Form 2758 in order to obtain a 90-day extension. To obtain the extension, these taxpayers had to sign the form and provide an explanation of the need for the extension. To obtain additional time beyond the 90-day period, these taxpayers had to file Form 2758 a second time, once again signing the request and providing an explanation why the initial extension was not sufficient. The total extension was capped at the statutory maximum of six months. The Form 2758 has been obsoleted by these regulations.

Partnership, REMIC, and Certain Trust Taxpayers

Prior regulations required partnerships, real estate mortgage investment conduits (REMICs) and certain trusts to request three-month automatic extensions of time to file by submitting Form 8736, “*Application for Automatic Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts.*” These entities could then file a second request for an additional three-month extension of time to file on Form 8800, “*Application for Additional Extension of Time to File U.S. Return for a Partnership, REMIC, or for Certain Trusts.*” In order to promote simplified extension procedures, the temporary regulations allow these taxpayers to file an automatic six-month extension of time to file on one application, the new Form 7004, “*Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns.*” These taxpayers do not have to sign the Form 7004 or provide an explanation for their request in order to receive the automatic six-month extension of time to file. Forms 8736 and 8800 have been obsoleted by these regulations.

The six-month automatic extension of time to file set forth in these temporary regulations applies to returns of pass-through entities, e.g., Form 1065 for partnerships.

The Treasury Department and the IRS recognize that because the six-month automatic extension is available for returns of pass-through entities, some taxpayers may not receive information returns from the pass-through entities that they need in order to complete their own income tax returns before those returns are due. For example, an individual income taxpayer with a six-month extension of time to October 15 to file the Form 1040 may not receive a Schedule K-1 from a partnership in which the taxpayer holds an interest until after the partnership files its Form 1065 on its extended due date of October 15. Similarly, a C-corporation with a six-month extension to September 15 to file its Form 1120 may not receive a Schedule K-1 from a calendar year partnership in which it holds an interest until 30 days after its return is due if the partnership files its Form 1065 and sends out the Schedule K-1s on its extended due date of October 15. This filing anomaly existed under prior regulations when the pass-through entity received an extension of time to file to a date on or after the extended due date for the pass-through interest holder, but the automatic six-month extension in these regulations may cause this to happen with more frequency.

Because of this filing anomaly, the availability of a six-month extension of time to file for pass-through entities may result in taxpayers filing an increased number of amended income tax returns. Therefore, it may be appropriate for pass-through entities to have a shorter extension period than their partners or shareholders. The Treasury Department and the IRS request comments on whether a shorter extension of time to file for pass-through entities might reduce overall taxpayer burden. Please follow the instructions in the “Comments and Public Hearing” section in the notice of proposed rulemaking accompanying these temporary regulations in this issue of the Bulletin.

In order to minimize the burden that might be imposed as a result of this filing anomaly, the Treasury Department and the IRS encourage pass-through entities that request an extension of time to file to minimize the impact that such extension might have on their partners’ or members’ ability to timely file (with an extension) their own tax returns.

Transition Rule

These temporary regulations are effective for applications for an automatic extension of time to file certain returns filed after December 31, 2005. Therefore, the temporary regulations apply to applications for extension of time to file tax year 2005 returns. In addition, these temporary regulations also apply to applications for extension of time to file some tax year 2004 returns for certain fiscal year taxpayers because these returns are due after December 31, 2005. Although these fiscal year taxpayers should continue to use the tax year 2004 extension forms, the IRS will grant a six-month extension of time to file if an extension request made on one of these forms would otherwise qualify under these temporary regulations, except for use of the specified form.

Certain Employee Plan Returns

These temporary regulations also allow administrators and sponsors of employee benefit plans subject to Employee Retirement Income Security Act of 1974 (ERISA) to report information concerning the plans and direct filing entities to use a new version of Form 5558, "Application for Extension of Time To File Certain Employee Plan Returns," for an automatic two and one-half-month extension of time to file. Under these regulations, the Form 5558 no longer requires taxpayers to provide an explanation of the need for the extension of time to file or a signature.

Gift Tax Returns

Under section 6075(b)(2), individuals who make a transfer by gift and who request an automatic extension of time to file the individual's income tax return are deemed to have an extension of time to file the return required by section 6019. The temporary regulations also allow donors who do not request an extension of time to file an income tax return to request an automatic six-month extension of time to file Form 709, "United States Gift (and Generation-Skipping Transfer) Tax Return" by filing a new version of Form 8892, "Payment of Gift/GST Tax and/or Application for Extension of Time To File Form 709." Under these regulations, the Form 8892 no longer requires an explanation of the need

for the extension of time to file or a signature.

Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. For the applicability of the Regulatory Flexibility Act (5 U.S.C. chapter 6), refer to the Special Analyses section of the preamble to the cross-reference notice of proposed rulemaking published in this issue of the Bulletin. Pursuant to section 7805(f) of the Internal Revenue Code, these temporary regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small businesses.

Drafting Information

The principal author of these regulations is Tracey B. Leibowitz of the Office of the Associate Chief Counsel (Procedure and Administration), Administrative Provisions and Judicial Practice Division.

* * * * *

Amendments to the Regulations

Accordingly, 26 CFR parts 1, 25, 26, 53, 55, 156, 157, and 301 are amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by removing the entries for §1.6081-2, §1.6081-4, §1.6081-6, and §1.6081-7 and adding entries in numerical order to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

Section 1.6081-2T also issued under 26 U.S.C. 6081.

Section 1.6081-4T also issued under 26 U.S.C. 6081.

Section 1.6081-6T also issued under 26 U.S.C. 6081.

Section 1.6081-7T also issued under 26 U.S.C. 6081.

Section 1.6081-10T also issued under 26 U.S.C. 6081.

Section 1.6081-11T also issued under 26 U.S.C. 6081. * * *

§1.6081-2 [Removed]

Par. 2. Section 1.6081-2 is removed.

Par. 3. Section 1.6081-2T is added to read as follows:

§1.6081-2T Automatic extension of time to file certain returns filed by partnerships (temporary).

(a) *In general.* A partnership required to file Form 1065, "U.S. Return of Partnership Income," or Form 8804, "Annual Return for Partnership Withholding Tax," for any taxable year will be allowed an automatic 6-month extension of time to file the return after the date prescribed for filing the return if the partnership files an application under this section in accordance with paragraph (b) of this section. In the case of a partnership described in §1.6081-5(a)(1), the automatic extension of time to file allowed under this section runs concurrently with an extension of time to file granted pursuant to §1.6081-5(a).

(b) *Requirements.* To satisfy this paragraph (b), the partnership must—

(1) Submit a complete application on Form 7004, "Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns," or in any other manner prescribed by the Commissioner;

(2) File the application on or before the later of—

(i) The date prescribed for filing the return of the partnership; or

(ii) The expiration of any extension of time to file granted under §1.6081-5(a); and

(3) File the application with the Internal Revenue Service office designated in the application's instructions.

(c) *Payment of section 7519 amount.* An automatic extension of time for filing a partnership return of income granted under paragraph (a) of this section does not extend the time for payment of any amount due under section 7519, relating to required payments for entities electing not to have a required taxable year.

(d) *Section 444 election.* An automatic extension of time for filing a partnership return of income will run concurrently

with any extension of time for filing a return allowed because of section 444, relating to the election of a taxable year other than a required taxable year.

(e) *Effect of extension on partner.* An automatic extension of time for filing a partnership return of income under this section does not extend the time for filing a partner's income tax return or the time for the payment of any tax due on a partner's income tax return.

(f) *Termination of automatic extension.* The Commissioner may terminate an automatic extension at any time by mailing to the partnership a notice of termination at least 10 days prior to the termination date designated in such notice. The Commissioner must mail the notice of termination to the address shown on the Form 7004 or to the partnership's last known address. For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

(g) *Penalties.* See section 6698 for failure to file a partnership return.

(h) *Effective dates.* This section is applicable for applications for an automatic extension of time to file the partnership returns listed in paragraph (a) of this section filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

Par. 4. Section 1.6081-3 is amended by revising paragraphs (a)(1) and (e).

§1.6081-3 Automatic extension of time for filing corporation income tax returns.

(a) * * *

(1) [Reserved]. For guidance on the form to file to request a 6-month extension of time to file corporation income tax returns after December 31, 2005, see §1.6081-3T.

* * * * *

(e) For guidance on the applicability date of this section, see §1.6081-3T.

Par. 5. Section 1.6081-3T is added to read as follows:

§1.6081-3T Automatic extension of time for filing corporation income tax returns (temporary).

(a) [Reserved]. For further guidance, see §1.6081-3(a).

(1) An application must be submitted on Form 7004, "Application for Automatic

6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns," or in any other manner prescribed by the Commissioner.

(a)(2) through (d) [Reserved]. For further guidance, see §1.6081-3(a)(2) through (d).

(e) *Effective dates.* (1) Except as provided in paragraph (e)(2) of this section, this section applies to requests for extensions of time to file corporation income tax returns due after December 7, 2004.

(2) Paragraph (a)(1) of this section applies to applications for an automatic extension of time to file corporation income tax returns filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

§1.6081-4 [Removed]

Par. 6. Section 1.6081-4 is removed.

Par. 7. Section 1.6081-4T is added to read as follows:

§1.6081-4T Automatic extension of time for filing individual income tax return (temporary).

(a) *In general.* An individual who is required to file an individual income tax return will be allowed an automatic 6-month extension of time to file the return after the date prescribed for filing the return if the individual files an application under this section in accordance with paragraph (b) of this section. In the case of an individual described in §1.6081-5(a)(5) or (6), the automatic 6-month extension will run concurrently with the extension of time to file granted pursuant to §1.6081-5.

(b) *Requirements.* To satisfy this paragraph (b), an individual must—

(1) Submit a complete application on Form 4868, "Application for Automatic Extension of Time To File U.S. Individual Income Tax Return," or in any other manner prescribed by the Commissioner;

(2) File the application on or before the later of—

(i) The date prescribed for filing the return; or

(ii) The expiration of any extension of time to file granted pursuant to §1.6081-5;

(3) File the application with the Internal Revenue Service office designated in the application's instructions; and

(4) Show on the application the full amount properly estimated as tax for the taxable year.

(c) *No extension of time for the payment of tax.* An automatic extension of time for filing a return granted under paragraph (a) of this section will not extend the time for payment of any tax due on such return.

(d) *Termination of automatic extension.* The Commissioner may terminate an automatic extension at any time by mailing to the individual a notice of termination at least 10 days prior to the termination date designated in such notice. The Commissioner must mail the notice of termination to the address shown on the Form 4868 or to the individual's last known address. For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

(e) *Penalties.* See section 6651 for failure to file an individual income tax return or failure to pay the amount shown as tax on the return. In particular, see §301.6651-1(c)(3) of this chapter (relating to a presumption of reasonable cause in certain circumstances involving an automatic extension of time for filing an individual income tax return).

(f) *Effective dates.* This section is applicable for applications for an automatic extension of time to file an individual income tax return filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

Par. 8. Section 1.6081-5 is amended by revising paragraph (b) to read as follows:

§1.6081-5 Extensions of time in the case of certain partnerships, corporations, and U.S. citizens and residents.

* * * * *

(b) [Reserved]. For guidance on how a person should demonstrate that the person qualified for the extension in paragraph (a) of this section after December 31, 2005, see §1.6081-5T.

* * * * *

Par. 9. Section 1.6081-5T is added to read as follows:

§1.6081-5T Extensions of time in the case of certain partnerships, corporations, and U.S. citizens and residents (temporary).

(a) [Reserved]. For further guidance, see §1.6081-5(a).

(b) In order to qualify for the extension under this section—

(1) A statement must be attached to the return showing that the person for whom the return is made is a person described in paragraph (a) of this section; or

(2) If a person described in paragraph (a) of this section requests additional time to file, the person must request the extension on or before the fifteenth day of the sixth month following the close of the taxable year and check the appropriate box on Form 4868, “*Application for Automatic Extension of Time To File a U.S. Individual Income Tax Return*,” or Form 7004, “*Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns*,” whichever is applicable, or in any other manner prescribed by the Commissioner.

(c) through (f) [Reserved]. For further guidance, see §1.6081-5(c) through (f).

(g) *Effective date*. This section is applicable for applications for an automatic extension of time to file returns of income for taxpayers listed in paragraph (a) of this section filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

§1.6081-6 [Removed]

Par. 10. Section 1.6081-6 is removed.

Par. 11. Section 1.6081-6T is added to read as follows:

§1.6081-6T Automatic extension of time to file estate or trust income tax return (temporary).

(a) *In general*. An estate or trust required to file an income tax return on Form 1041, “*U.S. Income Tax Return for Estates and Trusts*,” will be allowed an automatic 6-month extension of time to file the return after the date prescribed for filing the return if the estate or trust files an application under this section in accordance with paragraph (b) of this section.

(b) *Requirements*. To satisfy this paragraph (b), an estate or trust must—

(1) Submit a complete application on Form 7004, “*Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns*,” or in any other manner prescribed by the Commissioner;

(2) File the application on or before the date prescribed for filing the return with the Internal Revenue Service office designated in the application’s instructions; and

(3) Show on the application the amount properly estimated as tax for the estate or trust for the taxable year.

(c) *No extension of time for the payment of tax*. An automatic extension of time for filing a return granted under paragraph (a) of this section will not extend the time for payment of any tax due on such return.

(d) *Effect of extension on beneficiary*. An automatic extension of time to file an estate or trust income tax return under this section will not extend the time for filing the income tax return of a beneficiary of the estate or trust or the time for the payment of any tax due on the beneficiary’s income tax return.

(e) *Termination of automatic extension*. The Commissioner may terminate an automatic extension at any time by mailing to the estate or trust a notice of termination at least 10 days prior to the termination date designated in such notice. The Commissioner must mail the notice of termination to the address shown on the Form 7004 or to the estate or trust’s last known address. For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

(f) *Penalties*. See section 6651 for failure to file an estate or trust income tax return or failure to pay the amount shown as tax on the return.

(g) *Effective dates*. This section is applicable for applications for an automatic extension of time to file an estate or trust income tax return filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

§1.6081-7 [Removed]

Par. 12. Section 1.6081-7 is removed.

Par. 13. Section 1.6081-7T is added to read as follows:

§1.6081-7T Automatic extension of time to file Real Estate Mortgage Investment Conduit (REMIC) income tax return (temporary).

(a) *In general*. A Real Estate Mortgage Investment Conduit (REMIC) required to file an income tax return on Form 1066, “*U.S. Real Estate Mortgage Investment*

Conduit (REMIC) Income Tax Return,” or Form 8831, “*Excise Taxes on Excess Inclusions of REMIC Residual Interests*,” for any taxable year will be allowed an automatic 6-month extension of time to file the return after the date prescribed for filing the return if the REMIC files an application under this section in accordance with paragraph (b) of this section.

(b) *Requirements*. To satisfy this paragraph (b), a REMIC must—

(1) Submit a complete application on Form 7004, “*Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns*,” or in any other manner prescribed by the Commissioner;

(2) File the application on or before the date prescribed for filing the return with the Internal Revenue Service office designated in the application’s instructions; and

(3) Show on the application the full amount properly estimated as tax for the REMIC for the taxable year.

(c) *No extension of time for the payment of tax*. An automatic extension of time for filing a return granted under paragraph (a) of this section will not extend the time for payment of any tax due on such return.

(d) *Effect of extension on residual or regular interest holders*. An automatic extension of time to file a REMIC income tax return under this section will not extend the time for filing the income tax return of a residual or regular interest holder of the REMIC or the time for the payment of any tax due on the residual or regular interest holder’s income tax return. An automatic extension will also not extend the time for payment of any excise tax on excess inclusions of REMIC residual interests.

(e) *Termination of automatic extension*. The Commissioner may terminate an automatic extension at any time by mailing to the REMIC a notice of termination at least 10 days prior to the termination date designated in such notice. The Commissioner must mail the notice of termination to the address shown on the Form 7004 or to the REMIC’s last known address. For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

(f) *Penalties*. See sections 6698 and 6651 for failure to file a REMIC income tax return or failure to pay an amount shown as tax on the return.

(g) *Effective dates.* This section is applicable for applications for an automatic extension of time to file REMIC income and excise tax returns listed in paragraph (a) of this section filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

Par. 14. Section 1.6081-10T is added to read as follows:

§1.6081-10T Automatic extension of time to file withholding tax return for U.S. source income of foreign persons (temporary).

(a) *In general.* A withholding agent or intermediary required to file a return on Form 1042, “Annual Withholding Tax Return for U.S. Source Income of Foreign Persons,” for any taxable year will be allowed an automatic 6-month extension of time to file the return after the date prescribed for filing the return if the withholding agent or intermediary files an application under this section in accordance with paragraph (b) of this section.

(b) *Requirements.* To satisfy this paragraph (b), a withholding agent or intermediary must—

(1) Submit a complete application on Form 7004, “Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns,” or in any other manner prescribed by the Commissioner;

(2) File the application on or before the date prescribed for filing the return with the Internal Revenue Service office designated in the application’s instructions; and

(3) Remit the amount of the properly estimated unpaid tax liability on or before the date prescribed for payment.

(c) *No extension of time for the payment of tax.* An automatic extension of time for filing a return granted under paragraph (a) of this section will not extend the time for payment of any tax due on such return.

(d) *Termination of automatic extension.* The Commissioner may terminate an automatic extension at any time by mailing to the withholding agent or intermediary a notice of termination at least 10 days prior to the termination date designated in such notice. The Commissioner must mail the notice of termination to the address shown on the Form 7004 or to the withholding agent or intermediary’s last known address. For further guidance regarding

the definition of last known address, see §301.6212-2 of this chapter.

(e) *Penalties.* See section 6651 for failure to file a return or failure to pay an amount shown as tax on the return.

(f) *Effective dates.* This section is applicable for applications for an automatic extension of time to file the withholding tax return for U.S. source income of foreign persons return filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

Par. 15. Section 1.6081-11T is added to read as follows:

§1.6081-11T Automatic extension of time for filing certain employee plan returns (temporary).

(a) *In general.* An administrator or sponsor of an employee benefit plan required to file a return under the provisions of chapter 61 or the regulations thereunder on Form 5500 (series), “Annual Return/Report of Employee Benefit Plan,” will be allowed an automatic 2½-month extension of time to file the return after the date prescribed for filing the return if the administrator or sponsor files an application under this section in accordance with paragraph (b) of this section.

(b) *Requirements.* To satisfy this paragraph (b), an administrator or sponsor must—

(1) Submit a complete application on Form 5558, “Application for Extension of Time To File Certain Employee Plan Returns,” or in any other manner as may be prescribed by the Commissioner; and

(2) File the application with the Internal Revenue Service office designated in the application’s instructions on or before the date prescribed for filing the information return.

(c) *Termination of automatic extension.* The Commissioner may terminate an automatic extension at any time by mailing to the administrator or sponsor a notice of termination at least 10 days prior to the termination date designated in such notice. The Commissioner must mail the notice of termination to the address shown on the Form 5558 or to the administrator or sponsor’s last known address. For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

(d) *Penalties.* See sections 6652, 6692, and the Employee Retirement Income Se-

curity Act of 1974 for penalties for failure to file a timely and complete Form 5500.

(e) *Effective dates.* This section is applicable for applications for an automatic extension of time to file Forms 5500 filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

PART 25—GIFT TAX; GIFTS MADE AFTER DECEMBER 31, 1954

Par. 16. The authority citation for part 25 is amended by adding an entry in numerical order to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

Section 25.6081-1T also issued under the authority of 26 U.S.C. 6081(a). * * *

§25.6081-1 [Removed]

Par. 17. Section 25.6081-1 is removed.

Par. 18. Section 25.6081-1T is added to read as follows:

§25.6081-1T Automatic extension of time for filing gift tax returns (temporary).

(a) *In general.* Under section 6075(b)(2), an automatic six-month extension of time granted to a donor to file the donor’s return of income under §1.6081-4T shall be deemed to also be a six-month extension of time granted to file a return on Form 709, “United States Gift (and Generation-Skipping Transfer) Tax Return.” If a donor does not obtain an extension of time to file the donor’s return of income under §1.6081-4T, the donor will be allowed an automatic 6-month extension of time to file Form 709 after the date prescribed for filing if the donor files an application under this section in accordance with paragraph (b) of this section. In the case of an individual described in §1.6081-5(a)(5) or (6), the automatic 6-month extension of time to file Form 709 will run concurrently with the extension of time to file granted pursuant to §1.6081-5.

(b) *Requirements.* To satisfy this paragraph (b), a donor must—

(1) Submit a complete application on Form 8892, “Payment of Gift/GST Tax and/or Application for Extension of Time To File Form 709,” or in any other manner prescribed by the Commissioner;

(2) File the application on or before the later of—

(i) The date prescribed for filing the return; or

(ii) The expiration of any extension of time to file granted pursuant to §1.6081-5; and

(3) File the application with the Internal Revenue Service office designated in the application's instructions.

(c) *No extension of time for the payment of tax.* An automatic extension of time for filing a return granted under paragraph (a) of this section will not extend the time for payment of any tax due on such return.

(d) *Termination of automatic extension.* The Commissioner may terminate an extension at any time by mailing to the donor a notice of termination at least 10 days prior to the termination date designated in such notice. The Commissioner must mail the notice of termination to the address shown on the Form 8892, or to the donor's last known address. For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

(e) *Penalties.* See section 6651 for failure to file a gift tax return or failure to pay the amount shown as tax on the return.

(f) *Effective dates.* This section is applicable for applications for an extension of time to file Form 709 filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

PART 26—GENERATION-SKIPPING TRANSFER TAX REGULATIONS UNDER THE TAX REFORM ACT OF 1986

Par. 19. The authority citation for part 26 is amended by adding an entry in numerical order to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

Section 26.6081-1T also issued under the authority of 26 U.S.C. 6081(a).

Par. 20. Section 26.6081-1T is added to read as follows:

§26.6081-1T Automatic extension of time for filing generation-skipping transfer tax returns (temporary).

(a) *In general.* A skip person distributee required to file a return on Form 706-GS(D), "Generation-Skipping Transfer Tax Return For Distributions," or a trustee required to file a return on Form 706-GS(T), "Generation-Skipping Transfer Tax Return For Terminations," will be allowed an automatic 6-month extension

of time to file the return after the date prescribed for filing if the skip person distributee or trustee files an application under this section in accordance with paragraph (b) of this section.

(b) *Requirements.* To satisfy this paragraph (b), a skip person distributee or trustee must—

(1) Submit a complete application on Form 7004, "Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns," or in any other manner prescribed by the Commissioner;

(2) File the application on or before the date prescribed for filing the return with the Internal Revenue Service office designated in the application's instructions; and

(3) Remit the amount of the properly estimated unpaid tax liability on or before the date prescribed for payment.

(c) *No extension of time for the payment of tax.* An automatic extension of time for filing a return granted under paragraph (a) of this section will not extend the time for payment of any tax due on such return.

(d) *Termination of automatic extension.* The Commissioner may terminate an automatic extension at any time by mailing to the skip person distributee or trustee a notice of termination at least 10 days prior to the termination date designated in such notice. The Commissioner must mail the notice of termination to the address shown on the Form 7004 or to the skip person distributee or trustee's last known address. For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

(e) *Penalties.* See section 6651 for failure to file a generation-skipping transfer tax return or failure to pay the amount shown as tax on the return.

(f) *Effective dates.* This section is effective for applications for an automatic extension of time to file a generation-skipping transfer tax return filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

PART 53—FOUNDATION AND SIMILAR EXCISE TAXES

Par. 21. The authority citation for part 53 is amended by adding an entry in numerical order to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

Section 53.6081-1T also issued under 26 U.S.C. 6081(a).

§53.6081-1 [Removed]

Par. 22. Section 53.6081-1 is removed.

Par. 23. Section 53.6081-1T is added to read as follows:

§53.6081-1T Automatic extension of time for filing the return to report taxes due under section 4951 for self-dealing with a nuclear decommissioning fund (temporary).

(a) *In general.* A disqualified person for purposes of section 4951(e)(4) who engaged in self-dealing with a Nuclear Decommissioning Fund, and must report tax due under section 4951 on Form 1120-ND, "Return for Nuclear Decommissioning Funds and Certain Related Persons," will be allowed an automatic 6-month extension of time to file the return after the date prescribed for filing the return if the disqualified person files an application under this section in accordance with paragraph (b) of this section. For guidance on requesting an extension of time to file Form 1120-ND for purposes of reporting contributions received, income earned, administrative expenses of operating the fund, and the tax on modified gross income, see §1.6081-3 of this chapter.

(b) *Requirements.* To satisfy this paragraph (b), a disqualified person must—

(1) Submit a complete application on Form 7004, "Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns," or in any other manner prescribed by the Commissioner;

(2) File the application on or before the date prescribed for filing the return with the Internal Revenue Service office designated in the application's instructions; and

(3) Remit the amount of the properly estimated unpaid tax liability on or before the date prescribed for payment.

(c) *No extension of time for the payment of tax.* An automatic extension of time for filing a return granted under paragraph (a) of this section will not extend the time for payment of any tax due on such return.

(d) *Termination of automatic extension.* The Commissioner may terminate an automatic extension at any time by mailing to the disqualified person a notice of termination at least 10 days prior to the ter-

mination date designated in such notice. The Commissioner must mail the notice of termination to the address shown on the Form 7004 or to the disqualified person's last known address. For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

(e) *Penalties.* See section 6651 for failure to file or failure to pay the amount shown as tax on the return.

(f) *Effective dates.* This section is applicable for applications for an automatic extension of time to file a return to report taxes due under section 4951 for self-dealing with a Nuclear Decommissioning Fund filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

PART 55—EXCISE TAX ON REAL ESTATE INVESTMENT TRUSTS AND REGULATED INVESTMENT COMPANIES

Par. 24. The authority citation is amended by adding an entry in numerical order to read, in part, as follows:

Authority: 26 U.S.C. 6001, 6011, 6071, 6091, and 7805 * * *

Section 55.6081-1T also issued under 26 U.S.C. 6081(a). * * *

§55.6081-1 [Removed]

Par. 25. Section 55.6081-1 is removed.

Par. 26. Section 55.6081-1T is added to read as follows:

§55.6081-1T Automatic extension of time for filing a return due under Chapter 44 (temporary).

(a) *In general.* A Real Estate Investment Trust (REIT) required to file a return on Form 8612, "Return of Excise Tax on Undistributed Income of Real Estate Investment Trusts," or a Regulated Investment Company (RIC) required to file a return on Form 8613, "Return of Excise Tax on Undistributed Income of Regulated Investment Companies," will be allowed an automatic 6-month extension of time to file the return after the date prescribed for filing the return if the REIT or RIC files an application under this section in accordance with paragraph (b) of this section.

(b) *Requirements.* To satisfy this paragraph (b), a REIT or RIC must—

(1) Submit a complete application on Form 7004, "Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns," or in any other manner prescribed by the Commissioner;

(2) File the application on or before the date prescribed for filing the return with the Internal Revenue Service office designated in the application's instructions; and

(3) Remit the amount of the properly estimated unpaid tax liability on or before the date prescribed for payment.

(c) *No extension of time for the payment of tax.* An automatic extension of time for filing a return granted under paragraph (a) of this section will not extend the time for payment of any tax due on such return.

(d) *Termination of automatic extension.* The Commissioner may terminate an automatic extension at any time by mailing to the REIT or RIC a notice of termination at least 10 days prior to the termination date designated in such notice. The Commissioner must mail the notice of termination to the address shown on the Form 7004 or to the REIT or RIC's last known address. For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

(e) *Penalties.* See section 6651 for failure to file or failure to pay the amount shown as tax on the return.

(f) *Effective dates.* This section is applicable for applications for an automatic extension of time to file a return due under chapter 44, filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

PART 156—EXCISE TAX ON GREENMAIL

Par. 27. The authority citation is amended by adding an entry in numerical order to read, in part, as follows:

Authority: 26 U.S.C. 6001, 6011, 6061, 6071, 6091, 6161, and 7805 * * *

Section 156.6081-1T also issued under 26 U.S.C. 6081(a). * * *

§156.6081-1 [Removed]

Par. 28. Section 156.6081-1 is removed.

Par. 29. Section 156.6081-1T is added to read as follows:

§156.6081-1T Automatic extension of time for filing a return due under chapter 54 (temporary).

(a) *In general.* A taxpayer required to file a return on Form 8725, "Excise Tax on Greenmail," will be allowed an automatic 6-month extension of time to file the return after the date prescribed for filing the return if the taxpayer files an application under this section in accordance with paragraph (b) of this section.

(b) *Requirements.* To satisfy this paragraph (b), a taxpayer must—

(1) Submit a complete application on Form 7004, "Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns," or in any other manner prescribed by the Commissioner;

(2) File the application on or before the date prescribed for filing the return with the Internal Revenue Service office designated in the application's instructions; and

(3) Remit the amount of the properly estimated unpaid tax liability on or before the date prescribed for payment.

(c) *No extension of time for the payment of tax.* An automatic extension of time for filing a return granted under paragraph (a) of this section will not extend the time for payment of any tax due on such return.

(d) *Termination of automatic extension.* The Commissioner may terminate an automatic extension at any time by mailing to the taxpayer a notice of termination at least 10 days prior to the termination date designated in such notice. The Commissioner must mail the notice of termination to the address shown on the Form 7004 or to the taxpayer's last known address. For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

(e) *Penalties.* See section 6651 for failure to file or failure to pay the amount shown as tax on the return.

(f) *Effective dates.* This section is applicable for applications for an automatic extension of time to file a return due under chapter 54, filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

PART 157—EXCISE TAX ON
STRUCTURED SETTLEMENT
FACTORING TRANSACTIONS

Par. 30. The authority citation is amended by adding an entry in numerical order to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

Section 157.6081-1T also issued under 26 U.S.C. 6081(a). * * *

§157.6081-1 [Removed]

Par. 31. Section 157.6081-1 is removed.

Par. 32. Section 157.6081-1T is added to read as follows:

§157.6081-1T Automatic extension of time for filing a return due under chapter 55 (temporary).

(a) *In general.* A taxpayer required to file a return on Form 8876, “Excise Tax on Structured Settlement Factoring Transactions,” will be allowed an automatic 6-month extension of time to file the return after the date prescribed for filing the return if the taxpayer files an application under this section in accordance with paragraph (b) of this section.

(b) *Requirements.* To satisfy this paragraph (b), the taxpayer must—

(1) Submit a complete application on Form 7004, “Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns,” or in any other manner prescribed by the Commissioner;

(2) File the application on or before the date prescribed for filing the return with the Internal Revenue Service office designated in the application’s instructions; and

(3) Remit the amount of the properly estimated unpaid tax liability on or before the date prescribed for payment.

(c) *No extension of time for the payment of tax.* An automatic extension of time for filing a return granted under paragraph (a) of this section will not extend the time for payment of any tax due on such return.

(d) *Termination of automatic extension.* The Commissioner may terminate an automatic extension at any time by mailing to the taxpayer a notice of termination at least 10 days prior to the termination date designated in such notice. The Commissioner must mail the notice of termination to the address shown on the Form 7004 or to the taxpayer’s last known address. For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

(e) *Penalties.* See section 6651 for failure to file or failure to pay the amount shown as tax on the return.

(f) *Effective dates.* This section is applicable for applications for an automatic extension of time to file a return due under chapter 55, filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

PART 301—PROCEDURE AND
ADMINISTRATION

Par. 33. The authority citation is amended by adding an entry in numerical order to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

Section 301.6081-2T also issued under 26 U.S.C. 6081(a). * * *

Par. 34. Section 301.6081-2T is added to read as follows:

§301.6081-2T Automatic extension of time for filing an information return with respect to certain foreign trusts (temporary).

(a) *In general.* A trust required to file a return on Form 3520-A, “Annual Information Return of Foreign Trust With a U.S. Owner,” will be allowed an automatic 6-month extension of time to file the return after the date prescribed for filing the return if the trust files an application under this section in accordance with paragraph (b) of this section.

(b) *Requirements.* To satisfy this paragraph (b), a trust must—

(1) Submit a complete application on Form 7004, “Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns,” or in any other manner prescribed by the Commissioner; and

(2) File the application on or before the date prescribed for filing the return with the Internal Revenue Service office designated in the application’s instructions.

(c) *Termination of automatic extension.* The Commissioner may terminate an automatic extension at any time by mailing to the trust a notice of termination at least 10 days prior to the termination date designated in such notice. The Commissioner must mail the notice of termination to the address shown on the Form 7004 or to the trust’s last known address. For further guidance regarding the definition of last known address, see §301.6212-2 of this chapter.

(d) *Penalties.* See section 6677 for failure to file information returns with respect to certain foreign trusts.

(e) *Effective dates.* This section is effective for applications for an automatic extension of time to file an information return with respect to certain foreign trusts listed in paragraph (a) of this section filed after December 31, 2005. The applicability of this section expires on November 4, 2008.

Mark E. Matthews,
Deputy Commissioner for
Services and Enforcement.

Approved October 26, 2005.

Eric Solomon,
Acting Deputy Assistant Secretary
(for Tax Policy).

(Filed by the Office of the Federal Register on November 4, 2005, 8:45 a.m., and published in the issue of the Federal Register for November 7, 2005, 70 F.R. 67356)

Part III. Administrative, Procedural, and Miscellaneous

Form 1120, Form 1120S, Form 990, and Form 990-PF Electronic Filing Waiver Request Procedures

Notice 2005-88

Background

This Notice provides procedures for corporations, electing small business corporations, and organizations required to file returns under section 6033 (taxpayers) to request a waiver of the requirement to electronically file Form 1120, *U.S. Corporation Income Tax Return*; Form 1120S, *U.S. Income Tax Return for an S Corporation*; Form 990, *Return of Organization Exempt From Income Tax*; and Form 990-PF, *Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation*. This notice also includes guidance on the timely filing of a return required to be electronically filed that is rejected.

On January 12, 2005, the Treasury Department and the Internal Revenue Service (Service) issued temporary regulations that, beginning in 2006, require certain large corporations, electing small business corporations and organizations required to file returns under section 6033 to electronically file their income tax or annual information returns. T.D. 9175, 2005-10 I.R.B. 665 [70 F.R. 2012].

Section 6011(e)(2) provides that the Service may not require an entity to file returns on electronic media unless the entity is required to file at least 250 returns during the calendar year. Under the temporary regulations, corporations that meet this threshold and that have assets of \$50 million or more must file their Form 1120 or Form 1120S returns electronically for taxable years ending on or after December 31, 2005. The temporary regulations also require that tax exempt organizations with assets of \$100 million or more that are required to file returns under section 6033 and that meet the 250 return threshold file their Form 990 electronically for taxable years ending on or after December 31, 2005. The \$50 million and \$100 million asset thresholds will decrease to \$10 mil-

lion for taxable years ending on or after December 31, 2006.

The temporary regulations further require private foundations or section 4947(a)(1) trusts (regardless of asset size) that are required to file returns under section 6033 and that meet the 250 return threshold, to file their Form 990-PF electronically for taxable years ending on or after December 31, 2006.

Exclusions from the e-File Requirement

Temporary regulations sections 301.6011-5T, 301.6033-4T, and 301.6037-2T and IRS publications provide for exceptions and hardship waivers from the electronic filing requirement for corporations, organizations required to file returns under section 6033, and electing small business corporations. IRS Publication 4163, *Modernized e-File (MeF) Information for Authorized IRS e-file Providers of Forms 1120/1120S*, and IRS Publication 4206, *Information for Authorized IRS e-file Providers of Exempt Organization Filings*, contain instructions for filing corporate and tax exempt organization returns electronically, and exclude certain types of returns from the electronic filing requirement. For example, for tax year 2005, the Service has excluded amended returns from the electronic filing requirement. The Service, however, will accept amended returns through the Modernized e-File (MeF) program effective January 2007. For a complete and up to date list of the exclusions or for further information on electronic filing, refer to Publication 4163, Publication 4206, and the *IRS.gov* Internet site. The Service will post answers to frequently-asked questions on this site.

Timely Filing of Rejected e-Filed Returns

If the portion of a return required to be filed electronically is transmitted on or before the due date (including extensions) and is ultimately rejected, but the electronic return originator and the taxpayer comply with the following requirements for timely submission of the return, the return will be considered timely filed and any elections attached to the return will be considered valid. For taxable years ending

on or after December 31, 2005, the Service will allow the taxpayer 20 calendar days from the date of first transmission to perfect the return for electronic resubmission.

If the electronic return cannot be accepted for processing electronically, the taxpayer must file a paper return with the Service Center where it would normally be filed. In order for the paper return to be considered timely, it must be filed by the later of the due date, or 5 calendar days after the date the Service last gives notification to the taxpayer that the return has been rejected, as long as the first transmission was made on or before the due date of the return (including extensions). The paper return should include an explanation of why the return is being filed after the due date and include a copy of the Service's final rejection notification. A paper return filed in accordance with this paragraph will be considered timely filed and any elections attached to the return will be considered valid. A waiver request does not have to be filed by the taxpayer under the perfection procedures described in this paragraph.

Requests for Waiver of Electronic Filing Requirement

When certain taxpayers required to file over 250 returns fail to file electronically as required, those taxpayers may be liable for failure to file penalties under I.R.C. §§ 6651 or 6652, unless the taxpayer can establish that the failure to file the return electronically was due to reasonable cause and not due to willful neglect. The temporary regulations permit the Service to waive the electronic filing requirement if the taxpayer demonstrates that undue hardship would result if it were required to file its return electronically. The regulations require that taxpayers seeking a waiver should request that waiver in the manner prescribed in applicable revenue procedures or publications.

The Service will approve or deny requests for a waiver of the electronic filing requirement based on each taxpayer's particular facts and circumstances. In determining whether to approve or deny a waiver request, the Service will consider the taxpayer's ability to timely file its return electronically without incurring an

undue economic hardship. The Service will generally grant waivers for filing returns electronically where the taxpayer can demonstrate the undue hardship that would result by complying with the electronic filing requirement, including any incremental costs to the filer. Mindful of the software and technological issues in filing electronically, the Service will also generally grant waivers for filing returns electronically where technology issues prevent the taxpayer from filing its return electronically. Guidance on situations in which deviations or exclusions from the electronic filing requirement can be made without a waiver request (*e.g.*, amended returns) is available in IRS Publication 4163, IRS Publication 4206, and on the *IRS.gov* Internet site.

Elements of a Waiver Request

To request a waiver, the taxpayer must file a written request containing the following information:

(1) A notation at the top of the request stating, in large letters, "Form 1120 e-File Waiver Request," "Form 1120S e-File Waiver Request," "Form 990 e-File Waiver Request," or "Form 990-PF e-File Waiver Request."

(2) The taxpayer's name, federal tax identification number, and mailing address.

(3) The type of form for which the waiver is requested.

(4) The taxable year for which the waiver is requested.

(5) The value of the taxpayer's total assets at the end of the taxable year as reported (or to be reported) on the entity's Form 1120, 1120S, 990, or 990-PF.

(6) A detailed statement which lists:

a) the steps the taxpayer has taken in an attempt to meet its requirement to timely file its return electronically,

b) why the steps were unsuccessful,

c) the undue hardship that would result by complying with the electronic filing requirement, including any incremental costs to the taxpayer of complying with the electronic filing requirements. Incremental costs are those costs that are above and beyond the costs to file on paper. The incremental costs must be supported by a detailed computation. The detailed computation must include a schedule detailing the costs to file on paper and the costs to file electronically.

(7) A statement as to what steps the taxpayer will take to assure its ability to file future returns electronically.

(8) A statement (signed by an officer authorized to sign the return, as defined in section 6062 of the Code) with the following language:

Under penalties of perjury, I declare that the information contained in this waiver request is true, correct and complete to the best of my knowledge and belief.

Requests from the taxpayer's tax advisor/preparer must include a valid power of attorney.

The waiver request should not be attached to the taxpayer's paper tax return. Extension requests or payments should not be submitted with the waiver request.

Time for Filing a Waiver Request

Taxpayers are encouraged to file electronic filing waiver requests for failure to file a return electronically at least 45 days prior to the due date of the return, including extensions. This will give the Service time to process the waiver request.

Place for Filing a Waiver Request

Until the Service issues further guidance, taxpayers should file a waiver re-

quest with the Ogden Submission Processing Center.

Use the following address if using the U.S. Postal Service:

Internal Revenue Service
Ogden Submission Processing Center
Attn: Forms 1120 and 990 e-file Waiver Request, Stop 1057
Ogden, UT 84201

Use the following address if using an overnight delivery service:

Internal Revenue Service
Ogden Submission Processing Center
Attn: Forms 1120 and 990 e-file Waiver Request, Stop 1057
1973 N. Rulon White Blvd.
Ogden, UT 84404

Taxpayers may also fax the waiver request to the following number: (801) 620-7622.

Corporate taxpayers may email questions about e-file to: *largecorporate@irs.gov*. Software developers and vendors may email questions about corporate e-file to: *1120@irs.gov*.

Further information is available on the E-file for Charities and Nonprofits webpage at the *IRS.gov* Internet site.

The principal author of this announcement is Michael Hara of the Office of Associate Chief Counsel (Procedure & Administration). For questions concerning a request for waiver, you may contact the Ogden Service Center by calling 1-866-255-0654 and then selecting option 1, then 2, and then 5.

Part IV. Items of General Interest

Notice of Proposed Rulemaking and Notice of Proposed Rulemaking by Cross-Reference to Temporary Regulations

Extension of Time for Filing Returns

REG-144898-04

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking and notice of proposed rulemaking by cross-reference to temporary regulations.

SUMMARY: In this issue of the Bulletin, the IRS is issuing final and temporary regulations (T.D. 9229) relating to the simplification of procedures for automatic extensions of time to file certain returns. The text of those regulations also serves as the text of these proposed regulations.

DATES: Written or electronically generated comments and requests for a public hearing must be received by February 6, 2006.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-144898-04), room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 am and 4 pm to: CC:PA:LPD:PR (REG-144898-04), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC. Alternatively, taxpayers may submit comments electronically via the IRS Internet site at www.irs.gov/reg or via the Federal eRulemaking Portal at www.regulations.gov (IRS and REG-144898-04).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Allen D. Madison, (202) 622-4940; concerning submissions of comments and requests for a public hearing, LaNita Van Dyke (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background and Explanation of Provisions

Temporary regulations in this issue of the Bulletin amend 26 CFR parts 1, 25, 26, 53, 55, 156, 157, and 301 relating to section 6081. The temporary regulations allow taxpayers required to file an individual income tax return an automatic six-month extension if taxpayers submit an application on Form 4868, "*Application for Automatic Extension of Time To File a U.S. Individual Income Tax Return.*" The temporary regulations also allow taxpayers who previously submitted three-month extension requests on Form 8736, "*Application for Automatic Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts,*" and requests for additional three-month extensions on Form 8800, "*Application for Additional Extension of Time to File U.S. Return for a Partnership, REMIC, or for Certain Trusts,*" an automatic six-month extension of time to file if an application is submitted on Form 7004, "*Application for Automatic 6-Month Extension of Time To File Certain Business Income Tax, Information, and Other Returns.*"

The six-month automatic extension of time to file set forth in these temporary regulations applies to returns of pass-through entities, e.g., Form 1065 for partnerships. The Treasury Department and the IRS recognize that because the six-month automatic extension is available for returns of pass-through entities, some taxpayers may not receive information returns from the pass-through entities that they need in order to complete their own income tax returns before those returns are due. For example, an individual income taxpayer with a six-month extension of time to October 15 to file the Form 1040 may not receive a Schedule K-1 from a partnership in which the taxpayer holds an interest until after the partnership files its Form 1065 on its extended due date of October 15. Similarly, a C-corporation with a six-month extension to September 15 to file its Form 1120 may not receive a Schedule K-1 from a calendar year partnership in which it holds an interest until as much as 30 days after its re-

turn is due if the partnership files its Form 1065 and sends out the Schedule K-1s on its extended due date of October 15th. This filing anomaly existed under prior regulations when the pass-through entity received an extension of time to file to a date on or after the extended due date for the pass-through interest holder, but the automatic six-month extension in this regulation may cause this to happen with more frequency.

Because of this filing anomaly, the availability of a six-month extension of time to file for pass-through entities may result in taxpayers filing an increased number of amended income tax returns. Therefore, it may be appropriate for pass-through entities to have a shorter extension period than their partners or shareholders. The Treasury Department and the IRS request comments on whether a shorter extension of time to file for pass-through entities might reduce overall taxpayer burden. Please follow the instructions in the "Comments and Requests for a Public Hearing" portion of this preamble. In order to minimize the burden that might be imposed as a result of this filing anomaly, the Treasury Department and the IRS encourage pass-through entities that request an extension of time to file to minimize the impact that such extension might have on their partners' or members' ability to timely file (with an extension) their own tax returns.

The temporary regulations also provide that taxpayers that requested additional time to file certain excise, income, information, and other returns by submitting Form 2758, "*Application for Extension of Time To File Certain Excise, Income, Information, and Other Returns,*" may now request an automatic six-month extension of time to file by filing Form 7004.

The temporary regulations also allow administrators and sponsors of employee benefit plans subject to Employee Retirement Income Security Act of 1974 (ERISA) to report information concerning the plans and direct entities requesting an extension to use Form 5558, "*Application for Extension of Time To File Certain Employee Plan Returns,*" for an automatic two and one-half-month extension of time to file.

The temporary regulations also allow donors who do not request an extension of time to file an income tax return to request an automatic six-month extension of time to file Form 709, “*United States Gift (and Generation-Skipping Transfer) Tax Return*” by filing Form 8892, “*Payment of Gift/GST Tax and/or Application for Extension of Time To File Form 709.*”

The text of those regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and, because these regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and 8 copies) and electronic comments that are submitted timely to the IRS. The IRS and Treasury specifically request comments on the clarity of the proposed regulations and how they can be made easier to understand. All comments will be available for public inspection and copying. A public hearing may be scheduled if requested in writing by any person that timely submits comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

Drafting Information

The principal author of these regulations is Tracey B. Leibowitz, of the Office

of the Associate Chief Counsel (Procedure and Administration), Administrative Provisions and Judicial Practice Division.

* * * * *

Proposed Amendments to the Regulations

Accordingly, 26 CFR parts 1, 25, 26, 53, 55, 156, 157, and 301 are proposed to be amended to read as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.6081-1 is amended by revising paragraphs (b)(1) and (b)(5) to read as follows:

§1.6081-1 Extension of time for filing returns.

* * * * *

(b) * * *

(1) *In general.* A taxpayer desiring an extension of the time for filing a return, statement, or other document shall submit an application for extension on or before the due date of such return, statement, or other document. Except as provided in paragraph (b)(3) of this section and paragraph (b) of §301.6091-1 of this chapter (relating to hand-carried documents), the taxpayer should make the application for extension to the internal revenue officer with whom such return, statement, or other document is required to be filed. The application must be in writing, signed by the taxpayer or his duly authorized agent, and must clearly set forth—

(i) The particular tax return, information return, statement, or other document, including the taxable year or period thereof, for which the taxpayer requests an extension, and

(ii) An explanation of the reasons for requesting the extension to aid the internal revenue officer in determining whether to grant the request.

* * * * *

(5) *Form of application.* Taxpayers may apply for an extension of the time for filing a return, statement, or other document in a letter that includes the information required by paragraph (b)(3) of this section. In the case of an individual income

tax return on Form 1040 series, however, taxpayers should apply for an extension of the time for filing in accordance with §1.6081-4 of this chapter.

* * * * *

Par. 3. Section 1.6081-2 is added to read as follows:

§1.6081-2 Automatic extension of time to file certain returns filed by partnerships.

[The text of proposed §1.6081-2 is the same as the text of §1.6081-2T published elsewhere in this issue of the Bulletin].

Par. 4. In §1.6081-3, paragraph (a)(1) is revised to read as follows:

§1.6081-3 Automatic extension of time for filing corporation income tax returns.

(a) * * *

(1) [The text of proposed §1.6081-3(a)(1) is the same as the text of §1.6081-3T(a)(1) published elsewhere in this issue of the Bulletin].

* * * * *

Par. 5. Section 1.6081-4 is added to read as follows:

§1.6081-4 Automatic extension of time for filing individual income tax return.

[The text of proposed §1.6081-4 is the same as the text of §1.6081-4T published elsewhere in this issue of the Bulletin].

Par. 6. Section 1.6081-5 is amended by revising paragraph (b) to read as follows:

§1.6081-5 Extensions of time in the case of certain partnerships, corporations, and U.S. citizens and residents.

* * * * *

(b) [The text of proposed §1.6081-5(b) is the same as the text of §1.6081-5T(b) published elsewhere in this issue of the Bulletin].

* * * * *

Par. 7. Section 1.6081-6 is added to read as follows:

§1.6081-6 Automatic extension of time to file estate or trust income tax return.

[The text of proposed §1.6081-6 is the same as the text of §1.6081-6T published elsewhere in this issue of the Bulletin].

Par. 8. Section 1.6081-7 is added to read as follows:

§1.6081-7 Automatic extension of time to file Real Estate Mortgage Investment Conduit (REMIC) income tax return.

[The text of proposed §1.6081-7 is the same as the text of §1.6081-7T published elsewhere in this issue of the Bulletin].

Par. 9. Section 1.6081-10 is added to read as follows:

§1.6081-10 Automatic extension of time to file withholding tax return for U.S. source income of foreign persons.

[The text of proposed §1.6081-10 is the same as the text of §1.6081-10T published elsewhere in this issue of the Bulletin].

Par. 10. Section 1.6081-11 is added to read as follows:

§1.6081-11 Automatic extension of time for filing certain employee plan returns.

[The text of proposed §1.6081-11 is the same as the text of §1.6081-11T published elsewhere in this issue of the Bulletin].

PART 25—GIFT TAX; GIFTS MADE AFTER DECEMBER 31, 1954

Par. 11. The authority citation for part 25 continues to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 12. Section 25.6081-1 is added to read as follows:

§25.6081-1 Automatic extension of time for filing gift tax returns.

[The text of proposed §25.6081-1 is the same as the text of §25.6081-1T published elsewhere in this issue of the Bulletin].

PART 26—GENERATION-SKIPPING TRANSFER TAX REGULATIONS UNDER THE TAX REFORM ACT OF 1986

Par. 13. The authority citation for part 26 continues to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 14. Section 26.6081-1 is added to read as follows:

§26.6081-1 Automatic extension of time for filing generation-skipping transfer tax returns.

[The text of proposed §26.6081-1 is the same as the text of §26.6081-1T published elsewhere in this issue of the Bulletin].

PART 53—FOUNDATION AND SIMILAR EXCISE TAXES

Par. 15. The authority citation for part 53 continues to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 16. Section 53.6081-1 is added to read as follows:

§53.6081-1 Automatic extension of time for filing the return to report taxes due under section 4951 for self-dealing with a nuclear decommissioning fund.

[The text of proposed §53.6081-1 is the same as the text of §53.6081-1T published elsewhere in this issue of the Bulletin].

PART 55—EXCISE TAX ON REAL ESTATE INVESTMENT TRUSTS AND REGULATED INVESTMENT COMPANIES

Par. 17. The authority citation for part 55 continues to read, in part, as follows:

Authority: 26 U.S.C. 6001, 6011, 6071, 6091, and 7805 * * *

Par. 18. Section 55.6081-1 is added to read as follows:

§55.6081-1 Automatic extension of time for filing a return due under Chapter 44.

[The text of proposed §55.6081-1 is the same as the text of §55.6081-1T published elsewhere in this issue of the Bulletin].

PART 156—EXCISE TAX ON GREENMAIL

Par. 19. The authority citation for part 156 continues to read, in part, as follows:

Authority: 26 U.S.C. 6001, 6011, 6061, 6071, 6091, 6161, and 7805 * * *

Par. 20. Section 156.6081-1 is added to read as follows:

§156.6081-1 Automatic extension of time for filing a return due under Chapter 54.

[The text of proposed §156.6081-1 is the same as the text of §156.6081-1T published elsewhere in this issue of the Bulletin].

PART 157—EXCISE TAX ON STRUCTURED SETTLEMENT FACTORING TRANSACTIONS

Par. 21. The authority citation for part 157 continues to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 22. Section 157.6081-1 is added to read as follows:

§157.6081-1 Automatic extension of time for filing a return due under Chapter 55.

[The text of proposed §157.6081-1 is the same as the text of §157.6081-1T published elsewhere in this issue of the Bulletin].

PART 301—PROCEDURE AND ADMINISTRATION

Par. 23. The authority citation for part 301 continues to read, in part, as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 24. Section 301.6081-2 is added to read as follows:

§301.6081-2 Automatic extension of time for filing an information return with respect to certain foreign trusts.

[The text of proposed §301.6081-2 is the same as the text of §301.6081-2T published elsewhere in this issue of the Bulletin].

Mark E. Matthews,
Deputy Commissioner for
Services and Enforcement.

(Filed by the Office of the Federal Register on November 4, 2005, 8:45 a.m., and published in the issue of the Federal Register for November 7, 2005, 70 F.R. 67397)

**Charitable Giving Incentives
Announcement 2005-84**

This announcement is to advise partnerships and S corporations with fiscal tax years beginning in 2004 and ending after August 27, 2005, of two act sections in the Katrina Emergency Tax Relief Act of 2005 that may benefit their partners and shareholders. This announcement is intended to supplement the 2004 instructions for Forms 1065 and 1120-S.

Temporary Suspension of Limitations on Certain Cash Contributions (Act Section 301)

Partnerships

Qualified contributions. Cash contributions made by a partnership during the period beginning on August 28, 2005, and

ending on December 31, 2005, to charitable organizations described in Internal Revenue Code (IRC) section 170(b)(1)(A) (except for organizations described in IRC section 509(a)(3)) qualify for suspension of the following limitations.

Individual partners. For individual partners that elect this provision, their distributive shares of these qualified contributions are not limited by either:

- The 50% adjusted gross income limitation, or
- The limitation on overall itemized deductions.

An individual partner's deduction for qualified cash contributions is allowed to the extent the individual's adjusted gross income (computed without regard to any net operating loss carryback) exceeds the deduction for other charitable contributions. See publication 526, *Charitable Contributions*, for information on adjusted gross income limitations on deductions for charitable contributions.

Corporate partners. For corporate partners that elect this provision, their distributive shares of these qualified contributions are not subject to the 10% taxable income limitation. A corporate partner's deduction for qualified cash contributions is allowed to the extent the corporation's taxable income (as computed in IRC section 170(b)(2)) exceeds the deduction for other charitable contributions. Qualified contributions passed through to corporate partners are limited to contributions for relief efforts related to Hurricane Katrina.

S Corporations

Rules similar to those for partnerships discussed above also apply to S corporations and their shareholders.

Reporting on Schedule K-1 for partnerships and S corporations. If a partnership or S corporation has made any cash contributions that qualify for these provisions, it must attach a statement to the Schedule K-1 (for the 2004-2005 fiscal tax year) separately reporting the partner's or shareholder's share of the qualified contributions. Indicate on the attached statement that the individual partner should report these contributions on line 15b of Schedule A (Form 1040) if the partner makes this election. For partnerships, identify this attached statement in

box 13 of Schedule K-1 (Form 1065) using code T (other deductions). For S corporations, identify this attached statement in box 12 of Schedule K-1 (Form 1120-S) using code P (other deductions).

Charitable Contributions of Food Inventory (Act section 305)

The Katrina Emergency Tax Relief Act of 2005 temporarily extended the enhanced deduction for certain charitable contributions of food inventory under IRC section 170(e)(3) to contributions by partnerships and S corporations. The deduction is limited to donations of food inventory to certain charitable organizations for the care of the ill, needy, and infants during the period beginning on August 28, 2005, and ending on December 31, 2005. The food must meet all the quality and labeling standards imposed by federal, state, and local laws and regulations.

Amount of Contribution. The amount of the charitable contribution for donated food inventory is the **lesser** of (a) the basis of the donated food plus one-half of the appreciation (gain if the donated food were sold at fair market value on the date of the gift) or (b) twice the amount of basis of the donated food.

10% net income limitation. The deduction for contributions of food inventory may not exceed 10% of the partner's or shareholder's aggregate net income for the tax year from all businesses from which food inventory contributions were made, including the partner's or shareholder's share of net income from the partnerships or S corporations that made the food inventory contributions.

Reporting on Schedule K-1 for partnerships and S corporations. If a partnership or S corporation has any qualified food inventory contributions, it must attach to Schedule K-1 (for the 2004-2005 fiscal tax year) a statement providing the following information.

- The partner's and shareholder's share of the amount of the charitable contribution (see *Amount of contribution* above) for qualified food inventory that was donated to charitable organizations during the period beginning on August 28, 2005, and ending on December 31, 2005.

- The partner's and shareholder's share of the total net income for the tax year from the partnership's or S corporation's business activities from which the contributions of food inventory were made.

For partnerships, identify this attached statement in box 13 of Schedule K-1 (Form 1065) using code T (other deductions). For S corporations, identify this attached statement in box 12 of Schedule K-1 (Form 1120-S) using code P (other deductions).

Foundations Status of Certain Organizations

Announcement 2005-85

The following organizations have failed to establish or have been unable to maintain their status as public charities or as operating foundations. Accordingly, grantors and contributors may not, after this date, rely on previous rulings or designations in the Cumulative List of Organizations (Publication 78), or on the presumption arising from the filing of notices under section 508(b) of the Code. This listing does *not* indicate that the organizations have lost their status as organizations described in section 501(c)(3), eligible to receive deductible contributions.

Former Public Charities. The following organizations (which have been treated as organizations that are not private foundations described in section 509(a) of the Code) are now classified as private foundations:

1st Legion Provisional Army of Confederate States, Suffolk, VA
34th Ward Ministers Alliance, Chicago, IL
About Reaching Kids, Inc., Wyncote, PA
Abundant Joy Community Development Corp., Guttenberg, NJ
Abundant Life Ministries International of Harrisburg PA, Harrisburg, PA
Ace Learning, Inc., New York, NY
Adaptive Economics Association, Summit, NJ
Adolescent Community Empowerment Programs, Inc., Bellmawr, NJ
Advanced Skills Learning Center, York, PA
Agastya India Foundation, Randolph, NJ

Albania Cultural Foundation USA, Inc.,
Patterson, NY

Albanian American Humanitarian Society,
Philadelphia, PA

Alternative Decisions Incorporation,
Elkins Park, PA

American Childrens Cancer Association,
Inc., Bridgewater, NJ

American Financial Counseling Services,
Inc., Wayne, PA

American Friends of Ecole Haredi De
Paris, Inc., New York, NY

American Herpes Foundation, Inc.,
Hackensack, NJ

Aurora Project, Inc., Binghamton, NY

Balhakam Economic Development
Foundation, Inc., Linden, NJ

Beechwood Group, Inc., Sodus, NY

Beginning Anew, Hillsboro, OR

Bensalem Baseball of Lower Bucks,
Bensalem, PA

Berks Bards, Inc., Douglasville, PA

Biagios Ristorante Charities, Inc.,
Paramus, NJ

Big S T E P, Marlton, NJ

Billy Lake ALS Memorial Foundation,
Havertown, PA

Blue Mountain House of Hope
Foundation, Kempton, PA

Bo-A-Ner-Ges Church of Jesus Christ,
Albany, NY

Bramley Mountain Fire Tower Club,
Delhi, NY

Breast Cancer Thrivers, Riegelsville, PA

Bucco Bricks, Pittsburgh, PA

Buffalo Guitar Society, Inc.,
Williamsville, NY

Business Network of Emergency
Resources, Inc., Albany, NY

Bustleton Bowler Town Watch, Inc.,
Philadelphia, PA

Cadeau De Cleonie, Inc., Quakertown, PA

Camden County Economic Development
Agency, Inc., Camden, NJ

Canajoharie 2000, Inc., Canajoharie, NY

Cape May County Bar Foundation, Inc.,
Cape May Court House, NJ

Capital County Community Development
Corporation, Pennington, NJ

Care for Kids Foundation, Inc.,
Manalapan, NJ

Caring Christian Fund, Jackson, MS

Cementon Athletic & Playground
Association, Inc., Whitehall, PA

Center of Academic Preparation to Higher
Education, Houston, TX

Central New York Impalas Athletic and
Academic Club, Syracuse, NY

Charles Reed Memorial Trust,
Harleysville, PA

Charter Schools Network of Upstate New
York, Inc., Skaneateles, NY

Charutar Health & Education
Organization, Inc., Raritan, NJ

Chenango Housing and Enterprise
Development Corporation,
Norwich, NY

Chesters Nehemiah Project, Chester, PA

Childrens Activities Fund,
Maple Shade, NJ

Childrens Festival and Parade,
Lancaster, PA

Chovel, Inc., Lawrenceville, NJ

Christian Community Development
Corporation, Benicia, CA

Cisneros Foundation, Inc.,
Coral Gables, FL

Coalition for Children of Monmouth
County, Inc., Arlington, VA

Collectibles for Kids, Inc., Fort Lee, NJ

Community Center of Armstrong County,
Kitanning, PA

Community Fitness Center, Pittsburgh, PA

Community Health Connection,
Kittery, ME

Community Service Group Foundation,
Charleston, SC

Community Technology Alliance,
Philadelphia, PA

Concerned Pastors of Trenton and
Vicinity Economic Development Corp.,
Trenton, NJ

Conestoge Baseball Booster Club,
Wayne, PA

Crazy for Cockers Rescue, Inc.,
Hightstown, NJ

Crestbury Residents Coalition, Inc.,
Camden, NJ

Crisis Pregnancy Center of Canadaigua,
Inc., E. Rochester, NY

D A P Foundation, Old Bridge, NJ

Daiscan, Inc., Union, NJ

Damian Anyanwu Research Center, Inc.,
South Orange, NJ

Dan Kelly Association, Harrison, NJ

Daughters of Sarah, West Palm Beach, FL

Deaf and Hard-of-Hearing Youth
Program, Inc., West Chester, PA

Decision Makers, Inc., Waterloo, NY

Developmental Journey, Inc.,
McKeesport, PA

Doolittles Landing a New Jersey Non
Profit Corporation, Boonton, NJ

Dorothy and John Norris Foundation,
Red Lion, PA

Downingtown Area School District,
Downingtown, PA

Drpaula.org Foundation, Inc.,
Washington, NJ

E & A Freedom Center, Philadelphia, PA

Elite Racing, Inc., Blue Bell, PA

Essence of Self Center, Simpsonville, SC

Everest Foundation for Family
Enrichment, Inc., Auburn, NY

Execution of Hope Ministries, Inc.,
West Chester, PA

Exeter Cheerleading Parents Club,
Birdsboro, PA

Expeditionary Learning Outward Bound,
Inc., Garrison, NY

Faith Based Solutions, Inc., Camden, NJ

Family Support Network of Cumberland
County, Fayetteville, NC

Fayetteville Playhouse, Inc.,
Fayetteville, NY

Federacion Centro-Americana Pro
Desarollo, Inc., Guttenberg, NJ

Ferret Hollow Shelter & Rescue, Inc.,
Red Bank, NJ

Firearms Owners Against Crime
Education Fund, Pittsburgh, PA

Five Star Youth of America, Inc.,
Arcadia, FL

FOLA America, Inc., Philadelphia, PA

Foundation for Dental Health of Lancaster
County, Lancaster, PA

Fowler Video Foundation, Rockport, ME

Friends of Archa Theatre Prague, Inc.,
Delmar, NY

Friends of Aspire, Buffalo, NY

Friends of Deal Lake, Inc., Ocean, NJ

Friends of Fairmount Park Animals,
Philadelphia, PA

Friends of Gary Bryant, Inc., Hilton, NY

Friends of Irvington Park Corp.,
Irvington, NJ

Friends of Michael Davis, Inc.,
Newark, NJ

Friends of Mount Olive Public Library,
Budd Lake, NJ

Friends of Raccoon Creek State Park,
Hookstown, PA

Friends of the 169, Alamosa, CO

Friends of the Institute for the History of
the Jews in Austria, Inc., New York, NY

Friends of the New Jersey Historic Trust,
Glen Ridge, NJ

Friends of the Seafaring Community,
Rockland, ME

Friends of the Woodchuck Road Spring,
Inc., Wales Center, NY

Fur Angels Placement, Inc.,
New York, NY

Furniture Storehouse, Inc., Montclair, NJ
 Gabriella Maria Beyer Foundation,
 Franklin Park, NJ
 Gadsen County Community Resource
 Center, Gretna, FL
 Gallery 210, Inc., Syracuse, NY
 Garden State Choral Chapter of the
 National Convention of Gospel,
 Teaneck, NJ
 Gary Toppi Foundation, Inc.,
 Bellmawr, NJ
 Gay and Lesbian Neighborhood
 Development Association,
 Murrysville, PA
 Global Oral History Project, Inc.,
 Stoney Point, NY
 Gloversville Junior Dragons Youth
 Basketball, Gloversville, NY
 Gomez Dance Theater, New York, NY
 Goree 2000 and Beyond, Westfield, NJ
 Greater Valley Public School Childrens
 Education Foundation, Inc., Sayre, PA
 Greene for Pets, Inc., Philadelphia, PA
 Guidance Assisted Living Home,
 Philadelphia, PA
 Guiraud-McDonald Cultural Exchange,
 Inc., Bronx, NY
 H H B L Wrestling, Inc.,
 Haddon Heights, NJ
 Hannahs Outreach, Yucaipa, CA
 Harmony Education & Life Partners, Inc.,
 Irvington, NJ
 Heights Baseball Booster Club, Inc.,
 Haddon Heights, NJ
 Higher Dimension Community
 Development Corporation,
 Plainfield, NJ
 Hispanic Business Council, Inc.,
 Allentown, PA
 Hollywood East Foundation,
 West New York, NJ
 Holy Trinity School, Inc., East Orange, NJ
 Homeless Outreach Program, Enola, PA
 Honey Hunter Foundation, Inc.,
 Runnemede, NJ
 H O P E Human Resource Development,
 Inc., Hollywood, FL
 Household of Faith Ministries, Inc.,
 Syracuse, NY
 How to Fish, Inc., Columbia, SC
 Hui O Na Makuahine Hookahi O Kauai,
 Kapaa, HI
 Hunting Park Development, Inc.,
 Philadelphia, PA
 IBC Educational Research Corporation,
 Lincroft, NJ
 Improv Jam Comedy Lab, Inc., Belmar, NJ
 Indiana All Star Gators Boosters,
 Clarksburg, PA
 Ingathering Circle, Inc., Princeton, NJ
 Inspire Us Productions, Inc., Bayonne, NJ
 Institute for the Advancement of Healing,
 Blue Bell, PA
 Intercourse Fire Co., Intercourse, PA
 Intermusica Corporation, Wayne, PA
 International Intercollegiate Equestrian
 Association, Inc., New York, NY
 International Legal Assistance Network,
 Inc., New York, NY
 International Reading Rooms for the
 Blind, Inc., Baltimore, MD
 Israel 2000 Our Faces to the Future,
 Flushing, NY
 Italian Heritage Museum & Cultural
 Center of Western New York,
 Niagara Falls, NY
 J & R Talent, Alta Loma, CA
 Jacobstown Volunteer Fire Co. Auxiliary,
 Inc., Wrightstown, NJ
 Jake Haverstick Memorial Fund,
 Marlton, NJ
 Jake Rogers Memorial Foundation, Inc.,
 Hadonfield, NJ
 Jedi Program, Inc., New York, NY
 Jennifer Lynne Kennedy Memorial
 Foundation, Inc., E. Greenbush, NY
 Jeremiah House, Inc., Depew, NY
 Jersey City Heat Youth Foundation, Inc.,
 Jersey City, NJ
 Jersey Off Road Bicycle Association,
 Inc., Nutley, NJ
 Jessies Helping Hands, Inc., Sewell, NJ
 John Jack Phillips Family Foundation,
 Ltd., Pennsauken, NJ
 Just-A-Sister-Away, Inc., Paterson, NJ
 K M C Artistic Parents Organization,
 Kennett Square, PA
 Karen Brown Scleroderma Foundation,
 Encino, CA
 Kennett Lacrosse Club, Avondale, PA
 Kids Voting New Jersey, Inc., Nutley, NJ
 Kids With Wings, Inc., Ewing, NJ
 Kidspace National Centers for Kids in
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 Kings Ice Hockey Club, Exton, PA
 Kings Temple Community Development
 Corporation, Plainfield, NJ
 Kinnelon Baseball-Softball Boosters
 Organization, Kinnelon, NJ
 Kiseru Global Organization, Inc.,
 Ewing, NJ
 Kite, Inc., Boston, MA
 Knox Mansion Historical Foundation,
 Inc., Johnstown, NY
 Koam Mission Corp., Neptune, NJ
 Korean American Community Services
 Center of Southern New Jersey,
 Cherryhill, NJ
 KSA Events, Inc., Kissimmee, FL
 Lady Tigers Athletic Association,
 Levittown, PA
 Lancaster County Fire Alert Coalition
 Team, Inc., Lancaster, PA
 Lazarus Foundation, Columbia, PA
 Lif-Net International, Hurst, TX
 Localkind Org, Ridgefield, CT
 Loretos Filipino American Senior Adult
 Center, Philadelphia, PA
 Lori Devoe Foundation, Inc.,
 Saratoga Springs, NY
 Magellan University Foundation,
 Mesa, AZ
 Mahwah Company Number 1 Fire and
 Rescue Auxiliary, Inc., Mahwah, NJ
 Meadowridge Ponds and Wet
 Lands Preservation Association,
 Long Grove, IL
 Means-Morrison Memorial Scholarship
 Fund, Inc., Mascoutah, IL
 Medford Memorial Lacrosse Booster
 Club, Medford, NJ
 Metcalfe Aid International, Inc.,
 North Bergen, NJ
 Metro Wildlife Management Base, Inc.,
 Fenton, MI
 Michael A. Padula Memorial Scholarship
 Foundation, Ithaca, NY
 Micor Consultants, Inc., Neptune, NJ
 Miles 2 Go 4 Kids, Inc., Princeton, NJ
 Millenium Project, Inc., Newark, NJ
 MK89 Charitable Foundation,
 Parsippany, NJ
 Monumental Baptist Church,
 Pittsburgh, PA
 Moorestown Lacross Club, Inc.,
 Moorestown, NJ
 Morningstar Integration, Inc.,
 Lakeview, NY
 Mosdos Opele, Inc., Brooklyn, NY
 Mosley High School Touchdown Club,
 Inc., Lynn Haven, FL
 Mothers Live Child Care Center,
 West Memphis, AR
 Mt. Gretna Tabernacle Association,
 Mount Gretna, PA
 My Very Own Book, Lancaster, PA
 N A C Foundation, Inc., Toledo, OH
 Nancy Topf Institute, Inc., New York, NY
 Nat and Mat Independent Publishing Non
 Profit Corp., East Orange, NJ
 National Foundation to Assist Victims of
 Aviation Disasters, Inc., Albany, NY

National Wheelchair Poolplayers Association, Incorporated, Livonia, MI
 Natural Woman Natural Man, Inc., Ojai, CA
 NC Orange Senior Housing Corp., Newark, NJ
 Neighbors for Christ, Lancaster, PA
 Network of Neighbors, State College, PA
 New Birth Ministries, Inc., Linden, NJ
 New Generation Cheer Elite All-Stars, Inc., Syracuse, NY
 New Jersey Devils Alumni Association, Inc., E. Rutherford, NJ
 New Jersey Post Same Scholarship Fund, Inc., Middletown, NJ
 New Jersey Veterans Museum and Educational Center, Inc., Bound Brook, NJ
 New Life Community Development Organization, New Orleans, LA
 New Nation House of Prayer, Inc., Absecon, NJ
 New York Alliance for Abstinence Education, Clinton, NY
 New York International Hockey Cup, Inc., Troy, NY
 New York Sustainable Agriculture Working Group, Inc., Rochester, NY
 New York Waterways Wind Orchestra, Inc., Troy, NY
 Newton Colony Arts Bank, Inc., Collingswood, NJ
 Nirmal, Inc., Philadelphia, PA
 Noble Heart Services, Inc., Gardena, CA
 Northeast Cardinals, Inc., Parsippany, NJ
 Northeast Pennsylvania Herpetological Society, Larksville, PA
 Nouveau Business Men and Women, Charlotte, NC
 NY Farms Campaign, Inc., Troy, NY
 NYS Animal Surgery Assistance Program, Pittsford, NY
 Ocean Community Development Corporation, Atlantic City, NJ
 Oficiana Intergruppal Hispana De Alcoholicos Anonimos De El Norte, Newark, NJ
 Omead Foundation, Inc., Kingston, NY
 Online Noetic Network, Inc., Doylestown, PA
 Onondaga County Triad Seniors & Law Enforcement Together Council, Inc., Solvay, NY
 Ordaid, Inc., Jersey City, NJ
 Overcoming Through the Crisis, Inc., Perry, OK
 PA Starz Fast Pitch Association, Wrightsville, PA
 Paradise Community Development Corporation, Philadelphia, PA
 Parkford Apartments Tenant Association, Library, PA
 People Helping People, Inc., Rahway, NJ
 Personal Pathways, Inc., Rochester, NY
 Philadelphia Archeological Forum, Philadelphia, PA
 Phyllis Forss Community Outreach, Glenside, PA
 Platt-Vitulli Scholarship Fund, Beach Haven, NJ
 Port Norris Youth and Childrens Center, Inc., Port Norris, NJ
 Pratham USA, Inc., Jersey City, NJ
 Preservation Training and Education Institute, Inc., S. Kingston, RI
 Princeton Sculpture Symposium, Princeton, NJ
 Project Community Return, Dallas, TX
 Recycle Otsego County, Gaylord, MI
 Redeemed Ministries, Harrisburg, PA
 Ringgold Living History Association, Birdsboro, PA
 Rising Possibilities, Inc., Willinboro, NJ
 Rivanna Watershp Center, Inc., Charlottesville, VA
 Roberts Foundation Family Learning Center, Inc., Trenton, NJ
 Robin Hood Society of America, Inc., Piscataway, NJ
 Room Full of Sisters Rites of Passage Membership Program, Inc., Alexandria, VA
 Rotoplast Foundation Charitable Trust, San Francisco, CA
 Roy E. Lloyd Environmental Conservation Education Fund, W. Henrietta, NY
 S C Vistula, Inc., Garfield, NJ
 Sabertooth Resources, Inc., Mount Laurel, NJ
 Safety Sense Institute, Philadelphia, PA
 Sand Springs Band Boosters, Sand Springs, OK
 Santas Sleigh, New York, NY
 Saucon Valley Fine Arts Corporation, Hellertown, PA
 Save Our Children Save the World Foundation, Inc., Paterson, NJ
 Scranton Educational Foundation, Scranton, PA
 Second Ward Educational & Charitable Foundation, Inc., Passaic, NJ
 Self-Empowered Lifestyles for Freedom, Inc., Syracuse, NY
 Senior Health Properties of Pennsylvania, Inc., Chambersburg, PA
 Sharing Hearts Organization, Inc., Germantown, MD
 Sherry Plumb Charitable Trust, Macedon, NY
 Shore Aquatic Club, Inc., Long Beach, NJ
 Shri Baldevdas Charitable Foundation, Bensalem, PA
 Slippery Rock Development, Slippery Rock, PA
 Somerset Hills Youth Baseball Corp., Bernardsville, NJ
 Southern Jersey Ethics Alliance, Cape May Court House, NJ
 Span-Strategic Pastoral Action, Burdett, NY
 Spectrum Foundation, Red Bank, NJ
 Spinal Health Institute, Inc., Cherry Hill, NJ
 Spotswood Education Foundation, Inc., Spotswood, NJ
 Spoutwood Farm Center, Inc., Glen Rock, PA
 St. Peters Institute, Inc., Philadelphia, PA
 St. Vladimir Russian Orthodox Information Center, Inc., Cranbury, NJ
 Starseed Educational Company, Montclair, NJ
 Stephen A. Walkden Society, Middletown, NJ
 Stray Alive, Inc., Portchester, NY
 Sullivan-Warwarsing Reap Corp., Ferndale, NY
 Sunflower Elementary School Parent Teacher Org., El Centro, CA
 Sunrise Productions, Philadelphia, PA
 Tahirah Nur, Inc., Montclair, NJ
 Telecommunity Visible Concept, Inc., Pittsburgh, PA
 Temple Community Development, Buffalo, NY
 Tenant Leadership Council, Inc., Albany, NY
 The Heralds, Upper Darby, PA
 The Word, Inc., Orchard Park, NY
 Three Rivers Society for Cardiovascular & Pulmonary Rehab, Somerset, PA
 Thugs International, Inc., Salem, NJ
 Tom Berlinski Memorial Foundation, Stockholm, NJ
 Traditions & Green Ribbons, Inc., Williamstown, PA
 Traveling Seminars Abroad, Guilford, VT
 Trenton Scholarship Fund, Inc., Princeton, NJ
 Trust New Jersey, Inc., South Plainfield, NJ
 Valley Central Booster Club, Inc., Walden, NY

Valley View Community Center,
Danboro, PA
Vauxhall Community Camp Fund,
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Veterans Housing Development,
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Victims Intervention Program, Inc.,
Atlantic City, NJ
Victor Saints Youth Football Cheerleading
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Vision Community Redevelopment
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Waterloo Education Foundation, Inc.,
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Welcome Lake Fire & Dive Rescue, Inc.,
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West Philadelphia New Life
Community Development Corporation,
Philadelphia, PA
West Philadelphia on the Move, Inc.,
Philadelphia, PA
What If Organization, Yardley, PA
White Haven Area Babe Ruth,
White Haven, PA
Wild New Jersey, Inc., Hawthorn, NJ
William Penn Charities, Inc., Wyncote, PA
Wimpfheimer Family Foundation, Ltd.,
Tenafly, NJ
Women Advocating Global Equality, Inc.,
Sciota, PA
Womens Pavilion Pan Am 2001, Inc.,
Buffalo, NY
Word of Life Community Development
Corporation, Brick, NJ
Work First, Inc., Little Falls, NJ
YHM, Inc., Trenton, NJ
Zion Community Health & Wellness
Center, Red Bank, NJ

Zoe Life Enrichment Foundation, Inc.,
Harrisburg, PA

If an organization listed above submits information that warrants the renewal of its classification as a public charity or as a private operating foundation, the Internal Revenue Service will issue a ruling or determination letter with the revised classification as to foundation status. Grantors and contributors may thereafter rely upon such ruling or determination letter as provided in section 1.509(a)-7 of the Income Tax Regulations. It is not the practice of the Service to announce such revised classification of foundation status in the Internal Revenue Bulletin.

Deletions From Cumulative List of Organizations Contributions to Which are Deductible Under Section 170 of the Code

Announcement 2005-86

The names of organizations that no longer qualify as organizations described in section 170(c)(2) of the Internal Revenue Code of 1986 are listed below.

Generally, the Service will not disallow deductions for contributions made to a listed organization on or before the date of announcement in the Internal Revenue Bulletin that an organization no longer qualifies. However, the Service is not precluded from disallowing a deduction for any contributions made after an organization ceases to qualify under section

170(c)(2) if the organization has not timely filed a suit for declaratory judgment under section 7428 and if the contributor (1) had knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was in part responsible for or was aware of the activities or omissions of the organization that brought about this revocation.

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on November 28, 2005, and would end on the date the court first determines that the organization is not described in section 170(c)(2) as more particularly set forth in section 7428(c)(1). For individual contributors, the maximum deduction protected is \$1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

The Adelphi Foundation, Inc.
Adelphi, MD

Anaheim Cinco De Mayo Festivals, Inc.
Los Angeles, CA

Metro Housing Partnership, Inc.
Arlington, TX

Summerside, Inc.
Vallejo, CA

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.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—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.
ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contributions Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign corporation.
G.C.M.—Chief Counsel's Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
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.
S.P.R.—Statement of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

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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
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TDO	Treasury Department Order

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26 CFR 301.6020-1, added; substitute for return (REG-131739-03) 36, 494

26 CFR 301.6320-1, amended; miscellaneous changes to collection due process procedures relating to notice and opportunity for hearing upon filing of notice of federal tax lien (REG-150088-02) 43, 774

26 CFR 301.6330-1, amended; miscellaneous changes to collection due process procedures relating to notice and opportunity for hearing prior to levy (REG-150091-02) 43, 780

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- Summary and clarification of relief previously granted under sections 6081, 6161, 6656, and 7508A with respect to taxpayers affected by Hurricane Katrina (Notice 73) 42, 723

Proposed Regulations:

- 26 CFR 301.6020-1, added; substitute for return (REG-131739-03) 36, 494
- 26 CFR 301.6320-1, amended; miscellaneous changes to collection due process procedures relating to notice and opportunity for hearing upon filing of notice of federal tax lien (REG-150088-02) 43, 774
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