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

Insurance companies; interest rate tables. Prevailing state assumed interest rates are provided for the determination of reserves under section 807 of the Code for contracts issued in 2009 and 2010. Rev. Rul. 92-19 supplemented in part.

Guidance is provided to individuals who fail to meet the eligibility requirements of section 911(d)(1) of the Code because adverse conditions in a foreign country preclude the individual from meeting those requirements. A current list of countries for tax year 2009 and the dates those countries are subject to the section 911(d)(4) waiver is provided.

EMPLOYEE PLANS

Notice 2010–20, page 422.
Weighted average interest rate update; corporate bond indices; 30-year Treasury securities; segment rates. This notice contains updates for the corporate bond weighted average interest rate for plan years beginning in February 2010; the 24-month average segment rates; the funding transitional segment rates applicable for February 2010; and the minimum present value transitional rates for January 2010.

EXEMPT ORGANIZATIONS

The IRS has revoked its determination that the Lund Family Foundation of Ogden, UT; American Debt Solutions, Inc., of Boca Raton, FL; Equity Funding Corporation of W Des Moines, IA; and Main Street Foundation, Inc., of Lawrenceville, GA, qualify as organizations described in sections 501(c)(3) and 170(c)(2) of the Code.

Finding Lists begin on page ii.
Index for begins on page iv.
The IRS Mission

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

Introduction

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

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

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

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

The Bulletin is divided into four parts as follows:

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

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

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

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

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

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

Section 807.—Rules for Certain Reserves

Insurance companies; interest rate tables. Prevailing state assumed interest rates are provided for the determination of reserves under section 807 of the Code for contracts issued in 2009 and 2010. Rev. Rul. 92–19 supplemented in part.

Rev. Rul. 2010–7

For purposes of § 807(d)(4) of the Internal Revenue Code, for taxable years beginning after December 31, 2008, this ruling supplements the schedules of prevailing state assumed interest rates set forth in Rev. Rul. 92–19, 1992–1 C.B. 227. This information is to be used by insurance companies in computing their reserves for (1) life insurance and supplementary total and permanent disability benefits, (2) individual annuities and pure endowments, and (3) group annuities and pure endowments. As § 807(d)(2)(B) requires that the interest rate used to compute these reserves be the greater of (1) the applicable federal interest rate, or (2) the prevailing state assumed interest rate, the table of applicable federal interest rates in Rev. Rul. 92–19 is also supplemented.

Following are supplements to schedules A, B, C, and D to Part III of Rev. Rul. 92–19, providing prevailing state assumed interest rates for insurance products with different features issued in 2009 and 2010, and a supplement to the table in Part IV of Rev. Rul. 92–19, providing the applicable federal interest rates under § 807(d) for 2009 and 2010. This ruling does not supplement Parts I and II of Rev. Rul. 92–19.


Part III. Prevailing State Assumed Interest Rates — Products Issued in Years After 1982.*

Schedule A

STATUTORY VALUATION INTEREST RATES
BASED ON THE 1980 AMENDMENTS TO THE NAIC STANDARD VALUATION LAW

A. Life insurance valuation:

<table>
<thead>
<tr>
<th>Guarantee Duration</th>
<th>Calendar Year of Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>(years)</td>
<td>2010</td>
</tr>
<tr>
<td>10 or fewer</td>
<td>4.50**</td>
</tr>
<tr>
<td>More than 10</td>
<td>4.25**</td>
</tr>
<tr>
<td>but not more than 20</td>
<td></td>
</tr>
<tr>
<td>More than 20</td>
<td>4.00**</td>
</tr>
</tbody>
</table>

Source: Rates calculated from the monthly averages, ending June 30, 2009, of Moody’s Composite Yield on Seasoned Corporate Bonds.

* The terms used in the schedules in this ruling and in Part III of Rev. Rul. 92–19 are those used in the Standard Valuation Law; the terms are defined in Rev. Rul. 92–19.

** As these rates exceed the applicable federal interest rate for 2010 of 3.81 percent, the valuation interest rate to be used for this product under § 807 is the applicable rate specified in this table.
Part III, Schedule B

STATUTORY VALUATION INTEREST RATES
BASED ON THE 1980 AMENDMENTS TO THE
NAIC STANDARD VALUATION LAW

B. Single premium immediate annuities and annuity benefits involving life contingencies arising from other annuities with cash settlement options and from guaranteed interest contracts with cash settlement options:

<table>
<thead>
<tr>
<th>Calendar Year of Issue</th>
<th>Valuation Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>6.00*</td>
</tr>
</tbody>
</table>

Source: Rates calculated from the monthly averages, ending June 30, 2009, of Moody’s Composite Yield on Seasoned Corporate Bonds (formerly known as Moody’s Corporate Bond Yield Average — Monthly Average Corporates). The terms used in this schedule are those used in the Standard Valuation Law as defined in Rev. Rul. 92–19.

*As this prevailing state assumed interest exceeds the applicable federal interest rate for 2009 of 4.06 percent, the valuation interest rate of 6.00 percent is to be used for this product under § 807.
C. Valuation interest rates for other annuities and guaranteed interest contracts that are valued on an issue year basis:

<table>
<thead>
<tr>
<th>Cash Settlement Options?</th>
<th>Future Interest Options?</th>
<th>Guarantee Duration (years)</th>
<th>Valuation Interest Rate For Plan Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>5 or fewer</td>
<td>A  6.00*  B  5.25*  C  5.00*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 5, but not more than 10</td>
<td>A  5.75*  B  5.25*  C  5.00*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 10, but not more than 20</td>
<td>A  5.25*  B  4.75*  C  4.50*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 20</td>
<td>A  4.50*  B  4.25*  C  4.25*</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>5 or fewer</td>
<td>A  6.25*  B  5.50*  C  5.00*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 5, but not more than 10</td>
<td>A  6.00*  B  5.50*  C  5.00*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 10, but not more than 20</td>
<td>A  5.25*  B  4.75*  C  4.75*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 20</td>
<td>A  4.75*  B  4.25*  C  4.25*</td>
</tr>
<tr>
<td>No</td>
<td>Yes or No</td>
<td>5 or fewer</td>
<td>A  6.00*  B  5.75*  C  NOT APPLICABLE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 5, but not more than 10</td>
<td>A  5.75*  B  NOT APPLICABLE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 10, but not more than 20</td>
<td>A  5.50*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 20</td>
<td>A  4.75*</td>
</tr>
</tbody>
</table>

Source: Rates calculated from the monthly averages, ending June 30, 2009, of Moody’s Composite Yield on Seasoned Corporate Bonds.

*As these rates exceed the applicable federal interest rate for 2009 of 4.06 percent, the valuation interest rate to be used for this product under § 807 is the applicable rate specified in the above table.
D. Valuation interest rates for other annuities and guaranteed interest contracts that are contracts with cash settlement options and that are valued on a change in fund basis:

<table>
<thead>
<tr>
<th>Cash Settlement Options?</th>
<th>Future Interest Guarantee?</th>
<th>Guarantee Duration (years)</th>
<th>Valuation Interest Rate For Plan Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>5 or fewer</td>
<td>6.50 6.25 5.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 5, but not more than 10</td>
<td>6.50 6.25 5.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 10, but not more than 20</td>
<td>6.00 5.75 5.00</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>5 or fewer</td>
<td>6.75 6.50 5.25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 5, but not more than 10</td>
<td>6.50 6.50 5.25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 10, but not more than 20</td>
<td>6.25 6.00 5.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More than 20</td>
<td>5.50 5.50 4.75*</td>
</tr>
</tbody>
</table>

Source: Rates calculated from the monthly averages, ending June 30, 2009, of Moody's Composite Yield on Seasoned Corporate Bonds.

*As the applicable federal interest rate for 2009 of 4.06 percent is less than the prevailing state assumed interest rate, the valuation interest rate to be used for this product under § 807 is the applicable rate specified in the above table.
Part IV. Applicable Federal Interest Rates

TABLE OF
APPLICABLE FEDERAL INTEREST RATES
FOR PURPOSES OF § 807

<table>
<thead>
<tr>
<th>Year</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>4.06</td>
</tr>
<tr>
<td>2010</td>
<td>3.81</td>
</tr>
</tbody>
</table>


EFFECT ON OTHER REVENUE RULINGS

Rev. Rul. 92–19 is supplemented by the addition to Part III of that ruling of prevailing state assumed interest rates under § 807 for certain insurance products issued in 2009 and 2010 and is further supplemented by an addition to the table in Part IV of Rev. Rul. 92–19 listing applicable federal interest rates. Parts I and II of Rev. Rul. 92–19 are not affected by this ruling.

DRAFTING INFORMATION

The principal author of this revenue ruling is Linda K. Boyd of the Office of Associate Chief Counsel (Financial Institutions and Products). For further information regarding this revenue ruling, contact her at (202) 622–3970 (not a toll-free call).
Part III. Administrative, Procedural, and Miscellaneous

Update for Weighted Average Interest Rates, Yield Curves, and Segment Rates

Notice 2010–20

This notice provides guidance as to the corporate bond weighted average interest rate and the permissible range of interest rates specified under § 412(b)(5)(B)(ii)(II) of the Internal Revenue Code as in effect for plan years beginning before 2008. It also provides guidance on the corporate bond monthly yield curve (and the corresponding spot segment rates), the 24-month average segment rates, and the funding transitional segment rates under § 430(h)(2). In addition, this notice provides guidance as to the interest rate on 30-year Treasury securities under § 417(e)(3)(A)(ii)(II), and the minimum present value segment rates under § 417(e)(3)(D) as in effect for plan years beginning after 2007.

CORPORATE BOND WEIGHTED AVERAGE INTEREST RATE

Sections 412(b)(5)(B)(ii) and 412(l)(7)(C)(i), as amended by the Pension Funding Equity Act of 2004 and by the Pension Protection Act of 2006 (PPA), provide that the interest rates used to calculate current liability and to determine the required contribution under § 412(l) for plan years beginning in 2004 through 2007 must be within a permissible range based on the weighted average of the rates of interest on amounts invested conservatively in long term investment grade corporate bonds during the 4-year period ending on the last day before the beginning of the plan year.

Notice 2004–34, 2004–1 C.B. 848, provides guidelines for determining the corporate bond weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability. That notice establishes that the corporate bond weighted average is based on the monthly composite corporate bond rate derived from designated corporate bond indices. The methodology for determining the monthly composite corporate bond rate as set forth in Notice 2004–34 continues to apply in determining that rate. See Notice 2006–75, 2006–2 C.B. 366.

The composite corporate bond rate for January 2010 is 5.88 percent. Pursuant to Notice 2004–34, the Service has determined this rate as the average of the monthly yields for the included corporate bond indices for that month.

The following corporate bond weighted average interest rate was determined for plan years beginning in the month shown below.

<table>
<thead>
<tr>
<th>Month</th>
<th>Year</th>
<th>Corporate Bond Weighted Average</th>
<th>90% to 100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>2010</td>
<td>6.41</td>
<td>5.77 to 6.41</td>
</tr>
</tbody>
</table>

YIELD CURVE AND SEGMENT RATES

Generally for plan years beginning after 2007 (except for delayed effective dates for certain plans under sections 104, 105, and 106 of PPA), § 430 of the Code specifies the minimum funding requirements that apply to single employer plans pursuant to § 412. Section 430(h)(2) specifies the interest rates that must be used to determine a plan’s target normal cost and funding target. Under this provision, present value is generally determined using three 24-month average interest rates (“segment rates”), each of which applies to cash flows during specified periods. However, an election may be made under § 430(h)(2)(D)(ii) to use the monthly yield curve in place of the segment rates. For plan years beginning in 2008 and 2009, a transitional rule under § 430(h)(2)(G) provides that the segment rates are blended with the corporate bond weighted average as specified above. An election may be made under § 430(h)(2)(G)(iv) to use the segment rates without applying the transitional rule.

Notice 2007–81, 2007–2 C.B. 899, provides guidelines for determining the monthly corporate bond yield curve, the 24-month average corporate bond segment rates, and the funding transitional segment rates used to compute the target normal cost and the funding target. Pursuant to Notice 2007–81, the monthly corporate bond yield curve derived from January 2010 data is in Table I at the end of this notice. The spot first, second, and third segment rates for the month of January 2010 are, respectively, 2.31, 5.64, and 6.47. The three 24-month average corporate bond segment rates applicable for February 2010 under the election of § 430(h)(2)(G)(iv) are as follows:

<table>
<thead>
<tr>
<th>First Segment</th>
<th>Second Segment</th>
<th>Third Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.51</td>
<td>6.64</td>
<td>6.75</td>
</tr>
</tbody>
</table>
The transitional segment rates under § 430(h)(2)(G) applicable for February 2010, taking into account the corporate bond weighted average of 6.41 stated above, are as follows:

<table>
<thead>
<tr>
<th>For Plan Years Beginning in</th>
<th>First Segment</th>
<th>Second Segment</th>
<th>Third Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>5.14</td>
<td>6.56</td>
<td>6.64</td>
</tr>
</tbody>
</table>

The transitional rule of § 430(h)(2)(G) does not apply to plan years starting in 2010. Therefore, for a plan year starting in 2010 with a lookback month to February 2010, the funding segment rates are the three 24-month average corporate bond segment rates applicable for February 2010, listed above without blending for the transitional period.

30-YEAR TREASURY SECURITIES INTEREST RATES

Section 417(e)(3)(A)(ii)(II) (prior to amendment by PPA) defines the applicable interest rate, which must be used for purposes of determining the minimum present value of a participant’s benefit under § 417(e)(1) and (2), as the annual rate of interest on 30-year Treasury securities for the month before the date of distribution or such other time as the Secretary may by regulations prescribe. Section 1.417(e)-1(d)(3) of the Income Tax Regulations provides that the applicable interest rate for a month is the annual rate of interest on 30-year Treasury securities as specified by the Commissioner for that month in revenue rulings, notices or other guidance published in the Internal Revenue Bulletin.

The rate of interest on 30-year Treasury securities for January 2010 is 4.60 percent. The Service has determined this rate as the average of the daily determinations of yield on the 30-year Treasury bond maturing in November 2039.

Generally for plan years beginning after 2007, § 431 specifies the minimum funding requirements that apply to multiemployer plans pursuant to § 412. Section 431(c)(6)(B) specifies a minimum amount for the full-funding limitation described in section 431(c)(6)(A), based on the plan’s current liability. Section 431(c)(6)(E)(ii)(I) provides that the interest rate used to calculate current liability for this purpose must be no more than 5 percent above and no more than 10 percent below the weighted average of the rates of interest on 30-year Treasury securities during the four-year period ending on the last day before the beginning of the plan year. Notice 88–73, 1988–2 C.B. 383, provides guidelines for determining the weighted average interest rate. The following rates were determined for plan years beginning in the month shown below.

<table>
<thead>
<tr>
<th>For Plan Years Beginning in Month Year</th>
<th>30-Year Treasury Weighted Average</th>
<th>Permissible Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2010</td>
<td>4.38</td>
<td>90% to 105%</td>
</tr>
<tr>
<td></td>
<td>3.94</td>
<td>4.60</td>
</tr>
</tbody>
</table>

MINIMUM PRESENT VALUE SEGMENT RATES

Generally for plan years beginning after December 31, 2007, the applicable interest rates under § 417(e)(3)(D) are segment rates computed without regard to a 24-month average. For plan years beginning in 2008 through 2011, the applicable interest rates are the monthly spot segment rates blended with the applicable rate under § 417(e)(3)(A)(ii)(II) as in effect for plan years beginning in 2007. Notice 2007–81 provides guidelines for determining the minimum present value segment rates. Pursuant to that notice, the minimum present value transitional segment rates determined for January 2010, taking into account the January 2010 30-year Treasury rate of 4.60 stated above, are as follows:

<table>
<thead>
<tr>
<th>For Plan Years Beginning in</th>
<th>First Segment</th>
<th>Second Segment</th>
<th>Third Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>3.68</td>
<td>5.02</td>
<td>5.35</td>
</tr>
<tr>
<td>2010</td>
<td>3.23</td>
<td>5.22</td>
<td>5.72</td>
</tr>
</tbody>
</table>

DRAFTING INFORMATION

The principal author of this notice is Tony Montanaro of the Employee Plans, Tax Exempt and Government Entities Division. Mr. Montanaro may be e-mailed at RetirementPlanQuestions@irs.gov.
Table I
Monthly Yield Curve for January 2010
Derived from January 2010 Data

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Yield</th>
<th>Maturity</th>
<th>Yield</th>
<th>Maturity</th>
<th>Yield</th>
<th>Maturity</th>
<th>Yield</th>
<th>Maturity</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.5</td>
<td>0.71</td>
<td>20.5</td>
<td>6.28</td>
<td>40.5</td>
<td>6.49</td>
<td>60.5</td>
<td>6.57</td>
<td>80.5</td>
<td>6.61</td>
</tr>
<tr>
<td>1.0</td>
<td>1.07</td>
<td>21.0</td>
<td>6.29</td>
<td>41.0</td>
<td>6.50</td>
<td>61.0</td>
<td>6.57</td>
<td>81.0</td>
<td>6.61</td>
</tr>
<tr>
<td>1.5</td>
<td>1.44</td>
<td>21.5</td>
<td>6.30</td>
<td>41.5</td>
<td>6.50</td>
<td>61.5</td>
<td>6.57</td>
<td>81.5</td>
<td>6.61</td>
</tr>
<tr>
<td>2.0</td>
<td>1.81</td>
<td>22.0</td>
<td>6.31</td>
<td>42.0</td>
<td>6.50</td>
<td>62.0</td>
<td>6.58</td>
<td>82.0</td>
<td>6.61</td>
</tr>
<tr>
<td>2.5</td>
<td>2.18</td>
<td>22.5</td>
<td>6.31</td>
<td>42.5</td>
<td>6.50</td>
<td>62.5</td>
<td>6.58</td>
<td>82.5</td>
<td>6.61</td>
</tr>
<tr>
<td>3.0</td>
<td>2.54</td>
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<td>63.0</td>
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<td>6.61</td>
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<td>3.5</td>
<td>2.88</td>
<td>23.5</td>
<td>6.33</td>
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<td>83.5</td>
<td>6.62</td>
</tr>
<tr>
<td>4.0</td>
<td>3.20</td>
<td>24.0</td>
<td>6.34</td>
<td>44.0</td>
<td>6.51</td>
<td>64.0</td>
<td>6.58</td>
<td>84.0</td>
<td>6.62</td>
</tr>
<tr>
<td>4.5</td>
<td>3.50</td>
<td>24.5</td>
<td>6.34</td>
<td>44.5</td>
<td>6.51</td>
<td>64.5</td>
<td>6.58</td>
<td>84.5</td>
<td>6.62</td>
</tr>
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</tr>
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<td>5.5</td>
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</tr>
<tr>
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<tr>
<td>6.5</td>
<td>4.47</td>
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<td>6.37</td>
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<td>66.5</td>
<td>6.59</td>
<td>86.5</td>
<td>6.62</td>
</tr>
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<td>7.0</td>
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Rev. Proc. 2010–17

SECTION 1. PURPOSE

.01 This revenue procedure provides information to any individual who failed to meet the eligibility requirements of § 911(d)(1) of the Internal Revenue Code because adverse conditions in a foreign country precluded the individual from meeting those requirements for taxable year 2009.

.02 This revenue procedure lists the countries for which the eligibility requirements of § 911(d)(1) are waived for taxable year 2009.

SECTION 2. BACKGROUND

.01 Section 911(a) of the Code allows a “qualified individual,” as defined in § 911(d)(1), to exclude foreign earned income and housing cost amounts from gross income. Section 911(c)(4) of the Code allows a qualified individual to deduct housing cost amounts from gross income.

.02 Section 911(d)(1) of the Code defines the term “qualified individual” as an individual whose tax home is in a foreign country and who is (A) a citizen of the United States and establishes to the satisfaction of the Secretary of the Treasury that the individual has been a bona fide resident of a foreign country or countries for an uninterrupted period that includes an entire taxable year, or (B) a citizen or resident of the United States who, during any period of 12 consecutive months, is present in a foreign country or countries during at least 330 full days.

.03 Section 911(d)(4) of the Code provides an exception to the eligibility requirements of § 911(d)(1). An individual will be treated as a qualified individual with respect to a period in which the individual was a bona fide resident of, or was present in, a foreign country, if the individual left the country during a period for which the Secretary of the Treasury, after consultation with the Secretary of State, determines that individuals were required to leave because of war, civil unrest, or similar adverse conditions that precluded the normal conduct of business. An individual must establish that but for those conditions the individual could reasonably have been expected to meet the eligibility requirements.

.04 For 2009, the Secretary of the Treasury, in consultation with the Secretary of State, has determined that war, civil unrest, or similar adverse conditions precluded the normal conduct of business in the following countries beginning on the specified date:

<table>
<thead>
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<th>Country</th>
<th>Date of Departure</th>
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<tbody>
<tr>
<td>Madagascar</td>
<td>March 18, 2009</td>
</tr>
<tr>
<td>Guinea</td>
<td>October 1, 2009</td>
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</tbody>
</table>

.05 Accordingly, for purposes of § 911 of the Code, an individual who left one of the foregoing countries on or after the specified departure date during 2009 shall be treated as a qualified individual with respect to the period during which that individual was present in, or was a bona fide resident of, such foreign country, if the individual establishes a reasonable expectation of meeting the requirements of § 911(d) but for those conditions.

.06 To qualify for relief under § 911(d)(4) of the Code, an individual must have established residency, or have been physically present, in the foreign country on or prior to the date that the Secretary of the Treasury determines that individuals were required to leave the foreign country. Individuals who establish residency, or are first physically present, in the foreign country after the date that the Secretary prescribes shall not be treated as qualified individuals under § 911(d)(4) of the Code. For example, individuals who are first physically present or establish residency in Madagascar after March 18, 2009, are not eligible to qualify for the exception provided in § 911(d)(4) of the Code for taxable year 2009.

SECTION 3. INQUIRIES

A taxpayer who needs assistance on how to claim this exclusion, or on how to file an amended return, should contact a local IRS Office or, for a taxpayer residing or traveling outside the United States, the nearest overseas IRS office.

SECTION 4. DRAFTING INFORMATION

The principal author of this revenue procedure is Kate Y. Hwa of the Office of Associate Chief Counsel (International). For further information regarding this revenue procedure, contact Ms. Hwa at (202) 622–3840 (not a toll-free call).
Part IV. Items of General Interest

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

Announcement 2010–13

The Internal Revenue Service has revoked its determination that the organizations listed below qualify as organizations described in sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986.

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 February 22, 2010, 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.

Lund Family Foundation
Ogden, UT

American Debt Solutions, Inc.
Boca Raton, FL

Equity Funding Corporation
West Des Moines, IA

Main Street Foundation, Inc.
Lawrenceville, GA

February 22, 2010 426 2010–8 I.R.B.
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 ruling is being changed.

New ruling may be published that includes 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.
Cl.—City.
COO—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.
EX—Executive.
F—Fiduciary.
FC—Foreign Country.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
FR—Federal Register.
FX—Foreign corporation.
G.C.M.—Chief Counsel’s Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.
PHC—Personal Holding Company.
PO—Possession of the U.S.
P.R.—Partner.
PRS—Partnership.
PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferor.
TFR—Transferor.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
X—Corporation.
Y—Corporation.
Z—Corporation.
Numerical Finding List

Announcements:
2010-1, 2010-4 I.R.B. 333
2010-2, 2010-2 I.R.B. 271
2010-3, 2010-4 I.R.B. 333
2010-4, 2010-5 I.R.B. 384
2010-5, 2010-6 I.R.B. 402
2010-6, 2010-6 I.R.B. 402
2010-7, 2010-6 I.R.B. 403
2010-8, 2010-7 I.R.B. 408
2010-9, 2010-7 I.R.B. 408
2010-10, 2010-7 I.R.B. 410
2010-12, 2010-7 I.R.B. 410
2010-13, 2010-8 I.R.B. 426

Notices:
2010-1, 2010-2 I.R.B. 251
2010-2, 2010-2 I.R.B. 251
2010-3, 2010-2 I.R.B. 253
2010-4, 2010-2 I.R.B. 253
2010-5, 2010-2 I.R.B. 256
2010-6, 2010-3 I.R.B. 275
2010-7, 2010-3 I.R.B. 296
2010-8, 2010-3 I.R.B. 297
2010-9, 2010-3 I.R.B. 298
2010-10, 2010-3 I.R.B. 299
2010-11, 2010-4 I.R.B. 326
2010-12, 2010-4 I.R.B. 326
2010-13, 2010-4 I.R.B. 327
2010-14, 2010-5 I.R.B. 344
2010-15, 2010-6 I.R.B. 390
2010-16, 2010-6 I.R.B. 396
2010-19, 2010-7 I.R.B. 404
2010-20, 2010-8 I.R.B. 422

Proposed Regulations:
REG-132232-08, 2010-6 I.R.B. 401
REG-137036-08, 2010-6 I.R.B. 398
REG-101896-09, 2010-5 I.R.B. 347
REG-131028-09, 2010-4 I.R.B. 332

Revenue Procedures—Continued:
2010-12, 2010-3 I.R.B. 302
2010-13, 2010-4 I.R.B. 329
2010-15, 2010-7 I.R.B. 404
2010-17, 2010-8 I.R.B. 425

Revenue Rulings:
2010-1, 2010-2 I.R.B. 248
2010-2, 2010-3 I.R.B. 272
2010-3, 2010-3 I.R.B. 272
2010-4, 2010-4 I.R.B. 309
2010-5, 2010-4 I.R.B. 312
2010-6, 2010-6 I.R.B. 387
2010-7, 2010-8 I.R.B. 417

Treasury Decisions:
9474, 2010-4 I.R.B. 322
9475, 2010-4 I.R.B. 304
9476, 2010-5 I.R.B. 336
9477, 2010-6 I.R.B. 385
9478, 2010-4 I.R.B. 315

1 A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2009–27 through 2009–52 is in Internal Revenue Bulletin 2009–52, dated December 28, 2009.
Finding List of Current Actions on Previously Published Items

Bulletins 2010–1 through 2010–8

Announcements:

2010-4
Corrected by Ann. 2010-10, 2010-7 I.R.B. 410

Notices:

2005-88
Superseded by Notice 2010-13, 2010-4 I.R.B. 327

2008-41
Modified by Notice 2010-7, 2010-3 I.R.B. 296

2008-55
Modified by Notice 2010-3, 2010-2 I.R.B. 253

2008-88
Modified by Notice 2010-7, 2010-3 I.R.B. 296

2008-113
Modified by Notice 2010-6, 2010-3 I.R.B. 275

2008-115
Modified by Notice 2010-6, 2010-3 I.R.B. 275

2009-11
Amplified by Notice 2010-9, 2010-3 I.R.B. 298

2009-13
Obsoleted by T.D. 9478, 2010-4 I.R.B. 315
REG-131028-09, 2010-4 I.R.B. 332

2009-38
Amplified and superseded by Notice 2010-2, 2010-2 I.R.B. 251

Proposed Regulations:

REG-127270-06
Hearing scheduled by Ann. 2010-6, 2010-6 I.R.B. 402

Revenue Procedures:

80-59
Modified and superseded by Rev. Proc. 2010-11, 2010-2 I.R.B. 269

87-35

Revenue Procedures—Continued:

2008-14

2009-1
Superseded by Rev. Proc. 2010-1, 2010-1 I.R.B. 1

2009-2
Superseded by Rev. Proc. 2010-2, 2010-1 I.R.B. 90

2009-3

2009-4
Superseded by Rev. Proc. 2010-4, 2010-1 I.R.B. 122

2009-5
Superseded by Rev. Proc. 2010-5, 2010-1 I.R.B. 165

2009-6
Superseded by Rev. Proc. 2010-6, 2010-1 I.R.B. 193

2009-7

2009-8

2009-9

2009-15
Amplified and superseded by Rev. Proc. 2010-12, 2010-3 I.R.B. 302

2009-25

2010-1
Corrected by Ann. 2010-5, 2010-6 I.R.B. 402

Revenue Rulings:

92-19

92008-52
Supplemented and superseded by Rev. Rul. 2010-2, 2010-3 I.R.B. 272

Treasury Decisions:

9443
Corrected by Ann. 2010-8, 2010-7 I.R.B. 408

9458
Corrected by Ann. 2010-7, 2010-6 I.R.B. 403

---

1 A cumulative list of current actions on previously published items in Internal Revenue Bulletins 2009–27 through 2009–52 is in Internal Revenue Bulletin 2009–52, dated December 28, 2009.
INDEX

Internal Revenue Bulletins 2010–1 through 2010–8

The abbreviation and number in parenthesis following the index entry refer to the specific item; numbers in roman and italic type following the parenthesis refers to the Internal Revenue Bulletin in which the item may be found and the page number on which it appears.

Key to Abbreviations:
Ann  Announcement
CD  Court Decision
DO  Delegation Order
EO  Executive Order
PL  Public Law
PTE  Prohibited Transaction Exemption
RP  Revenue Procedure
RR  Revenue Ruling
SPR  Statement of Procedural Rules
TC  Tax Convention
TD  Treasury Decision
TDO  Treasury Department Order

EMPLOYEE PLANS

Correction of certain failures of nonqualified deferred compensation plans to comply with the plan document requirements of section 409A (Notice 6) 3, 275
Determination letters, issuing procedures (RP 6) 1, 193
Full funding limitations, weighted average interest rates, segment rates for:
  February 2010 (Notice 20) 8, 422
  January 2010 (Notice 14) 5, 344
Letter rulings:
  And determination letters, areas which will not be issued from:
    Associates Chief Counsel and Division Counsel (TE/GE) (RP 3) 1, 110
    Associate Chief Counsel (International) (RP 7) 1, 231
  And general information letters, procedures (RP 4) 1, 122
  User fees, request for letter rulings (RP 8) 1, 234
Technical advice to IRS employees (RP 5) 1, 165
Qualified plans:
  Changes in funding method (Ann 3) 4, 384
  Military services, HEART Act (Notice 15) 6, 390
Weighted average interest rates, segment rates for February 2010 (Notice 20) 8, 422

EMPLOYMENT TAX—Cont.

Proposed regulations:
  26 CFR 31.3504 revised; section 3504 agent employment tax liability (REG–137036–08) 6, 398
Technical Advice Memoranda (TAMs) (RP 2) 1, 90

ESTATE TAX

Letter rulings and information letters issued by Associate Offices, determination letters issued by Operating Divisions (RP 1) 1, 1; correction (Ann 5) 6, 402
Technical Advice Memoranda (TAMs) (RP 2) 1, 90

EXCISE TAX

Letter rulings and information letters issued by Associate Offices, determination letters issued by Operating Divisions (RP 1) 1, 1; correction (Ann 5) 6, 402
Technical Advice Memoranda (TAMs) (RP 2) 1, 90

EXEMPT ORGANIZATIONS

Letters rulings:
  And determination letters:
    Areas which will not be issued from Associates Chief Counsel and Division Counsel (TE/GE) (RP 3) 1, 110
Exemption application determination letter rulings under sections 501 and 521 (RP 9) 2, 258
  And general information letters, procedures (RP 4) 1, 122
  User fees, request for letter rulings (RP 8) 1, 234
Revocations (Ann 1) 4, 333; (Ann 4) 5, 384; correction (Ann 10) 7, 410; (Ann 13) 8, 426
Technical advice to IRS employees (RP 5) 1, 165

GIFT TAX

Letter rulings and information letters issued by Associate Offices, determination letters issued by Operating Divisions (RP 1) 1, 1; correction (Ann 5) 6, 402
Technical Advice Memoranda (TAMs) (RP 2) 1, 90

Treatement of transfers made in trust during 2010 (Notice 19) 7, 404

INCOME TAX

Apportionment of tax items among the members of a controlled group of corporations (TD 9476) 5, 336
Arbitrage treatment of certain perpetual funds (Notice 5) 2, 256
Basis reporting by securities brokers and basis determination for stock (REG–101896–09) 5, 347
Bonds:
  Reissuance of tax-exempt bonds (Notice 7) 3, 296
Midwestern Disaster Area Bonds, Hurricane Ike Bonds, Gulf Opportunity Zone Bonds (Notice 10) 3, 299

February 22, 2010  iv  2010–8 I.R.B.
INCOME TAX—Cont.

Consumer Price Index (CPI) adjustments, certain loans under section 1274A for 2010 (RR 2) 3, 272

Corporate reorganizations, distribution under sections 368(a)(1)(D) and 354(b)(1)(B) (TD 9475) 4, 304

Damages received on account of personal physical injuries or physical sickness, hearing on REG–127270–06 (Ann 6) 6, 402

Disclosure of activity grouping under Code section 469 (RP 13) 4, 329

Disclosure or use of information by return preparers:
Amendments to section 7216 regulations (TD 9478) 4, 315; (REG–131028–09) 4, 332
In communicating with taxpayers (RR 4) 4, 309
In connection with professional liability insurance (RR 5) 4, 312

Disciplinary actions involving attorneys, certified public accountants, enrolled agents, and enrolled actuaries (Ann 12) 7, 410

Electronic filing, waiver request procedures (Notice 13) 4, 327

Employer-provided vehicles, cents-per-mile rule, maximum 2010 values for vehicle (RP 10) 3, 301

Extension of timeframe for disclosures to persons designated in a written request or consent pursuant to section 6103(c) (Notice 8) 3, 297

Foreign earned income exclusion (RP 17) 8, 425
Information reporting, deadline to furnish payee statements (Notice 9) 3, 298
Insurance companies; interest rate tables (RR 7) 8, 417
Insurance companies, loss payment patterns and discount factors for the 2009 accident year, correction (Ann 11) 7, 410

Interest:
Certain applicable high yield discount obligations issued in 2010 (Notice 11) 4, 326
Investment:
Federal short-term, mid-term, and long-term rates for:
January 2010 (RR 1) 2, 248;
February 2010 (RR 6) 6, 387
Investment in U.S. property, extension of regulations (Notice 12) 4, 326

Letter rulings:
And determination letters, areas which will not be issued from:
Associate Chief Counsel and Division Counsel (TE/GE) (RP 3) 1, 110
Associates Chief Counsel (International) (RP 7) 1, 231
And information letters issued by Associate Offices, determination letters issued by Operating Divisions (RP 1) 1, 1; correction (Ann 5) 6, 402

Modification to consolidated return regulation (TD 9458) permitting an election to treat a liquidation of a target, followed by a recontribution to a new target, as a cross-chain reorganization (Ann 7) 6, 403

Penalties, substantial understatement, preparer penalty (RP 15) 7, 404

Personal exemption, additional for Hurricane Katrina displaced individual (TD 9474) 4, 322

INCOME TAX—Cont.

Postponement of certain tax-related deadlines by reason of a federally declared disaster or terrorist or military action, correction to TD 9443 (Ann 8) 7, 408

Proposed Regulations:
26 CFR 1.304–4 revised; use of controlled corporations to avoid the application of section 304 (REG–132232–08) 6, 401
26 CFR 1.408–7, amended; 1.1012–1, amended; 1.6039–2, amended; 1.6042–4, amended; 1.6044–5, amended; 1.6045–1 thru –5, amended; 1.6045A–1, added; 1.6045B–1, added; 1.6049–6, amended; 31.3406(b)(3)–2, amended; 31.6051–4, amended; 301.6721–1, amended; 301.6722–1, amended; basis reporting by securities brokers and basis determination for stock (REG–101896–09) 5, 347
26 CFR 301.7216–2, amended; amendments to section 7216 regulations-disclosure or use of information by preparers of returns (REG–131028–09) 4, 332

Qualified disaster, Haiti earthquake occurring in January 2010 (Notice 16) 6, 396

Regulations:
26 CFR 1.304–4, added; 1.304–4T, revised; use of controlled corporations to avoid the application of section 304 (TD 9477) 6, 385
26 CFR 1.358–2, amended; 1.368–2, amended; 1.368–2T, removed; 1.1502–13, amended; corporate reorganizations, distribution under sections 368(a)(1)(D) and 354(b)(1)(B) (TD 9475) 4, 304
26 CFR 1.924(a), amended; 1.1502–43, amended; 1.1502–43T, removed; 1.1502–47, amended; 1.1502–47T, removed; 1.561–0 thru –3, added;1.1561–0T thru –3T, removed; apportionment of tax items among the members of a controlled groups of corporation (TD 9476) 5, 336
26 CFR 1.1502–13T, amended; modification to consolidated return regulation permitting an election to treat a liquidation of a target, followed by a recontribution to a new target, as a cross-chain reorganization; correction to TD 9458 (Ann 7) 6, 403
26 CFR 1.9300–1, added; 1.9300–1T, removed; reduction in taxable income for housing Hurricane Katrina displaced individuals (TD 9474) 4, 322
26 CFR 301.7216–0, –2, added; 301.7216–0T, –2T, added; amendments to section 7216 regulations-disclosure or use of information by preparers of returns (TD 9478) 4, 315

Requirements, trustee of a blind trust (RP 11) 2, 269
Revocations, exempt organizations (Ann 1) 4, 333; (Ann 4) 5, 384; correction (Ann 10) 7, 410; (Ann 13) 8, 426
Section 305 distributions of stock (RP 12) 3, 302
Section 338 election, qualified foreign contract (Notice 1) 2, 251
Section 382 limitation, ownership changes, pre-change losses (Notice 2) 2, 251
Section 385, auction rate preferred stock (Notice 3) 2, 253
Section 1256(g)(7)(C) qualified board or exchange (RR 3) 3, 272
Technical Advice Memoranda (TAMs) (RP 2) 1, 90

Tax conventions:
INCOME TAX—Cont.

U.S.-Germany agreement with respect to consular employees (Ann 2) 2, 271
Transfers of stock or securities to foreign corporations under section 304 (TD 9477) 6, 385; (REG–132232–08) 6, 401
Uncertain tax positions, policy of restraint (Ann 9) 7, 408
Widely held fixed investment trusts (WHIFT) transition guidance (Notice 4) 2, 253

SELF-EMPLOYMENT TAX

Letter rulings and information letters issued by Associate Offices, determination letters issued by Operating Divisions (RP 1) 1, 1; correction (Ann 5) 6, 402
Technical Advice Memoranda (TAMs) (RP 2) 1, 90
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