

## **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. 2010-18, page 1.**

**Federal rates; adjusted federal rates; adjusted federal long-term rate and the long-term exempt rate.** For purposes of sections 382, 642, 1274, and 1288, and other sections of the Code, tables set forth the rates for July 2010.

#### **Notice 2010-49, page 10.**

**Section 382.** This notice invites public comments relating to possible modifications to the regulations under section 382 of the Code regarding the treatment of shareholders who are not 5-percent shareholders (Small Shareholders).

#### **Notice 2010-50, page 12.**

**Section 382.** This notice provides guidance under section 382 of the Code for measuring owner shifts of loss corporations that have more than one class of stock outstanding, and, in particular, regarding the effect of fluctuations in the value of one class of stock relative to another class of stock.

### **EMPLOYEE PLANS**

#### **Notice 2010-48, page 9.**

This notice provides relief to sponsors of defined contribution pre-approved plans (*i.e.*, master and prototype (M&P) and volume submitter (VS) plans) affected by recent federally declared disasters. The relief provided by this notice extends the April 30, 2010, deadline for restating affected pre-approved defined contribution plans and, if applicable, for submitting determination letters to the Service to July 30, 2010. The section 401(b) remedial amendment period with respect to these plans is also extended to July 30, 2010. Rev. Proc. 2007-44 modified.

### **EXCISE TAX**

#### **T.D. 9486, page 3.**

#### **REG-112841-10, page 41.**

Final, temporary, and proposed regulations provide guidance on section 5000B of the Code— the indoor tanning services excise tax imposed by the Patient Protection and Affordable Care Act. The regulations affect persons that use, provide, or pay for indoor tanning services.

### **ADMINISTRATIVE**

#### **Rev. Proc. 2010-25, page 16.**

This procedure provides issuers of qualified mortgage bonds (QMBs) and qualified mortgage credit certificates (MCCs) with average area purchase price safe harbors for statistical areas in the United States and with a nationwide average purchase price for residences in the United States for purposes of the QMB rules under section 143 of the Code and the MCC rules under section 25. Rev. Proc. 2009-18 obsoleted in part.

**Announcements of Disbarments and Suspensions begin on page 42.**  
**Finding Lists begin on page ii.**



# The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and en-

force the 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.

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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 42.—Low-Income Housing Credit

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2010. See Rev. Rul. 2010-18, page 1.

## Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of July 2010. See Rev. Rul. 2010-18, page 1.

## Section 382.—Limitation on Net Operating Loss Carryforwards and Certain Built-In Losses Following Ownership Change

The adjusted applicable federal long-term rate is set forth for the month of July 2010. See Rev. Rul. 2010-18, page 1.

## Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2010. See Rev. Rul. 2010-18, page 1.

## Section 467.—Certain Payments for the Use of Property or Services

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2010. See Rev. Rul. 2010-18, page 1.

## Section 468.—Special Rules for Mining and Solid Waste Reclamation and Closing Costs

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2010. See Rev. Rul. 2010-18, page 1.

## Section 482.—Allocation of Income and Deductions Among Taxpayers

Federal short-term, mid-term, and long-term rates are set forth for the month of July 2010. See Rev. Rul. 2010-18, page 1.

## Section 483.—Interest on Certain Deferred Payments

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2010. See Rev. Rul. 2010-18, page 1.

## Section 642.—Special Rules for Credits and Deductions

Federal short-term, mid-term, and long-term rates are set forth for the month of July 2010. See Rev. Rul. 2010-18, page 1.

## Section 807.—Rules for Certain Reserves

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2010. See Rev. Rul. 2010-18, page 1.

## Section 846.—Discounted Unpaid Losses Defined

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2010. See Rev. Rul. 2010-18, page 1.

## Section 1274.—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property

(Also Sections 42, 280G, 382, 412, 467, 468, 482, 483, 642, 807, 846, 1288, 7520, 7872.)

**Federal rates; adjusted federal rates; adjusted federal long-term rate and the long-term exempt rate.** For purposes of

sections 382, 642, 1274, and 1288, and other sections of the Code, tables set forth the rates for July 2010.

## Rev. Rul. 2010-18

This revenue ruling provides various prescribed rates for federal income tax purposes for July 2010 (the current month). Table 1 contains the short-term, mid-term, and long-term applicable federal rates (AFR) for the current month for purposes of section 1274(d) of the Internal Revenue Code. Table 2 contains the short-term, mid-term, and long-term adjusted applicable federal rates (adjusted AFR) for the current month for purposes of section 1288(b). Table 3 sets forth the adjusted federal long-term rate and the long-term tax-exempt rate described in section 382(f). Table 4 contains the appropriate percentages for determining the low-income housing credit described in section 42(b)(1) for buildings placed in service during the current month. However, under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, and before December 31, 2013, shall not be less than 9%. Table 5 contains the federal rate for determining the present value of an annuity, an interest for life or for a term of years, or a remainder or a reversionary interest for purposes of section 7520. Finally, Table 6 contains the blended annual rate for 2010 for purposes of section 7872.

REV. RUL. 2010-18 TABLE 1  
Applicable Federal Rates (AFR) for July 2010

|                   | <i>Period for Compounding</i> |                   |                  |                |
|-------------------|-------------------------------|-------------------|------------------|----------------|
|                   | <i>Annual</i>                 | <i>Semiannual</i> | <i>Quarterly</i> | <i>Monthly</i> |
| <i>Short-term</i> |                               |                   |                  |                |
| AFR               | .61%                          | .61%              | .61%             | .61%           |
| 110% AFR          | .67%                          | .67%              | .67%             | .67%           |
| 120% AFR          | .73%                          | .73%              | .73%             | .73%           |
| 130% AFR          | .79%                          | .79%              | .79%             | .79%           |
| <i>Mid-term</i>   |                               |                   |                  |                |
| AFR               | 2.35%                         | 2.34%             | 2.33%            | 2.33%          |
| 110% AFR          | 2.59%                         | 2.57%             | 2.56%            | 2.56%          |
| 120% AFR          | 2.83%                         | 2.81%             | 2.80%            | 2.79%          |
| 130% AFR          | 3.06%                         | 3.04%             | 3.03%            | 3.02%          |
| 150% AFR          | 3.54%                         | 3.51%             | 3.49%            | 3.48%          |
| 175% AFR          | 4.14%                         | 4.10%             | 4.08%            | 4.07%          |
| <i>Long-term</i>  |                               |                   |                  |                |
| AFR               | 3.94%                         | 3.90%             | 3.88%            | 3.87%          |
| 110% AFR          | 4.34%                         | 4.29%             | 4.27%            | 4.25%          |
| 120% AFR          | 4.73%                         | 4.68%             | 4.65%            | 4.64%          |
| 130% AFR          | 5.13%                         | 5.07%             | 5.04%            | 5.02%          |

REV. RUL. 2010-18 TABLE 2  
Adjusted AFR for July 2010

|                         | <i>Period for Compounding</i> |                   |                  |                |
|-------------------------|-------------------------------|-------------------|------------------|----------------|
|                         | <i>Annual</i>                 | <i>Semiannual</i> | <i>Quarterly</i> | <i>Monthly</i> |
| Short-term adjusted AFR | .63%                          | .63%              | .63%             | .63%           |
| Mid-term adjusted AFR   | 1.97%                         | 1.96%             | 1.96%            | 1.95%          |
| Long-term adjusted AFR  | 3.99%                         | 3.95%             | 3.93%            | 3.92%          |

REV. RUL. 2010-18 TABLE 3  
Rates Under Section 382 for July 2010

|  |       |
|--|-------|
| Adjusted federal long-term rate for the current month  | 3.99% |
| Long-term tax-exempt rate for ownership changes during the current month (the highest of the adjusted federal long-term rates for the current month and the prior two months.) | 4.01% |

REV. RUL. 2010-18 TABLE 4  
Appropriate Percentages Under Section 42(b)(1) for July 2010

Note: Under Section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, and before December 31, 2013, shall not be less than 9%.

|  |       |
|--|-------|
| Appropriate percentage for the 70% present value low-income housing credit | 7.73% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.31% |

REV. RUL. 2010-18 TABLE 5  
Rate Under Section 7520 for July 2010

Applicable federal rate for determining the present value of an annuity, an interest for life or a term of years, or a remainder or reversionary interest 2.8%

REV. RUL. 2010-18 TABLE 6  
Blended Annual Rate for 2010

Section 7872(e)(2) blended annual rate for 2010 .59%

## Section 1288.—Treatment of Original Issue Discount on Tax-Exempt Obligations

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2010. See Rev. Rul. 2010-18, page 1.

## Section 5000B.—Indoor Tanning Services

26 CFR 49.5000B-1T: *Indoor tanning services (temporary).*

T.D. 9486

### DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Parts 40, 49, and 602

### Indoor Tanning Services; Cosmetic Services; Excise Taxes

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final and temporary regulations.

SUMMARY: This document contains final and temporary regulations that provide guidance on the indoor tanning services excise tax imposed by the Patient Protection and Affordable Care Act. These final and temporary regulations affect persons that use, provide, or pay for indoor tanning services. The text of these temporary regulations also serves as the text of the proposed regulations (REG-112841-10) set

forth in the notice of proposed rulemaking on this subject in this issue of the Bulletin.

**DATES: Effective Date:** These regulations are effective on June 15, 2010.

**Applicability Date:** For dates of applicability, see §§40.0-1T(e) and 49.5000B-1T(h).

FOR FURTHER INFORMATION CONTACT: Taylor Cortright, (202) 622-3130 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

#### Paperwork Reduction Act

The collection of information contained in these regulations has been reviewed and approved by the Office of Management and Budget under control number 1545-2177. The information is required to be maintained in order for the provider of indoor tanning services to accurately calculate the tax on indoor tanning services when those services are offered with other goods and services, as described in §49.5000B-1T(d)(2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

For further information concerning this collection of information, and where to submit comments on the collection of information and the accuracy of the estimated burden, and suggestions for reducing this burden, please refer to the preamble to the cross-reference notice of proposed rulemaking on this subject in this issue of the Bulletin.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue

law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

#### Background

This document amends the Excise Tax Procedural Regulations (26 CFR part 40) and the Facilities and Services Excise Tax Regulations (26 CFR part 49) under section 5000B of the Internal Revenue Code (Code). Section 5000B was added to the Code by section 10907 of the Patient Protection and Affordable Care Act, Public Law 111-148 (124 Stat. 119 (2010)), to impose an excise tax on indoor tanning services.

#### Explanation of Provisions

Section 5000B(a) imposes on any indoor tanning service a tax equal to 10 percent of the amount paid for such service. Indoor tanning service, as defined in section 5000B(b), does not include any phototherapy service provided by a licensed medical professional. The regulations define phototherapy service and clarify that such service must be performed by, and on the premises of, a licensed medical professional.

The tax applies to amounts paid after June 30, 2010, for indoor tanning services. Liability for the tax arises at the time of payment for the indoor tanning services. In some cases (such as purchase of an undesignated payment card, discussed later in this preamble), it may not be possible to determine whether there is a payment for indoor tanning services. Thus, the regulations provide in those cases that a payment is treated as made, and the tax is imposed, at the time it can reasonably be determined that the payment is made specifically for indoor tanning services. In the

case of membership fees paid to certain physical fitness facilities that provide indoor tanning services, the regulations provide a different rule, discussed later in this preamble.

The regulations provide that the “amount paid” for purposes of determining the tax base includes all amounts paid to the provider for indoor tanning services, including any amount paid by insurance. Providers of indoor tanning services, however, often sell other goods and services (such as protective eyewear, footwear, towels, and tanning lotions; manicures, pedicures and other cosmetic or spa treatments; and access to sport or exercise facilities) in addition to indoor tanning services. Thus, the regulations provide rules for determining the tax when the provider charges for other goods and services in addition to indoor tanning services.

Section 6001 requires taxpayers to keep books and records sufficient to show whether or not they are liable for tax. To that end, the regulations allow the provider to exclude charges for other goods and services if the charges are separable, do not exceed the fair market value of the other goods and services, and are shown in the exact amounts in the records pertaining to the indoor tanning services charge.

If the charges are not separately stated, but the total amount paid covers indoor tanning services, then the tax is based on the portion of the amount paid that is reasonably attributable to the indoor tanning services. For example, if the provider sells bundled services in which the indoor tanning service is bundled with other goods and services, and the charge is not separately stated, the tax applies to the amount paid that is reasonably attributable to the indoor tanning services. This is consistent with the approach taken in Rev. Rul. 63-155, 1963-2 C.B. 566 (relating to the application of the section 4261 tax on transportation by air to a package tour sold by a hotel that includes airfare, hotel accommodations, and other services not subject to the section 4261 tax).

The regulations provide that a payment for indoor tanning services is treated as made, and liability for the tax is imposed, at the time it can reasonably be determined that the payment is made specifically for indoor tanning services. If a payment is made with a gift certificate, gift card or similar device with a monetary value that

can be redeemed for goods or services that may, but do not necessarily, include indoor tanning services (an undesignated payment card), it can reasonably be determined that a payment is made specifically for indoor tanning services when the undesignated payment card is redeemed, in whole or in part, to pay specifically for indoor tanning services (and not when a payment is made to purchase the undesignated payment card). This is consistent with the approach taken in Rev. Rul. 56-157, 1956-1 C.B. 523 (relating to the application of the section 4261 tax on transportation by air to a gift certificate that could be redeemed for air transportation or cash). In these cases, the provider of the services calculates the tax on the amount of the undesignated payment card that is redeemed for indoor tanning services at the time it is redeemed, and the rules of section 5000B(c) apply to determine the person liable for the tax.

If, however, the provider sells bundled services in which access to indoor tanning services (in a specified or unlimited amount) over a period of time is bundled with other goods and services, it can reasonably be determined that the payment is made specifically for indoor tanning services at the time the bundled services are purchased, because there is value attributable to the access to indoor tanning services. This is different than the example of the gift certificate, because the gift certificate can be redeemed entirely for non-taxable services, but the purchase of bundled services will always include access to indoor tanning services in the “bundle”. In addition, for purposes of these regulations, payments for indoor tanning services are subject to tax, regardless of actual usage. Thus, the tax applies to the amount paid that is reasonably attributable to the access to indoor tanning services, and the rules of section 5000B(c) apply to determine the person liable for the tax.

On the other hand, in the case of a payment of a membership fee to a qualified physical fitness facility (QPFF) (as defined in the regulations) that includes access to indoor tanning services, the IRS and Treasury Department have determined that the access is incidental to the QPFF’s predominant business or activity and any amount attributable to such access would be difficult to calculate and administer. Thus, an amount paid to a QPFF is not a payment

for indoor tanning services and the tax is not imposed on the amount paid. The regulations narrowly define QPFF to require, among other things, that the predominant business or activity of the facility is to serve as a physical fitness facility, taking into consideration all of the facts and circumstances. Thus, for example, a business predominantly engaged in providing indoor tanning or other cosmetic services cannot become a QPFF by allowing users access to exercise classes or pieces of exercise equipment. The regulations further provide that a QPFF cannot charge separately for indoor tanning services, offer such services to the public, or offer different membership fee rates based on access to indoor tanning services. Thus, a physical fitness facility that distinguishes memberships based on access to indoor tanning services is not a QPFF.

Section 5000B(c)(1) provides that the person liable for the tax is the individual on whom the indoor tanning service is performed. In some cases, a person might pay for services to be performed on someone else, such as by purchasing a gift certificate for indoor tanning services. Because the tax is calculated on the amount paid for the indoor tanning services, and because the statute contemplates that the tax will be collected at the time payment is made, the person who pays for the services (payor) is deemed to be the person on whom the services are performed for purposes of collecting the tax. Thus, the payor is liable for the tax on the services. If a person pays for a gift certificate for indoor tanning services (or for bundled services that includes indoor tanning services), then the liability for the tax arises at the time of payment.

However, if a person purchases an undesignated payment card, then a payment has not been made for indoor tanning services until the undesignated payment card is redeemed specifically to pay for indoor tanning services. In that case, the liability for the tax arises at the time the undesignated payment card is redeemed. The person who redeems the card for indoor tanning services is deemed to be the person on whom the services are performed for purposes of collecting the tax, and that person is liable for the tax on the services.

Section 5000B(c)(2) provides that the person receiving the payment on which tax is imposed (the provider) generally must collect the tax from the payor and pay

the tax over quarterly to the government. These regulations provide that the amount paid by the payor to the provider is presumed to include the tax if the tax is not separately stated.

In this issue of the Bulletin, the IRS and Treasury Department are requesting comments regarding these temporary regulations, including comments on whether the presumption relating to section 5000B(c)(2) (that the amount paid by the payor to the provider includes the tax if the tax is not separately stated) is consistent with the manner in which providers maintain books and records and specifically whether such a rule is useful for purposes of minimizing recordkeeping burdens of the providers.

If the payor does not pay the tax at the time payment for the indoor tanning services is made, section 5000B(c)(3) provides that, to the extent the tax is not collected, the provider must pay the tax. Thus, the regulations provide that if the provider of the indoor tanning services fails to collect the tax from the payor at the time the payor makes a payment for indoor tanning services, the provider is liable for the tax.

These regulations apply the existing excise tax procedural rules in 26 CFR part 40 to the tax on indoor tanning services. Thus, the tax, whether paid by the payor or the provider under section 5000B(c), is reported by the provider on Form 720 “*Quarterly Federal Excise Tax Return*.” These temporary part 40 regulations do not require semimonthly deposits of tax; rather, full payment of the tax is due quarterly at the time Form 720 is timely filed. The existing regulations also provide that once a Form 720 is required to be filed for a calendar quarter, a Form 720 must be filed for each subsequent calendar quarter, whether or not liability is incurred (or tax must be collected and paid over) during that subsequent quarter, until a final return under §40.6011(a)-2 is filed.

Some providers of indoor tanning services may operate more than one location at which the services are provided. Each business unit that has, or is required to have, a separate employer identification number is treated as a separate person that must file a separate Form 720.

Collected taxes are held in special trust for the United States pursuant to section

7501, and any person who willfully fails to collect and pay over the tax may be subject to the penalty in section 6672. The IRS will generally administer the indoor tanning services tax (in Chapter 49 of the Code), the same way it administers the other collected excise taxes in Chapter 33 of the Code (the communications and transportation taxes). However, the reporting provisions in §49.4291-1 of the regulations (relating to certain inabilities to collect or refusals to pay tax) do not apply to the tax on indoor tanning services because section 4291 provides that these rules apply only to the Chapter 33 taxes.

#### *Availability of IRS documents*

The IRS revenue rulings cited in this preamble are published in the Internal Revenue Cumulative Bulletin and are available from the Superintendent of Documents, P.O. Box 371954, Pittsburgh PA, 15250-7954.

#### **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 applicability of the Regulatory Flexibility Act (5 U.S.C. chapter 6), please refer to the Special Analysis section in the preamble to the cross-referenced notice of proposed rulemaking in this issue of the Bulletin. Pursuant to section 7805(f) of the Code, these regulations have been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

#### **Drafting Information**

The principal author of these regulations is Taylor Cortright, Office of the Associate Chief Counsel (Passthroughs and Special Industries). However, other personnel from the IRS and the Treasury Department participated in their development.

\* \* \* \* \*

#### **Amendments to the Regulations**

Accordingly, 26 CFR parts 40, 49, and 602 are amended as follows:

#### **PART 40—EXCISE TAX PROCEDURAL REGULATIONS**

Paragraph 1. The authority citation for part 40 continues to read in part as follows:

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

Par. 2. Section 40.0-1 is amended as follows:

1. Paragraph (d) is redesignated as paragraph (f) and new paragraphs (d) and (e) are added.

2. The paragraph heading of redesignated paragraph (f) is revised.

The addition and revision read as follows:

#### *§40.0-1 Introduction.*

\* \* \* \* \*

(d) [Reserved]. For further guidance, see §40.0-1T(d).

(e) [Reserved]. For further guidance, see §40.0-1T(e).

(f) *Effective/applicability dates.* \* \* \*

Par. 3. Section 40.0-1T is added to read as follows:

#### *§40.0-1T Introduction (temporary).*

(a) through (c) [Reserved]. For further guidance, see §40.0-1(a) through (c).

(d) *Indoor tanning services.* The regulations in this part 40 also set forth administrative provisions relating to the excise taxes imposed by chapter 49, relating to cosmetic services.

(e) *Effective/applicability date.* Paragraph (d) of this section applies to returns that relate to calendar quarters beginning after June 30, 2010.

(f) [Reserved]. For further guidance, see §40.0-1(f).

(g) *Expiration date.* Paragraph (d) of this section expires on or before June 11, 2013.

Par. 4. Section 40.6302(c)-1 is amended by:

1. In paragraph (a)(1), removing the language “by statute” and adding “by statute, by §40.6302(c)-1T(g),” in its place.

2. Revising the paragraph heading in paragraph (f).

3. Adding paragraph (g).

The revision and additions read as follows:

*§40.6302(c)-1 Use of Government depositories.*

\* \* \* \* \*

(f) *Effective/applicability date.* \* \* \*

(g) [Reserved]. For further guidance, see §40.6302(c)-1T(g).

Par. 5. Section 40.6302(c)-1T is added to read as follows:

*§40.6302(c)-1T Use of government depositories (temporary).*

(a) through (f) [Reserved]. For further guidance, see §40.6302(c)-1(a) through (f).

(g) *Exception for indoor tanning services.* No deposit is required for the taxes imposed by section 5000B (relating to indoor tanning services) for any calendar quarter beginning after June 30, 2010.

(h) *Expiration date.* This section expires on or before June 11, 2010.

**PART 49—FACILITIES AND SERVICES EXCISE TAX**

Par. 6. The authority citation for part 49 continues to read in part as follows:

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

Par. 7. Section 49.0-3T is added to read as follows:

*§49.0-3T Introduction; cosmetic services (temporary).*

On and after July 1, 2010, this part 49 also applies to taxes imposed by chapter 49 of the Internal Revenue Code, relating to cosmetic services. See part 40 of this chapter for regulations relating to returns and payments of taxes imposed by chapter 49.

Par. 8. Subpart G is added to read as follows:

**Subpart G—Cosmetic Services**

*§49.5000B-1T Indoor tanning services (temporary).*

(a) *Overview.* This section provides rules for the tax imposed by section 5000B on any indoor tanning service.

(b) *Imposition of tax—(1) General rule.* Tax is imposed by section 5000B at the

time of payment for any indoor tanning service.

(2) *Undesignated payment cards.* In the case of an undesignated payment card (within the meaning of paragraph (c)(5) of this section), payment for indoor tanning services is made when it can reasonably be determined that a payment is made specifically for indoor tanning services. Thus, when the undesignated payment card is redeemed, in whole or in part, to pay for indoor tanning services (and not when a payment is made to purchase the undesignated payment card), it can reasonably be determined that a payment for indoor tanning services is made, and the tax is imposed.

(3) *Payments to qualified physical fitness facilities.* No portion of a payment to a qualified physical fitness facility (within the meaning of paragraph (c)(4) of this section) that includes access to indoor tanning services is treated as a payment for indoor tanning services.

(c) *Definitions—(1) Indoor tanning service* means a service employing any electronic product designed to incorporate one or more ultraviolet lamps and intended for the irradiation of an individual by ultraviolet radiation, with wavelengths in air between 200 and 400 nanometers, to induce skin tanning. The term does not include phototherapy service performed by, and on the premises of, a licensed medical professional (such as a dermatologist, psychologist, or registered nurse).

(2) *Other goods and services* include, but are not limited to, protective eyewear, footwear, towels, and tanning lotions; manicures, pedicures and other cosmetic or spa treatments; and access to sport or exercise facilities.

(3) *Phototherapy service* means a service that exposes an individual to specific wavelengths of light for the treatment of—

- (i) Dermatological conditions (such as acne, psoriasis, and eczema);
- (ii) Sleep disorders;
- (iii) Seasonal affective disorder or other psychiatric disorder;
- (iv) Neonatal jaundice;
- (v) Wound healing; or
- (vi) Other medical condition determined by a licensed medical professional to be treatable by exposing the individual to specific wavelengths of light.

(4) *Qualified physical fitness facility* means a facility—

(i) In which the predominant business or activity is providing facilities, equipment, and services to its members for purposes of exercise and physical fitness (determined by taking into consideration all of the facts and circumstances, such as the cost of the equipment, variety of services offered, actual usage of services by customers, revenue generated by different services, and how the entity holds itself out to the public through advertising or other means);

(ii) In which providing indoor tanning services is not a substantial part of the business or activity; and

(iii) That does not sell indoor tanning services for a fee to the public or otherwise offer different pricing options to its members based in whole or in part on access to indoor tanning services.

(5) *Undesignated payment card* means a gift certificate, gift card, or similar item that can be redeemed for goods or services that may, but do not necessarily, include indoor tanning services.

(d) *Application of tax—(1) Tax on total amount paid for indoor tanning services.* The tax is imposed on the total amount paid for indoor tanning services, including any amount paid by insurance.

(2) *Charges for other goods and services; tanning services separately stated.* If a payment covers charges for indoor tanning services as well as other goods and services, the charges for other goods and services may be excluded in computing the tax payable on the amount paid, if the charges—

(i) Are separable (regardless of the manner of invoicing the charges);

(ii) Do not exceed the fair market value of such other goods and services; and

(iii) Are shown in the exact amounts in the records pertaining to the indoor tanning services charge.

(3) *Charges for other goods and services; tanning services bundled.* This paragraph (d)(3) applies if paragraph (d)(2) of this section does not apply. If a provider offers indoor tanning services (whether of a specified or unlimited amount, including “free” or reduced-rate indoor tanning services) bundled with other goods and services, the payment for the bundled services includes an amount paid for indoor tanning services. The tax applies to that portion of the amount paid to the provider that is reasonably attrib-



utable to indoor tanning services. The amount reasonably attributable to indoor tanning services may be determined by applying to the total amount paid a ratio determined by comparing—

(i) The provider's charge for indoor tanning services not in bundled services or, in the event the provider only charges for other goods and services as part of bundled services, the fair market value of similar services (based on the amount charged by comparable providers in the same geographic area); to

(ii) The charge determined in paragraph (d)(3)(i) of this section plus the provider's charge for the other goods and services in the bundled services or, in the event the provider only charges for other goods and services as part of bundled services, the fair market value of similar goods and services (based on the amount charged by comparable providers in the same geographic area).

(e) *Person liable for the tax*—(1) *General rule.* The person who pays for the indoor tanning service is deemed to be the person on whom the service is performed for purposes of collecting the tax. Thus, the person paying for the indoor tanning service is liable for the tax at the time of payment.

(2) *Undesignated payment cards.* In the case of a payment made with an undesignated payment card (within the meaning of paragraph (c)(5) of this section) described in paragraph (b)(2) of this section, the person who redeems the card, in whole or in part, to pay specifically for indoor tanning services is the person who pays for the indoor tanning services. Thus, the person who redeems an undesignated payment card, in whole or in part, to pay specifically for indoor tanning services is liable for the tax at the time such payment is made.

(3) *Tax not collected at time of payment.* If the person paying for the indoor tanning services does not pay the tax to the person receiving the payment for the services at the time of payment for the services, the person receiving the payment is liable for the tax.

(f) *Persons receiving payment must collect tax.* Every person receiving a payment for indoor tanning services on which a tax is imposed under this section shall collect

the amount of the tax from the person making that payment. The total amount paid is presumed to include the tax if the tax is not separately stated.

(g) *Examples.* The following examples illustrate the application of section 5000B and this section.

*Example 1.* A is a provider of indoor tanning services and other goods and services. On July 1, 2010, B, an individual, pays A for one 10-minute indoor tanning service (as defined in paragraph (c)(1) of this section) and one pair of protective eyewear. A charges \$15.00 for the 10-minute indoor tanning service and \$2.00 for a pair of protective eyewear. The \$2.00 charge for the protective eyewear does not exceed its fair market value. The invoice from A is \$17.00 (exclusive of the tax imposed by section 5000B) and separately states the cost of the protective eyewear. Because the cost of the protective eyewear is separately stated, A calculates the section 5000B tax on \$15.00 as provided by paragraph (d)(2) of this section. B is liable for the tax when B pays for the services. If A does not collect the tax from B at the time B pays for the services, A is liable for the tax.

*Example 2.* A, a provider of indoor tanning services and other goods and services, periodically offers bundled services to promote additional business. On July 1, 2010, C, an individual, buys bundled service from A that includes 10 swimming lessons, the use of towels while on A's premises, one pair of protective eyewear, and 2 "free" 10-minute indoor tanning services. A charges \$252.00 (exclusive of the tax imposed by section 5000B) for the bundled services. If these services are purchased separately, A charges (exclusive of the tax imposed by section 5000B) \$25.00 per swimming lesson, \$15.00 for a 10-minute indoor tanning service, \$2.00 for the protective eyewear and does not charge for the use of towels while on A's premises. As determined under paragraph (d)(3) of this section, the section 5000B tax applies to the amount reasonably attributable to the indoor tanning service, which is \$26.81 ( $(\$30/\$282) \times \$252$ ).

*Example 3.* On July 1, 2010, D buys bundled services (described in *Example 2*) from A as a gift for C. Under paragraph (e)(1) of this section, D is deemed to be the person on whom the indoor tanning services are performed for purposes of collecting the tax. Therefore, under paragraph (b)(1) of this section, D is liable for the tax when D pays for the services. The tax will be computed under the rules of paragraph (d)(3) of this section. If D does not pay the tax at the time D pays for the services, A is liable for the tax.

*Example 4.* S operates a spa that provides a variety of cosmetic goods and services, including indoor tanning services. On July 1, 2010, D buys a gift certificate in the amount of \$100.00 from S as a gift for C. The gift certificate may be redeemed by C for C's choice among several services offered by S, including indoor tanning services. On July 15, 2010, C partially redeems the gift certificate to pay for one 10-minute indoor tanning service. Under paragraph (b)(2) of this section, a payment for indoor tanning services is made, and the tax under section 5000B is imposed, on July 15, 2010, when C partially redeems the gift certificate to pay for one indoor tanning service. Under

paragraph (e)(2) of this section, C is the person who pays for the indoor tanning services. Therefore, C is liable for the tax, computed under the rules of paragraph (d) of this section, and pays the tax by permitting S to debit the amount of the tax from the balance of the gift certificate or by paying the amount of the tax to S in cash. If C does not pay the tax at the time C partially redeems the gift certificate to pay for the indoor tanning services, S is liable for the tax.

*Example 5.* On July 1, 2010, E pays \$1000 (exclusive of the tax imposed by section 5000B) to spa S for the right to use the following equipment and services during the month of July: up to four massages or facials, unlimited use of a sauna, steam room, showers, and towel service, and unlimited indoor tanning services. If the services are purchased separately, S charges (exclusive of the tax imposed by section 5000B) \$150 for unlimited indoor tanning services during the month of July, and \$900 for the other equipment and services during the month of July, not including indoor tanning services. Under paragraph (b) of this section, E has made a payment for indoor tanning services and the tax will be computed under the rules of paragraph (d)(3) of this section. As determined under paragraph (d)(3) of this section, the section 5000B tax applies to the amount reasonably attributable to the indoor tanning services, which is \$142.86 ( $(\$150/\$1050) \times \$1000$ ). If E does not pay the tax at the time E pays for the bundled services, S is liable for the tax.

*Example 6.* G operates a full-service gym facility that offers fitness classes, multiple exercise machines (such as treadmills, stationary bicycles, weight training machines, and free weights), and has as its predominant business providing these facilities, equipment, and services to members for purposes of exercise and physical fitness. G provides its members with access to indoor tanning services, comprised of two tanning beds that meet the definition of indoor tanning services under paragraph (c)(1) of this section. G generally charges its members a fee for monthly usage of its facilities, equipment, and services, but also offers short-term or free trial memberships and allows non-members to purchase individual or a series of exercise classes. G does not charge any fee for the indoor tanning services, does not offer indoor tanning services separately from its other services, and has no membership tier or category that differs from others based on access to the indoor tanning services. G holds itself out to the public through advertising and marketing as providing equipment and services to improve physical fitness. On July 1, 2010, F pays a membership fee to G in return for use of G's facility during the month of July. Under paragraph (b)(3) of this section, no portion of F's membership fee payment is treated as a payment made for indoor tanning services, because G is a qualified physical fitness facility under paragraph (c)(4) of this section. Therefore, no liability for tax arises under section 5000B.

(h) *Effective/applicability date.* This section applies to amounts paid after June 30, 2010, for indoor tanning services.

(i) *Expiration date.* This section expires on or before June 11, 2013.

PART 602—OMB CONTROL  
NUMBERS UNDER THE PAPERWORK  
REDUCTION ACT

Par. 9. The authority citation for part  
602 continues to read as follows:

Authority: 26 U.S.C. 7805.

Par. 10. In §602.101, paragraph (b)  
is amended by adding the following entry  
in numerical order to the table to read as  
follows:

§602.101 OMB Control numbers.

\* \* \* \* \*  
(b) \* \* \* \*

| CFR part or section where<br>identified and described | Current OMB<br>control No. |
|---|----------------------------|
| * * * * *   |                            |
| 1.5000B-1 .....                                       | 1545-2177                  |
| * * * * *   |                            |

Steven T. Miller,  
*Deputy Commissioner for  
Services and Enforcement.*

Approved June 9, 2010.

Michael Mundaca,  
*Assistant Secretary  
of the Treasury (Tax Policy).*

(Filed by the Office of the Federal Register on June 11, 2010,  
11:15 a.m., and published in the issue of the Federal Register  
for June 15, 2010, 75 F.R. 33683)

**Section 7520.—Valuation  
Tables**

The adjusted applicable federal short-term, mid-  
term, and long-term rates are set forth for the month  
of July 2010. See Rev. Rul. 2010-18, page 1.

**Section 7872.—Treatment  
of Loans With Below-Market  
Interest Rates**

The adjusted applicable federal short-term, mid-  
term, and long-term rates are set forth for the month  
of July 2010. See Rev. Rul. 2010-18, page 1.

# Part III. Administrative, Procedural, and Miscellaneous

## Notice Providing Disaster Relief to Sponsors of Pre-Approved Defined Contribution Plans

### Notice 2010-48

#### I. PURPOSE

This notice provides relief to sponsors of defined contribution pre-approved plans (*i.e.*, master and prototype (“M&P”) and volume submitter (“VS”) plans) affected by recent federally declared disasters (as defined in § 165(h)(3)(C)(i) of the Internal Revenue Code (the “Code”). The relief provided by this notice extends to July 30, 2010, the April 30, 2010, deadline for restating affected pre-approved defined contribution plans and, if applicable, for submitting determination letters to the Service. The § 401(b) remedial amendment period with respect to these plans is also extended to July 30, 2010. The relief provided by this notice is in addition to the relief already provided by the Internal Revenue Service (IRS) to those affected by the federally declared disasters identified in this notice.

#### II. BACKGROUND

##### A. Provisions Relating to Disaster Relief

Under § 7508A of the Code, relief may be provided by the Secretary when there has been a federally declared disaster or a terroristic or military action (as defined in § 692(c)(2)). Under Treas. Reg. § 301.7508A-1(a), affected taxpayers are eligible for the postponement of certain tax-related deadlines to file returns, pay taxes, or perform other acts related to income taxes administered by the IRS. Pursuant to § 7508A, the IRS has provided relief to certain counties in the following states:

Connecticut victims of March 2010 severe storms and flooding. See, *News Release* CT-2010-35, June 1, 2010.

Tennessee victims of April-May 2010 severe storms and flooding. See, *News Release* AL/TN-2010-56T, May 5, 2010.

Alabama victims of April 2010 severe storms and flooding. See, *News*

*Release* AL/TN-2010-55A, May 4, 2010.

Mississippi victims of April 2010 severe storms, tornadoes and flooding. See, *News Release* LA/MS-2010-21, April 30, 2010.

New Jersey victims of March 2010 storms and flooding. See, *News Release* NJ-2010-32, April 5, 2010.

Massachusetts victims of March storms and flooding. See, *News Release* MA-2010-15, March 31, 2010.

Rhode Island victims of March storms and flooding. See, *News Release* RI-2010-11, March 31, 2010.

West Virginia victims of March storms and flooding. See, *News Release* WVA-2010-12, March 31, 2010.

##### B. Provisions Relating to Defined Contribution Pre-approved Plan Program Adoption Deadlines

Revenue Procedure 2007-44, 2007-2 C.B. 54 (as modified by Rev. Proc. 2008-56, 2008-2 C.B. 826; Rev. Proc. 2009-36, 2009-35 I.R.B. 304; and Notice 2009-97, 2009-52 I.R.B. 972) and Rev. Proc. 2005-16, 2005-1 C.B. 674, describe a staggered remedial amendment system for plans that are qualified under § 401(a) of the Code, with five-year amendment/approval cycles for individually designed plans and six-year cycles for pre-approved plans. The submission period for the initial cycle for pre-approved defined contribution plans was February 17, 2005, through January 31, 2006. Plan sponsors and practitioners were required to restate their pre-approved defined contribution plans for the Economic Growth and Tax Relief Reconciliation Act of 2001, Pub. L. 107-16, (EGTRRA) and Notice 2004-84, 2004-2 C.B. 1030 (the “2004 Cumulative List”) and apply for new opinion or advisory letters during that submission period.

Section 16.03 of Rev. Proc. 2007-44 provides that when the review of a cycle for pre-approved plans has neared completion, the IRS will publish an announcement providing the date by which adopting employers must adopt the newly approved plans. This date is intended to give adopting employers a period of approximately two years in which to adopt the plans.

Announcement 2008-23, 2008-1 C.B. 731, provides the deadline by which adopting employers must adopt EGTRRA-approved M&P and VS defined contribution plans. The two-year window in which to adopt a pre-approved defined contribution plan ended on April 30, 2010, and the Service accepted applications for determination letters from May 1, 2008, through April 30, 2010. Thus, the end of the six-year remedial amendment cycle for pre-approved defined contribution plans was April 30, 2010.

#### III. RELIEF

##### A. Provision of Disaster Relief

Due to damage caused by the federally declared disasters identified in section II.A. of this notice, employers that maintain M&P or VS defined contribution plans may have missed the April 30, 2010, deadline to adopt an EGTRRA-approved M&P or VS defined contribution plan and/or to submit, if applicable, a determination letter application to the IRS. As a result, the IRS believes that it is appropriate to provide an administrative extension to adversely affected employers. Thus, the deadline by which an employer that maintains an Affected Plan (as defined in III.B.) must adopt an EGTRRA-approved M&P or VS defined contribution plan and submit a determination letter application, if applicable, is extended to July 30, 2010. The remedial amendment period is also extended to July 30, 2010.

##### B. Definition of Affected Plan

A plan is an Affected Plan only if any of the following locations relating to the plan were in the federally declared disaster areas (identified in section II.A. of this notice) at the time of the disasters:

1. The principal place of business of the employer that maintains the plan (in the case of a single-employer plan, determined by disregarding the rules of § 414(b) and (c) of the Code);

2. The principal place of business of the employer that employs more than 50% of the active participants covered by the plan (in the case of a plan covering employees of more than one em-

ployer, determined by disregarding the rules of § 414(b) and (c));

3. The office of the plan or the plan administrator;

4. The office of the primary record-keeper serving the plan; or

5. The office of any advisor that had been retained by the plan or the employer at the time of the storms or other severe weather that is directly involved with the adoption of the EGTRRA-approved M&P or VS defined contribution plan or that is directly involved in submitting a determination letter application to the IRS by the due date of April 30, 2010.

For purposes of items 3, 4, and 5, above, the term “office” includes only the worksite of those individuals, and the location of any records, necessary to adopt the EGTRRA-approved M&P or VS defined contribution plan or to submit the plan’s determination letter application to the IRS.

#### **IV. SUBMISSION OF A DETERMINATION LETTER APPLICATION**

In addition to the general requirements for submitting a determination letter application set forth in Rev. Proc. 2010-6, 2010-1 I.R.B. 193, an employer submitting a determination letter application pursuant to this notice should write “Extension Relief per Notice 2010-48” in the upper margin of the cover letter (do not write this on the determination letter application form).

#### **V. EFFECT ON OTHER DOCUMENTS**

Rev. Proc. 2007-44 is modified.

#### **DRAFTING INFORMATION**

The principal author of this notice is Angelique Carrington of the Employee Plans, Tax Exempt and Government Entities Division. For further information regarding this notice, please contact the Employee Plans taxpayer assistance answering service at 1-877-829-5500 (a toll-free number) or e-mail Ms. Carrington at [RetirementPlanQuestions@irs.gov](mailto:RetirementPlanQuestions@irs.gov).

## **Request for Comments: Modification to the Regulations Under § 382 Regarding the Treatment of Shareholders who are not 5-Percent Shareholders**

### **Notice 2010-49**

This notice invites public comments relating to possible modifications to the regulations under § 382 of the Internal Revenue Code regarding the treatment of shareholders who are not 5-percent shareholders (Small Shareholders).

#### **I. PURPOSE**

The Internal Revenue Service (Service) and Treasury Department (Treasury) are currently considering modifying the regulations under § 382. In particular, the Service and Treasury are studying the operation of the rules relating to Small Shareholders, including the application of the aggregation and segregation rules to public groups. This notice sets forth policy considerations underlying § 382 and requests comments on what modifications would better reflect those policy considerations.

#### **II. BACKGROUND**

Section 382 provides special rules for Small Shareholders. Under § 382(g)(4)(A), Small Shareholders are aggregated and treated as one 5-percent shareholder. Section 382(g)(4)(B), however, requires that this aggregation rule must be applied separately to Small Shareholders of parties to certain § 368 reorganizations. Section 382(g)(4)(C) broadens the scope of the segregation rule of § 382(g)(4)(B) and provides that, except as provided in the regulations, similar segregation rules shall apply in determining whether there has been an owner shift involving a 5-percent shareholder and whether such shift (or a subsequent transaction) results in an ownership change.

#### **III. POLICY CONSIDERATIONS UNDERLYING § 382**

The proper treatment of Small Shareholders under § 382(g)(4)(C) depends

upon a determination concerning the policy considerations underlying § 382. This request for comments describes two general approaches, the Ownership Tracking Approach and the Purposive Approach, and sets forth some of the policy considerations underlying each. Both approaches recognize that one of the primary abuses § 382 seeks to prevent involves an acquisition of loss corporation stock followed by the contribution of income-producing assets or the diversion of income-producing opportunities to the corporation. The two approaches differ, however, in the extent they seek to identify and limit their effect to circumstances in which that abuse is most likely to occur.

#### **A. OWNERSHIP TRACKING APPROACH**

Under the Ownership Tracking Approach, it generally is of no significance whether the shareholders who increase their ownership are Small Shareholders or 5-percent shareholders. This approach ensures that abusive transactions are addressed by tracking all changes in ownership without regard to their particular circumstances. Thus, any transaction that allows the corporation to track the increase in ownership interests held by Small Shareholders results in the segregation of Small Shareholders into a new public group, which is treated as a 5-percent shareholder. See § 1.382-2T(j)(3)(i) of the Income Tax Regulations. The creation of the new, segregated public group results in an increase in ownership for that public group. For example, if a 5-percent shareholder sells stock to Small Shareholders, these Small Shareholders are segregated into a separate public group because it is not unduly burdensome for the corporation to know that a 5-percent shareholder has reduced its ownership and that ownership interest has been acquired by Small Shareholders. However, the Ownership Tracking Approach makes a concession to administrative convenience and acknowledges that “public trading,” which is the purchase by one Small Shareholder of stock from another Small Shareholder, should not be taken into account because it is unduly burdensome for a corporation to take into account all such transactions. See § 1.382-2T(e)(1)(ii).

## B. PURPOSIVE APPROACH

Consistent with the purpose of § 382, the Purposive Approach seeks to identify more specifically the circumstances in which abuses are likely to arise. This approach reflects the view that it is unnecessary to take into account all readily-identifiable acquisitions of stock by Small Shareholders, because Small Shareholders are generally not in a position to acquire loss corporation stock in order to contribute income-producing assets or divert income-producing opportunities. Instead, if the Purposive Approach is adopted, special rules generally could provide for a lesser percentage change in ownership for acquisitions of stock by Small Shareholders.

## C. CURRENT REGULATIONS UNDER § 382

The current regulations primarily reflect the Ownership Tracking Approach. Although certain provisions may seem to follow the Purposive Approach, their justification is nevertheless based upon the Ownership Tracking Approach. For example, the cash issuance exception of § 1.382-3(j)(3) reduces the segregation effect of an issuance of stock to Small Shareholders by treating existing direct public groups as buying some of the stock sold in the issuance. However, this rule is justified on the grounds that there is likely to be substantial overlap between Small Shareholders who acquire stock in such an issuance and the existing Small Shareholder ownership base.

## D. OWNERSHIP TRACKING APPROACH VERSUS PURPOSIVE APPROACH

The different consequences of the two approaches may be illustrated by the treatment of 5-percent shareholders that acquire stock from Small Shareholders, and then sell the acquired stock back to Small Shareholders.

### *Example (1).*

*Facts.* All the stock of loss corporation is owned by a single public group, Original Public Group. The following acquisitions and dispositions each occur during the testing period. First, Investor A acquires 10 percent of the corporation's stock from Small Shareholders, and sells it to Small Shareholders a few months later. Second, Investor B acquires 10 percent of the stock from Small Shareholders, and

sells it a few months later to Small Shareholders. Third, Investor C does the same.

*Analysis.* (i) *Ownership Tracking Approach.* The regulations reflect the Ownership Tracking Approach, and require the creation of a new, segregated public group when each of Investors A, B and C sells its stock back to Small Shareholders. As a result, the loss corporation has four 5-percent shareholders, Original Public Group and three new, segregated public groups (New Public Group 1, New Public Group 2, and New Public Group 3). Each investor is treated as acquiring the loss corporation stock proportionately from the direct public groups that exist immediately before the acquisition. See § 1.382-2T(j)(2)(vi). Accordingly, New Public Group 1, New Public Group 2, and New Public Group 3, the only 5-percent shareholders whose interests in loss corporation have increased during the testing period, have increased their respective ownership interest by 27.1 percent, in the aggregate — from zero to 8.1 percent for New Public Group 1, from zero to 9 percent for New Public Group 2, and from zero to 10 percent for New Public Group 3. This is so even though the stock is now, and at the beginning of the testing period was, held 100 percent by Small Shareholders, and even though no actual 5-percent shareholder ever held more than 10 percent of the corporation's stock. This treatment is justified on the grounds that the corporation is able to track each time a 5-percent shareholder sells stock to new shareholders, including Small Shareholders.

(ii) *Purposive Approach.* Under the Purposive Approach, the amount of change in ownership is different from the amount under the Ownership Tracking Approach. When each investor sells its shares to Small Shareholders, the shares could be treated as being re-acquired by Original Public Group rather than the new, segregated public groups. As a result, the aggregate effect on the change in ownership is significantly reduced. Accordingly, Original Public Group is treated as increasing its ownership interest from 90 percent to 100 percent during the testing period.

A full embrace of the Purposive Approach could go further. For example, when Original Public Group acquires shares from each investor, Original Public Group could be treated, for testing dates on or after such an acquisition, as having owned them during the period they were owned by the seller. Under such a rule, there would have been no increase in ownership of any 5-percent shareholder during the testing period. Instead, Original Public Group would be treated, for testing dates on or after its reacquisition of the shares from the investors, as owning 100 percent of the corporation during the entire period. Such a result would be justified on the grounds that where Small Shareholders owned the shares at the beginning of the testing period and on the last testing date, no shareholder has increased its ownership interest in such a way that would allow

it to engage in any abuse that § 382 was enacted to prevent.

### *Example (2).*

*Facts.* The facts are the same as *Example (1)*, except each acquisition by Investors A, B, and C precedes all dispositions by the investors to Small Shareholders.

*Analysis.* (i) *Ownership Tracking Approach.* The results are the same as in *Example (1)*.

(ii) *Purposive Approach.* Under a limited application of the Purposive Approach, Original Public Group would be treated as increasing its ownership interest from 70 percent to 100 percent for an increase of 30 percentage points. However, under an expanded application of this principle, Original Public Group could be treated as always having owned the stock owned by Investors A, B, and C for testing dates on or after the sales to Small Shareholders. Under this rule, for testing dates on or after the reacquisition of the shares by Original Public Group from the investors, there would have been no increase in the ownership interest of any 5-percent shareholder during the testing period.

Other transactions would also receive different treatment under the Purposive Approach. For example, when stock is issued by a loss corporation, the stock could be treated as being acquired by the existing public group or groups, instead of by a new, segregated public group. Some type of look-back rule could also be employed in this context to mitigate the change in ownership that results from an issuance to Small Shareholders. The effect of redemptions of stock held by Small Shareholders under a Purposive Approach would also be different from the treatment of such transactions under the existing regulations.

The complete adoption of a Purposive Approach to public groups would require significant changes to the existing regulations. Alternatively, it may be appropriate to adopt new rules reflecting the Purposive Approach only for certain transactions. For example, stock issuances, which allow the loss corporation to receive additional income-producing capital, present concerns that shareholder-to-shareholder sales do not.

The Service and Treasury are also studying more modest changes. For example, the cash issuance exception is currently limited, as the name implies, to issuances of stock for cash. Under consideration is the possible expansion of this rule to issuances for other property, including the debt of the loss corporation. The Service and Treasury also are considering whether it would be appropriate to expand the small issuance exception

to exempt larger share issuances from the application of the segregation rules.

#### IV. REQUEST FOR COMMENTS

The Service and Treasury request comments concerning what modifications, if any, to the existing rules for public groups are appropriate, and an analysis of whether authority exists for any recommended changes. Comments are requested concerning whether the regulations under § 382 should follow the Ownership Tracking Approach, Purposive Approach, or another approach. Additionally, consistent with an application of a Purposive Approach, comments are requested regarding whether the look-through treatment of first-tier and higher-tier entities should be limited in cases where these entities have a relatively small direct or indirect investment in the loss corporation. Due to the complexity of the existing regulations under § 382, modifications to the treatment of public groups would likely raise questions regarding how such modifications should be harmonized with other rules. The Service and Treasury also request comments on the consequences of any recommended modifications on these questions.

Comments should be submitted by September 9, 2010, and include a reference to Notice 2010-49. Send submissions to Internal Revenue Service, Attn: CC:PA:LPD:PR (Notice 2010-49), Room 5203, P.O. Box 7604, Ben Franklin Station, Washington, D.C. 20044 or hand-deliver Monday through Friday between the hours of 8:00 a.m. and 4:00 p.m. to Courier's Desk, Internal Revenue Service, Attn: CC:PA:LPD:PR (Notice 2010-49), 1111 Constitution Avenue, N.W., Washington, D.C. 20044. Alternatively, comments may be submitted electronically via the following e-mail address: [Notice.Comments@irs.counsel.treas.gov](mailto:Notice.Comments@irs.counsel.treas.gov). Please include "Notice 2010-49" in the subject line. All comments will be available for public inspection and copying.

#### DRAFTING INFORMATION

The principal author of this notice is Rubin B. Ranat of the Office of Associate Chief Counsel (Corporate). For further information regarding this notice, contact

Rubin B. Ranat at (202) 622-7530 (not a toll-free call).

## Section 382(l)(3)(C) Fluctuations in Values

### Notice 2010-50

This notice provides guidance under § 382 of the Internal Revenue Code for measuring owner shifts of loss corporations that have more than one class of stock outstanding, and, in particular, regarding the effect of fluctuations in the value of one class of stock relative to another class of stock (fluctuations in value). It provides interim guidance to the effect that the Internal Revenue Service (IRS) will accept certain methodologies for taking into account or not taking into account fluctuations in value, and identifies one methodology that the IRS views as inconsistent with § 382(l)(3)(C). It also requests comments to assist in the development of future guidance. Any terms and definitions used in this notice have the same meaning as they do in § 382 and the § 382 regulations unless otherwise provided in this notice.

#### I. Background

##### A. Overview of § 382(l)(3)(C)

Many of the critical determinations under § 382 depend upon the value of the stock owned by a particular shareholder. For example, whether an ownership change under § 382(g) occurs depends upon whether one or more 5-percent shareholders have increased their ownership in the loss corporation by more than 50 percentage points. Such ownership determinations are by reference to value; *i.e.*, the relative fair market value of the stock owned to the total fair market value of the corporation's outstanding stock. See § 1.382-2(a)(3)(i) of the Income Tax Regulations.

Section 382(l)(3)(C) provides that, except as provided in regulations, any change in proportionate ownership of the stock of a loss corporation attributable solely to fluctuations in the relative fair market values of different classes of stock shall not be taken into account. The regulations under § 382 do not provide any specific guidance on § 382(l)(3)(C). Instead,

§ 1.382-2T(l) sets forth a heading and a reservation: "*Changes in Percentage Ownership which are attributable to fluctuations in value.*—[Reserved.]"

The Treasury Department (Treasury) and the IRS are aware that taxpayers employ a number of different methodologies in interpreting and applying § 382(l)(3)(C). For example, some taxpayers have interpreted more general provisions of the regulations to require the valuation of all outstanding shares of stock of a corporation on every testing date. See §§ 1.382-2(a)(3)(i) and 1.382-2T(c)(1). Under this interpretation, the effect of § 382(l)(3)(C) is limited to ensuring that a testing date does not occur solely by virtue of a fluctuation in the relative values of different share classes. For purposes of this notice, such a valuation of all shares on every testing date is referred to as a "Full Value Methodology." Other taxpayers have interpreted § 382(l)(3)(C) more broadly, factoring out fluctuations in value on a testing date based upon relative value ratios among different classes of stock established at the time a particular share of stock was acquired. There are variations in the methods that apply this view, described in more detail below, but the essential principle upon which the broader interpretation is based is that, as to a particular share, value ratios between and among various classes of stock are fixed, or "held constant," on the date a particular share is acquired (hereafter, the "Hold Constant Principle," or "HCP"). The remainder of this section describes the government's understanding of the Full Value Methodology, the Hold Constant Principle, and two methodologies that implement the HCP.

##### B. Full Value Methodology

Under a Full Value Methodology, the determination of the percentage of stock owned by any person is made on the basis of the relative fair market value of the stock owned by such person to the total fair market value of the outstanding stock of the corporation. Thus, changes in percentage ownership as a result of fluctuations in value are taken into account if a testing date occurs, regardless of whether a particular shareholder actively participates or is otherwise party to the transaction that causes the testing date to occur;

essentially, all shares are “marked to market” on each testing date.

*Example 1.* Upon formation, corporation X issues \$20 of convertible preferred stock to A and issues two shares of common stock to B for \$80, such that A and B own 20 percent and 80 percent, respectively, of X. The fortunes of X deteriorate, and, two years later, when the common stock has a value of \$2.50 per share and the preferred stock has a value of \$20, B sells one share of common stock to C. At the time of B’s sale to C, X is a loss corporation. On that testing date, A will be treated as increasing its proportionate interest from 20 percent to 80 percent (\$20/\$25) under the Full Value Methodology as a result of the upward fluctuation in value of the preferred stock relative to the common stock.

As Example 1 illustrates, an ownership change under § 382 would occur as a consequence of the sale of stock worth 10% of the loss corporation’s value because a stake originally representing 20% of the corporation’s value has fluctuated upward to 80% on the testing date, for a cumulative shift of 70 percentage points. The Full Value Methodology is a narrow interpretation of § 382(1)(3)(C), but it may be viewed as giving effect to the statutory language by not requiring value marks more frequently than each testing date (*e.g.*, daily fluctuations in value between various classes are ignored, where such fluctuations occur between testing dates).

### **C. Hold Constant Principle**

Broadly stated, under the Hold Constant Principle, the value of a share, relative to the value of all other stock of the corporation, is established on the date that share is acquired by a particular shareholder. On subsequent testing dates, the percentage interest represented by that share (the “tested share”) is then determined by factoring out fluctuations in the relative values of the loss corporation’s share classes that have occurred since the acquisition date of the tested share. Thus, as applied, the HCP is individualized for each acquisition of stock by each shareholder. Moreover, the ownership interest represented by a tested share is adjusted for the dilutive effects of subsequent issuances and the accretive effects of subsequent redemptions following the tested share’s acquisition date.

*Example 2.* Upon formation, corporation X issues \$20 of convertible preferred stock to A and issues two shares of common stock to B for \$80, such that A and B own 20 percent and 80 percent, respectively, of X. The fortunes of X deteriorate, and, two years later, when the common stock has a value of \$2.50 per share and the preferred stock

has a value of \$20, B sells one share of common stock to C. At the time of B’s sale to C, X is a loss corporation. On that testing date, although A actually owns 80% of the value of X, A will be treated as owning 20% of the value of X for purposes of § 382(g), under the Hold Constant Principle.

As Example 2 illustrates, A would still be treated as owning 20 percent of X on the testing date because the HCP hypothesizes that (for purposes of determining A’s percentage ownership) the common stock and the preferred stock maintain the relative values that existed on the acquisition date of the tested share (here, each share held by A). The only share that is “marked” to value is the one share acquired by C, representing only 10% of the corporation’s equity value on the date of acquisition. Thus, no ownership change under § 382 would occur as a consequence of the acquisition of that share by C. The Hold Constant Principle may thus be viewed as giving effect to the statutory language of § 382(1)(3)(C) by factoring out fluctuations in the value of stock held by passive shareholders across multiple testing dates. The “factoring out” process generally continues for a particular share until the holder is no longer treated as owning the tested share for § 382 purposes (*e.g.*, the holder engages in affirmative activity such as a taxable sale). What follows is a description of two methodologies that implement the HCP.

#### *1. Alternative Methodology 1: Look Back from Testing Date*

One methodology for implementing the Hold Constant Principle is to recalculate the hold constant percentage represented by a tested share to factor out changes in its relative value since the share’s acquisition date (hereafter, “Alternative 1”). This methodology was described by a commentator in 2005. *See generally* Mark R. Hoffenberg, *Owner Shifts and Fluctuations in Value: A Theory of Relativity*, 106 Tax Notes 1446 (March 21, 2005). Generally, this methodology calculates the percentage interest represented by a tested share on a testing date, beginning with the value of the tested share on the testing date, and then making adjustments based on the changes in relative value of the tested share to the value of all the stock of the loss corporation that have occurred since the tested share’s acquisition date.

#### *2. Alternative Methodology 2: Ongoing Adjustments from Acquisition Date*

The second methodology for implementing the HCP tracks the percentage interest represented by a tested share from the date of acquisition forward, adjusting for subsequent dispositions and for the subsequent issuance or redemption of other stock (hereafter, “Alternative 2”). Generally, the increase in percentage ownership represented by the acquisition of a tested share during the testing period is established on the date the tested share is acquired. This increase is reduced (but not below zero) for subsequent dispositions of shares by the owner. To the extent the particular shareholder is not engaging in acquisitions or dispositions, the percentage ownership calculation “rolls over” from one testing date to another. Whereas under Alternative 1, the loss corporation generally determines the relative value of shares of its stock at the beginning of the testing period, or an earlier date, this may not be necessary under Alternative 2. Thus, Alternative 2 may involve fewer calculations on a particular testing date than Alternative 1.

#### *3. Common Elements of Both HCP Methodologies*

##### *a. Acquisitions*

Under either Alternative 1 or Alternative 2, the loss corporation determines, on each testing date during a testing period, the value of a tested share acquired on that testing date as compared to the value of all the stock of the loss corporation on that date (*i.e.*, neither alternative factors out value fluctuations for actual acquisitions).

##### *b. Dispositions and sourcing*

Under either of the HCP alternative methodologies, a shareholder’s increase in proportionate interest during a testing period will be reduced by share dispositions. The government is aware of at least two methods to account for dispositions in such cases. One method may account for the effect of a share disposition based upon the percentage ownership that the sold share represents on the date of its disposition (as opposed to the percentage represented by that share on its acquisition date) (a “fair market value approach”).

Another method may account for the effect of a share disposition based upon the percentage ownership that the sold share represented on another testing date during the testing period upon which the selling shareholder acquired shares. As one example, if the shares disposed of are being offset against shares of another class acquired during the testing period, the percentage offset could be determined as of the date the other class was acquired (a “share equivalent approach”). The results obtained would be as if sold shares were converted into a share-equivalent number of shares of the acquired class.

*Example 3.* A purchases 10 shares of X’s common stock for \$10 on testing date 1, when each share of common stock represents one percent of X. X is a loss corporation. On testing date 1, A also holds 2 shares of participating preferred stock, with each share valued at \$2 and each preferred share representing 2 percent of X. On testing date 2, A disposes of one share of the preferred stock. Under a share-equivalent approach, A may be considered to have disposed of two shares of common stock, which is the common share equivalent of one share of preferred stock as determined on the acquisition date of the common stock.

If a taxpayer determines the effect of a share disposition based upon the percentage represented by the sold share on the share’s acquisition date, under either of the two methodologies, the taxpayer must also determine the source of shares disposed of where a 5-percent shareholder has had multiple acquisitions and dispositions of loss corporation stock. For example, tested shares of a single class likely will represent different percentages of a loss corporation depending upon when the tested shares were acquired. In these cases, taxpayers may treat sold shares as being sourced *pro rata* from all acquisitions, as being sourced first from the most recent acquisition (“LIFO”), or as being sourced first from the first acquisition (“FIFO”).

### c. Redemptions and issuances

Section 382 takes into account not only trading in loss corporation shares, but also the redemptions and issuances of shares, for purposes of tracking changes in percentage ownership by 5-percent shareholders. For this purpose, a redemption may be analogized to a *pro-rata* acquisition by non-redeeming shareholders of the redeemed shares, while an issuance may be analogized to a *pro-rata* sale of shares by shareholders holding stock im-

mediately before the issuance to those shareholders acquiring shares in the issuance. There are a variety of possible approaches in applying the HCP to stock redemptions and issuances.

In a redemption, § 382 views the remaining shareholders as having acquired a greater interest in the corporation with respect to their shares held immediately after the redemption. Applying the HCP, the size of this acquisition for each shareholder could be determined either by reference to current values at the time of the redemption or relative values in effect when the non-redeemed shareholders established their positions.

In an issuance, § 382 views the interest in the corporation held by pre-existing shareholders with respect to their preexisting shares as being reduced. In applying the HCP, the effect of the issuance on pre-existing shares, could also be determined by reference to current or relative historical values.

Whether current or historical values are used in determining the effect of subsequent redemptions or issuances can make a substantial difference in the amount of the owner shifts determined for 5-percent shareholders. Moreover, even if historical values are used, the use of one HCP alternative versus another can produce differing results. See generally NYSBA Tax Section, Report on the Treatment of Fluctuations in Value under Section 382(l)(3)(C), Dec. 22, 2009, reprinted in 2009 TNT 245-16 (Example 5 in the report).

Finally, §§ 1.382-3(j)(3) and (5) contain a special rule for determining the effects of certain cash issuances. Sections 1.382-3(j)(2) and (5) contain a special rule for determining the effect of certain small issuances. The issues discussed in this notice are relevant in determining the amount of exempted stock under the cash issuance rule, and the allocation of exempted stock among direct public groups under both rules.

### d. Non-disposition transactions

For purposes of applying a method based on the HCP, an owner of loss corporation stock is not treated as disposing of or acquiring loss corporation stock to the extent the owner remains treated as an owner of the loss corporation, or its successor,

under § 382 and the regulations thereunder. See generally § 1.382-2T(h)(2) (relating to constructive stock ownership); § 1.382-2T(f)(18)(iv) (stock of the loss corporation, as the context may require, includes any indirect interest in the loss corporation); § 1.382-2T(j)(2)(iii)(B)(I)(i) (relating to equity structure shifts). In these cases, the original acquisition date and other hold constant characteristics are preserved. Thus, for example, if a shareholder exchanges loss corporation stock for other loss corporation stock in a value-for-value recapitalization, the stock received in the exchange would retain the same hold-constant characteristics as the surrendered shares. This principle also applies to reorganizations described in § 1.382-2T(j)(2)(iii)(B)(I)(i) and holding company formations.

## II. Guidance

Because of the complexity of the issues involved in measuring owner shifts of loss corporation stock where fluctuations in value are present, the IRS and Treasury have determined that it is appropriate to accept taxpayers’ reasonable attempts to measure increases in ownership where fluctuations in value are present. Accordingly, the IRS will not challenge any reasonable application of either a Full Value Methodology or the HCP, provided that a single methodology (as described below) is applied consistently to the extent required in this notice. The IRS and Treasury believe that each of the HCP alternative methodologies discussed in section I above—including the common elements of both for dealing with various transactions such as issuances and redemptions—are reasonable applications of the HCP.

Taxpayers may rely on the guidance provided in this notice until such time as the IRS and Treasury issue additional guidance under § 382(l)(3)(C).

### A. Acquisitions

All reasonable applications of either the Full Value Methodology or the HCP must determine the increase in ownership represented by the acquisition of a share of stock by dividing the fair market value of that share on the acquisition date by the fair market value of all of the outstanding stock of the loss corporation on that date. For this purpose, an acquisition does



not include a deemed acquisition of stock by non-redeeming shareholders resulting from a redemption. In addition, under a HCP methodology, an acquisition is not an event upon which the acquiring shareholder marks to fair market value other shares that it holds.

However, the IRS and Treasury view any alternative treatment of an acquisition as inconsistent with § 382(l)(3)(C). For example, the IRS intends to challenge a methodology that fixes the relative fair market value of a class of preferred stock to common stock on the issue date of the preferred stock, regardless of the actual value of either class on the subsequent date that a shareholder whose percentage ownership is being computed acquires a share of either such class of stock.

### **B. Consistency**

In general, a taxpayer may employ any methodology that is a reasonable application of either a Full Value Methodology or the HCP in determining when an ownership change has occurred. For prior years, a taxpayer may change its methodology by amending returns. However, a taxpayer must generally employ a single methodology consistently to all testing dates in a “consistency period.” With respect to a particular testing date (the “current testing date”), the consistency period includes all prior testing dates, beginning with the latest of—

- (1) the first date on which the taxpayer had more than one class of stock;
- (2) the first day following an ownership change; or
- (3) the date six years before the current testing date.

In some cases, a methodology implementing the HCP may treat as the acquisition date for a tested share a date that is later than the date the share was actually acquired. The issuance of a second class of stock generally establishes the acquisition date for the preexisting class as well as the second class. Moreover, taxpayers may substitute certain other dates, if later, for the date shares were acquired, such as, if used consistently: May 6, 1986; January 1, 1987; or the beginning of the testing period.

### **C. Closed Years**

Notwithstanding the foregoing, a taxpayer may not employ a methodology in a year not barred by the statute of limitations (an “open year”) if using that methodology would have changed the taxpayer’s Federal income tax liability for a year barred by the statute of limitations (a “closed year”) in the consistency period, unless the position taken in the closed year is not consistent with any reasonable methodology. A taxpayer taking a position in a closed year that is not consistent with any reasonable methodology may adopt any single methodology that is a reasonable application of either the Full Value Methodology or the HCP, regardless of whether use of that methodology would have changed its liability in a closed year, provided that the adopted methodology is applied consistently to the greatest extent permitted by the statute of limitations.

The effect of the consistency period rule is that a taxpayer generally is free to adopt any reasonable methodology as long as any inconsistent returns in the consistency period can be and are amended. In addition, there is no necessary correlation between the start of a consistency period, which governs the taxpayer’s choice of methodology, and the acquisition date for shares of stock, which is an element of HCP methodologies.

### **D. Single Methodology**

For purposes of this notice, a “single methodology” means a methodology that applies a consistent treatment to a given situation, even on different testing dates (e.g., applying a LIFO convention for all share disposition sourcing determinations if using an HCP alternative). A single HCP methodology might treat the accretive effect of redemptions differently from other acquisitions but should not treat the dilutive effect of issuances differently from other dispositions. To determine the amount of exempted stock pursuant to the cash issuance exception of § 1.382-3(j)(3), a taxpayer using an HCP methodology may either use the hold constant percentages determined for its direct public groups under its methodology or the percentages determined based upon current values. Allocations of exempted stock under § 1.382-3(j)(5) (relating to

the small issuance and cash issuance exceptions) should be determined under that same methodology.

## **III. Request for Comments**

The IRS and Treasury plan to issue proposed or temporary regulations on the application of § 382(l)(3)(C) in fluctuation in value situations, and request comments on that subject, including the issues addressed in this notice.

### **A. Threshold Question**

The threshold question is whether interpreting § 382(l)(3)(C) broadly to require rules for factoring out fluctuations in value, such as may be done through methodologies employing the HCP, is appropriate in light of the purposes of § 382 and administratively viable.

The primary purpose of § 382’s loss limitation rules is to preserve the integrity of the carryover provisions. The carryover provisions perform a needed averaging function by reducing distortions caused by the annual accounting system. If carryovers can be transferred in a way that permits a loss to offset unrelated income, no legitimate averaging function is performed. The loss limitation rules of § 382 generally apply when shareholders who bore the economic burden of a corporation’s pre-change loss no longer hold a controlling interest in the corporation. In such a case, the possibility arises that new shareholders will contribute income producing assets (or divert income producing opportunities) to the loss corporation, resulting in a greater utilization of the loss corporation’s pre-change losses than would have been the case had there been no ownership change. See Staff of the Joint Comm. on Taxation, 100th Cong., 1st Sess., *General Explanation of the Tax Reform Act of 1986* 288 (Comm. Print 1987).

The application of the HCP could result in the avoidance of an ownership change, even though the shareholders who did not bear the economic burden of the loss corporation’s pre-change loss have assumed a controlling interest in the loss corporation. Consider, for example, a case in which the value of a loss corporation’s common stock declines steeply in relation to the relative value of its voting preferred stock, permitting preferred share-

holders who bought in with a 10 percent interest (by value) to obtain a 90 percent interest (by value), while being “held constant” at 10 percent. In such a case, arguably, there is the heightened possibility that a pre-change loss could be offset against unrelated income. For example, the preferred shareholders could enhance their controlling position by causing a recapitalization in which they obtain the majority of the common stock and, thereby, a significantly greater potential to participate in the growth of the company. Thereafter, they could contribute income producing assets (or built-in gain assets) to the loss corporation in order to offset resulting income (or gain recognized) against the corporation’s loss attributes (provided the value of the stock issued in exchange for the contributed assets was insufficient to cause an ownership change). A similar opportunity to avoid the application of § 382 could present itself to shareholders who bought the common stock when it represented 10 percent of the value of the loss corporation, followed by a large upward fluctuation in its relative value.

On the other hand, arguably Congress enacted § 382(l)(3)(C) because it did not view owner shifts and possibly ownership changes attributable to valuation changes with as much policy concern as it viewed acquisitions. By limiting the operation of the statute to testing dates, Congress may have expressed a greater tolerance for shifts in corporate ownership that would have occurred even in the absence of events giving rise to a testing date. In a period of broad-based economic growth, where all other factors are equal, it can be expected that common stock will increase in value relative to preferred stock, which effect alone could result in owner shifts and possibly ownership changes. The converse result can be expected in a period of broad-based economic contraction. Arguably, in most of such cases, the shareholders considered to have acquired a greater percentage of the loss corporation’s stock do not thereby have a greater incentive to contribute income producing assets to the loss corporation. The IRS and Treasury appreciate any comments on this threshold question.

## **B. Possible Application of the HCP**

Part II of this notice permits broad application of the HCP until such time as future guidance is provided. If application of the HCP is to be required or permitted in future guidance, comments are requested as to whether to continue to permit the use of a range of methodologies to implement the HCP (and, if so, how broad a range) or to require that a particular HCP methodology (or methodologies) be used. The IRS and Treasury would appreciate any comments regarding which methodology or methodologies best implement the HCP from the standpoint of theory, practicality, and administrability.

Under an alternative approach, the HCP could be applied only in limited circumstances, such as to protect a loss corporation’s ability, in the event of bankruptcy, to make use of the special provisions of §§ 382(l)(5) and (6). The IRS and Treasury request comments on whether it would be appropriate to limit the HCP to special circumstances and how the HCP might be applied in those situations.

Comments are also requested as to the appropriate methodologies for dealing with—(i) the deemed acquisition by non-redeeming shareholders occurring as a result of a redemption, (ii) the deemed disposition by preexisting shareholders occurring as a result of the issuance of other shares, (iii) the amount of stock exempt under the cash issuance exception of § 1.382-3(j)(3), and (iv) the allocation of exempt stock to direct public groups under the cash and small issuance exceptions of § 1.382-3(j)(5). Comments are requested as to the extent to which appropriate methodologies applied to the above enumerated items ought to be applied consistently to said items.

## **C. Instructions**

Comments should include a reference to Notice 2010-50. Send submissions to Internal Revenue Service, Attn: CC:PA:LPD:PR Room 5203 (Notice 2010-50), P.O. Box 7604, Ben Franklin Station, Washington, D.C. 20044 or hand-deliver comments Monday through Friday between the hours of 8:00 a.m. and 4:00 p.m. to Courier’s Desk, Attn: CC:PA:LPD:PR Room 5203 (Notice 2010-50), Internal Revenue

Service, 1111 Constitution Avenue, NW, Washington, DC 20224. Alternatively, comments may be sent electronically via the following email address: *Notice.Comments@irscounsel.treas.gov*. Please include the notice number 2010-50 in the subject line of any electronic communication. All materials submitted will be available for public inspection and copying.

The principal author of this notice is Keith E. Stanley of the Office of Associate Chief Counsel (Corporate). For further information regarding this notice, contact Mr. Stanley at 202-622-7700 (not a toll-free number).

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*26 CFR 601.201: Rulings and determination letters.  
(Also: Part I, §§ 25, 103, 143.)*

## **Rev. Proc. 2010-25**

### **SECTION 1. PURPOSE**

This revenue procedure provides issuers of qualified mortgage bonds, as defined in section 143(a) of the Internal Revenue Code, and issuers of mortgage credit certificates, as defined in section 25(c), with (1) the nationwide average purchase price for residences located in the United States, and (2) average area purchase price safe harbors for residences located in statistical areas in each state, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, the Virgin Islands, and Guam.

### **SECTION 2. BACKGROUND**

.01 Section 103(a) provides that, except as provided in section 103(b), gross income does not include interest on any state or local bond. Section 103(b)(1) provides that section 103(a) shall not apply to any private activity bond that is not a “qualified bond” within the meaning of section 141. Section 141(e) provides, in part, that the term “qualified bond” means any private activity bond if such bond (1) is a qualified mortgage bond under section 143, (2) meets the volume cap requirements under section 146, and (3) meets the applicable requirements under section 147.

.02 Section 143(a)(1) provides that the term “qualified mortgage bond” means a bond that is issued as part of a qualified

mortgage issue. Section 143(a)(2)(A) provides that the term “qualified mortgage issue” means an issue of one or more bonds by a state or political subdivision thereof, but only if: (i) all proceeds of the issue (exclusive of issuance costs and a reasonably required reserve) are to be used to finance owner-occupied residences; (ii) the issue meets the requirements of subsections (c), (d), (e), (f), (g), (h), (i), and (m)(7) of section 143; (iii) the issue does not meet the private business tests of paragraphs (1) and (2) of section 141(b); and (iv) with respect to amounts received more than 10 years after the date of issuance, repayments of \$250,000 or more of principal on mortgage financing provided by the issue are used by the close of the first semiannual period beginning after the date the prepayment (or complete repayment) is received to redeem bonds that are part of the issue.

#### *Average Area Purchase Price*

.03 Section 143(e)(1) provides that an issue of bonds meets the purchase price requirements of section 143(e) if the acquisition cost of each residence financed by the issue does not exceed 90 percent of the average area purchase price applicable to such residence. Section 143(e)(5) provides that, in the case of a targeted area residence (as defined in section 143(j)), section 143(e)(1) shall be applied by substituting 110 percent for 90 percent.

.04 Section 143(e)(2) provides that the term “average area purchase price” means, with respect to any residence, the average purchase price of single-family residences (in the statistical area in which the residence is located) that were purchased during the most recent 12-month period for which sufficient statistical information is available. Under sections 143(e)(3) and (4), respectively, separate determinations are to be made for new and existing residences, and for two-, three-, and four-family residences.

.05 Section 143(e)(2) provides that the determination of the average area purchase price for a statistical area shall be made as of the date on which the commitment to provide the financing is made or, if earlier, the date of the purchase of the residence.

.06 Section 143(k)(2)(A) provides that the term “statistical area” means (i) a metropolitan statistical area (MSA), and

(ii) any county (or the portion thereof) that is not within an MSA. Section 143(k)(2)(C) further provides that if sufficient recent statistical information with respect to a county (or portion thereof) is unavailable, the Secretary may substitute another area for which there is sufficient recent statistical information for such county (or portion thereof). In the case of any portion of a State which is not within a county, section 143(k)(2)(D) provides that the Secretary may designate as a county any area that is the equivalent of a county. Section 6a.103A-1(b)(4)(i) of the Temporary Income Tax Regulations (issued under section 103A of the Internal Revenue Code of 1954, the predecessor of section 143) provides that the term “State” includes a possession of the United States and the District of Columbia.

.07 Section 6a.103A-2(f)(5)(i) provides that an issuer may rely upon the average area purchase price safe harbors published by the Department of the Treasury for the statistical area in which a residence is located. Section 6a.103A-2(f)(5)(i) further provides that an issuer may use an average area purchase price limitation different from the published safe harbor if the issuer has more accurate and comprehensive data for the statistical area.

#### *Qualified Mortgage Credit Certificate Program*

.08 Section 25(c) permits a state or political subdivision to establish a qualified mortgage credit certificate program. In general, a qualified mortgage credit certificate program is a program under which the issuing authority elects not to issue an amount of private activity bonds that it may otherwise issue during the calendar year under section 146, and in their place, issues mortgage credit certificates to taxpayers in connection with the acquisition of their principal residences. Section 25(a)(1) provides, in general, that the holder of a mortgage credit certificate may claim a federal income tax credit equal to the product of the credit rate specified in the certificate and the interest paid or accrued during the tax year on the remaining principal of the indebtedness incurred to acquire the residence. Section 25(c)(2)(A)(iii)(III) generally provides that residences acquired in connection with the issuance of mortgage credit cer-

tificates must meet the purchase price requirements of section 143(e).

#### *Income Limitations for Qualified Mortgage Bonds and Mortgage Credit Certificates*

.09 Section 143(f) imposes limitations on the income of mortgagors for whom financing may be provided by qualified mortgage bonds. In addition, section 25(c)(2)(A)(iii)(IV) provides that holders of mortgage credit certificates must meet the income requirement of section 143(f). Generally, under sections 143(f)(1) and 25(c)(2)(A)(iii)(IV), the income requirement is met only if all owner-financing under a qualified mortgage bond and all mortgage credit certificates issued under a qualified mortgage credit certificate program are provided to mortgagors whose family income is 115 percent or less of the applicable median family income. Section 143(f)(5), however, generally provides for an upward adjustment to the percentage limitation in high housing cost areas. High housing cost areas are defined in section 143(f)(5)(C) as any statistical area for which the housing cost/income ratio is greater than 1.2.

.10 Under section 143(f)(5)(D), the housing cost/income ratio with respect to any statistical area is determined by dividing (a) the applicable housing price ratio for such area by (b) the ratio that the area median gross income for such area bears to the median gross income for the United States. The applicable housing price ratio is the new housing price ratio (new housing average area purchase price divided by the new housing average purchase price for the United States) or the existing housing price ratio (existing housing average area purchase price divided by the existing housing average purchase price for the United States), whichever results in the housing cost/income ratio being closer to 1.

#### *Average Area and Nationwide Purchase Price Limitations*

.11 Average area purchase price safe harbors for each state, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, the Virgin Islands, and Guam were last published in Rev. Proc. 2009-18, 2009-11 I.R.B. 686.

.12 The nationwide average purchase price limitation was last published in section 4.02 of Rev. Proc. 2009–18. Guidance with respect to the United States and area median gross income figures that are to be used in computing the housing cost/income ratio described in section 143(f)(5) was last published in Rev. Proc. 2010–23, 2010–24 I.R.B. 762.

.13 This revenue procedure uses FHA loan limits for a given statistical area to calculate the average area purchase price safe harbor for that area. FHA sets limits on the dollar value of loans it will insure based on median home prices and conforming loan limits established by the Federal Home Loan Mortgage Corporation. In particular, FHA sets an area's loan limit at 95 percent of the median home sales price for the area, subject to certain floors and caps measured against conforming loan limits.

.14 To calculate the average area purchase price safe harbors in this revenue procedure, the FHA loan limits are adjusted to take into account the differences between average and median purchase prices. Because FHA loan limits do not differentiate between new and existing residences, this revenue procedure contains a single average area purchase price safe harbor for both new and existing residences in a statistical area. The Treasury Department and the Internal Revenue Service have determined that FHA loan limits provide a reasonable basis for determining average area purchase price safe harbors. If the Treasury Department and the Internal Revenue Service become aware of other sources of average purchase price data, including data that differentiate between new and existing residences, consideration will be given as to whether such data provide a more accurate method for calculating average area purchase price safe harbors.

.15 The average area purchase price safe harbors listed in section 4.01 of this revenue procedure are based on FHA loan limits released November 25, 2009. FHA loan limits are available for statistical areas in each state, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, the Virgin Islands, and Guam. See section 3.03 of this revenue procedure with respect to FHA loan limits revised after November 25, 2009.

.16 OMB Bulletin No. 03–04, dated and effective June 6, 2003, revised the definitions of the nation's metropolitan areas and recognized 49 new metropolitan statistical areas. The OMB bulletin no longer includes primary metropolitan statistical areas.

### SECTION 3. APPLICATION

#### *Average Area Purchase Price Safe Harbors*

.01 Average area purchase price safe harbors for statistical areas in each state, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, the Virgin Islands, and Guam are set forth in section 4.01 of this revenue procedure. Average area purchase price safe harbors are provided for single-family and two to four-family residences. For each type of residence, section 4.01 of this revenue procedure contains a single safe harbor that may be used for both new and existing residences. Issuers of qualified mortgage bonds and issuers of mortgage credit certificates may rely on these safe harbors to satisfy the requirements of sections 143(e) and (f). Section 4.01 of this revenue procedure provides safe harbors for MSAs and for certain counties and county equivalents. If no purchase price safe harbor is available for a statistical area, the safe harbor for "ALL OTHER AREAS" may be used for that statistical area.

.02 If a residence is in an MSA, the safe harbor applicable to it is the limitation of that MSA. If an MSA falls in more than one state, the MSA is listed in section 4.01 of this revenue procedure under each state.

.03 If the FHA revises the FHA loan limit for any statistical area after November 25, 2009, an issuer of qualified mortgage bonds or mortgage credit certificates may use the revised FHA loan limit for that statistical area to compute (as provided in the next sentence) a revised average area purchase price safe harbor for the statistical area provided that the issuer maintains records evidencing the revised FHA loan limit. The revised average area purchase price safe harbor for that statistical area is computed by dividing the revised FHA loan limit by 1.00.

.04 If, pursuant to section 6a.103A–2(f)(5)(i), an issuer uses more

accurate and comprehensive data to determine the average area purchase price for a statistical area, the issuer must make separate average area purchase price determinations for new and existing residences. Moreover, when computing the average area purchase price for a statistical area that is an MSA, as defined in OMB Bulletin No. 03–04, the issuer must make the computation for the entire applicable MSA. When computing the average area purchase price for a statistical area that is not an MSA, the issuer must make the computation for the entire statistical area and may not combine statistical areas. Thus, for example, the issuer may not combine two or more counties.

.05 If an issuer receives a ruling permitting it to rely on an average area purchase price limitation that is higher than the applicable safe harbor in this revenue procedure, the issuer may rely on that higher limitation for the purpose of satisfying the requirements of section 143(e) and (f) for bonds sold, and mortgage credit certificates issued, not more than 30 months following the termination date of the 12-month period used by the issuer to compute the limitation.

#### *Nationwide Average Purchase Price*

.06 Section 4.02 of this revenue procedure sets forth a single nationwide average purchase price for purposes of computing the housing cost/income ratio under section 143(f)(5).

.07 Issuers must use the nationwide average purchase price set forth in section 4.02 of this revenue procedure when computing the housing cost/income ratio under section 143(f)(5) regardless of whether they are relying on the average area purchase price safe harbors contained in this revenue procedure or using more accurate and comprehensive data to determine average area purchase prices for new and existing residences for a statistical area that are different from the published safe harbors in this revenue procedure.

.08 If, pursuant to section 6.02 of this revenue procedure, an issuer relies on the average area purchase price safe harbors contained in Rev. Proc. 2009–18, the issuer must use the nationwide average purchase price set forth in section 4.02 of Rev. Proc. 2009–18 in computing the housing cost/income ratio under section 143(f)(5).

Likewise, if, pursuant to section 6.05 of this revenue procedure, an issuer relies on the nationwide average purchase price published in Rev. Proc. 2009-18, the issuer may not rely on the average area purchase price safe harbors published in this revenue procedure.

**SECTION 4. AVERAGE AREA AND NATIONWIDE AVERAGE PURCHASE PRICES**

.01 Average area purchase prices for single-family and two to four-family residences in MSAs, and for certain counties

and county equivalents are set forth below. The safe harbor for “ALL OTHER AREAS” (found at the end of the table below) may be used for a statistical area that is not listed below.

**2010 Average Area Purchase Prices for Mortgage Revenue Bonds**

| County Name     | State | One-Unit Limit | Two-Unit Limit | Three-Unit Limit | Four-Unit Limit |
|-----------------|-------|----------------|----------------|------------------|-----------------|
| VALDEZ-CORDOVA  | AK    | \$271,400      | \$347,450      | \$419,950        | \$521,900       |
| NORTH SLOPE     | AK    | \$307,050      | \$393,050      | \$475,150        | \$590,500       |
| WRANGELL-PETERS | AK    | \$307,050      | \$393,050      | \$475,150        | \$590,500       |
| VALDEZ-CORDOVA  | AK    | \$271,400      | \$347,450      | \$419,950        | \$521,900       |
| NORTH SLOPE     | AK    | \$307,050      | \$393,050      | \$475,150        | \$590,500       |
| WRANGELL-PETERS | AK    | \$307,050      | \$393,050      | \$475,150        | \$590,500       |
| DENALI          | AK    | \$316,250      | \$404,850      | \$489,350        | \$608,150       |
| FAIRBANKS NORTH | AK    | \$316,250      | \$404,850      | \$489,350        | \$608,150       |
| KETCHIKAN GATEW | AK    | \$322,000      | \$412,200      | \$498,250        | \$619,250       |
| KODIAK ISLAND   | AK    | \$322,000      | \$412,200      | \$498,250        | \$619,250       |
| DILLINGHAM      | AK    | \$332,500      | \$425,650      | \$514,500        | \$639,400       |
| ANCHORAGE       | AK    | \$347,500      | \$444,850      | \$537,750        | \$668,250       |
| MATANUSKA-SUSIT | AK    | \$347,500      | \$444,850      | \$537,750        | \$668,250       |
| ALEUTIANS WEST  | AK    | \$356,500      | \$456,350      | \$551,650        | \$685,550       |
| YAKUTAT CITY    | AK    | \$388,700      | \$497,600      | \$601,500        | \$747,500       |
| JUNEAU          | AK    | \$398,750      | \$510,450      | \$617,050        | \$766,850       |
| SITKA           | AK    | \$431,250      | \$552,050      | \$667,350        | \$829,350       |
|                 |       |                |                |                  |                 |
| BALDWIN         | AL    | \$285,000      | \$364,850      | \$441,000        | \$548,050       |
| RUSSELL         | AL    | \$289,800      | \$371,000      | \$448,450        | \$557,300       |
|                 |       |                |                |                  |                 |
| APACHE          | AZ    | \$281,250      | \$360,050      | \$435,200        | \$540,850       |
| NAVAJO          | AZ    | \$308,750      | \$395,250      | \$477,750        | \$593,750       |
| PIMA            | AZ    | \$316,250      | \$404,850      | \$489,350        | \$608,150       |
| MOHAVE          | AZ    | \$322,500      | \$412,850      | \$499,050        | \$620,200       |
| GILA            | AZ    | \$325,000      | \$416,050      | \$502,900        | \$625,000       |
| MARICOPA        | AZ    | \$346,250      | \$443,250      | \$535,800        | \$665,850       |
| PINAL           | AZ    | \$346,250      | \$443,250      | \$535,800        | \$665,850       |
| YAVAPAI         | AZ    | \$390,000      | \$499,250      | \$603,500        | \$750,000       |
| COCONINO        | AZ    | \$450,000      | \$576,050      | \$696,350        | \$865,400       |

|                |    |           |           |           |             |
|----------------|----|-----------|-----------|-----------|-------------|
| LASSEN         | CA | \$285,000 | \$364,850 | \$441,000 | \$548,050   |
| GLENN          | CA | \$287,500 | \$368,050 | \$444,900 | \$552,900   |
| SISKIYOU       | CA | \$293,750 | \$376,050 | \$454,550 | \$564,900   |
| SIERRA         | CA | \$304,750 | \$390,100 | \$471,550 | \$586,050   |
| DEL NORTE      | CA | \$311,250 | \$398,450 | \$481,650 | \$598,550   |
| TEHAMA         | CA | \$312,500 | \$400,050 | \$483,550 | \$600,950   |
| IMPERIAL       | CA | \$325,000 | \$416,050 | \$502,900 | \$625,000   |
| KINGS          | CA | \$325,000 | \$416,050 | \$502,900 | \$625,000   |
| TULARE         | CA | \$325,000 | \$416,050 | \$502,900 | \$625,000   |
| KERN           | CA | \$368,750 | \$472,050 | \$570,600 | \$709,150   |
| FRESNO         | CA | \$381,250 | \$488,050 | \$589,950 | \$733,150   |
| HUMBOLDT       | CA | \$393,750 | \$504,050 | \$609,300 | \$757,200   |
| COLUSA         | CA | \$397,500 | \$508,850 | \$615,100 | \$764,400   |
| BUTTE          | CA | \$400,000 | \$512,050 | \$618,950 | \$769,250   |
| LAKE           | CA | \$401,250 | \$513,650 | \$620,900 | \$771,650   |
| PLUMAS         | CA | \$410,000 | \$524,850 | \$634,450 | \$788,450   |
| MARIPOSA       | CA | \$412,500 | \$528,050 | \$638,300 | \$793,250   |
| SHASTA         | CA | \$423,750 | \$542,450 | \$655,700 | \$814,900   |
| STANISLAUS     | CA | \$423,750 | \$542,450 | \$655,700 | \$814,900   |
| MADERA         | CA | \$425,000 | \$544,050 | \$657,650 | \$817,300   |
| SUTTER         | CA | \$425,000 | \$544,050 | \$657,650 | \$817,300   |
| YUBA           | CA | \$425,000 | \$544,050 | \$657,650 | \$817,300   |
| INYO           | CA | \$437,500 | \$560,050 | \$677,000 | \$841,350   |
| TUOLUMNE       | CA | \$437,500 | \$560,050 | \$677,000 | \$841,350   |
| AMADOR         | CA | \$443,750 | \$568,050 | \$686,650 | \$853,350   |
| CALAVERAS      | CA | \$462,500 | \$592,050 | \$715,700 | \$889,450   |
| MERCED         | CA | \$472,500 | \$604,900 | \$731,150 | \$908,650   |
| SAN JOAQUIN    | CA | \$488,750 | \$625,700 | \$756,300 | \$939,900   |
| RIVERSIDE      | CA | \$500,000 | \$640,100 | \$773,700 | \$961,550   |
| SAN BERNARDINO | CA | \$500,000 | \$640,100 | \$773,700 | \$961,550   |
| MENDOCINO      | CA | \$512,500 | \$656,100 | \$793,050 | \$985,600   |
| MONO           | CA | \$529,000 | \$677,200 | \$818,600 | \$1,017,300 |
| ALPINE         | CA | \$547,500 | \$700,900 | \$847,200 | \$1,052,900 |
| SOLANO         | CA | \$557,500 | \$713,700 | \$862,700 | \$1,072,150 |
| NEVADA         | CA | \$562,500 | \$720,100 | \$870,450 | \$1,081,750 |
| EL DORADO      | CA | \$580,000 | \$742,500 | \$897,500 | \$1,115,400 |
| PLACER         | CA | \$580,000 | \$742,500 | \$897,500 | \$1,115,400 |
| SACRAMENTO     | CA | \$580,000 | \$742,500 | \$897,500 | \$1,115,400 |
| YOLO           | CA | \$580,000 | \$742,500 | \$897,500 | \$1,115,400 |

|                 |    |           |           |             |             |
|-----------------|----|-----------|-----------|-------------|-------------|
| SONOMA          | CA | \$662,500 | \$848,100 | \$1,025,200 | \$1,274,050 |
| SAN LUIS OBISPO | CA | \$687,500 | \$880,100 | \$1,063,850 | \$1,322,150 |
| SAN DIEGO       | CA | \$697,500 | \$892,950 | \$1,079,350 | \$1,341,350 |
| ALAMEDA         | CA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| CONTRA COSTA    | CA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| LOS ANGELES     | CA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| MARIN           | CA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| MONTEREY        | CA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| NAPA            | CA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| ORANGE          | CA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| SAN BENITO      | CA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| SAN FRANCISCO   | CA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| SAN MATEO       | CA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| SANTA BARBARA   | CA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| SANTA CLARA     | CA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| SANTA CRUZ      | CA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| VENTURA         | CA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
|                 |    |           |           |             |             |
| CHAFFEE         | CO | \$280,000 | \$358,450 | \$433,250   | \$538,450   |
| MINERAL         | CO | \$300,000 | \$384,050 | \$464,200   | \$576,900   |
| LARIMER         | CO | \$312,500 | \$400,050 | \$483,550   | \$600,950   |
| ARCHULETA       | CO | \$317,500 | \$406,450 | \$491,300   | \$610,550   |
| EL PASO         | CO | \$325,000 | \$416,050 | \$502,900   | \$625,000   |
| TELLER          | CO | \$325,000 | \$416,050 | \$502,900   | \$625,000   |
| GRAND           | CO | \$356,250 | \$456,050 | \$551,250   | \$685,100   |
| MESA            | CO | \$371,250 | \$475,250 | \$574,500   | \$713,950   |
| ADAMS           | CO | \$406,250 | \$520,050 | \$628,650   | \$781,250   |
| ARAPAHOE        | CO | \$406,250 | \$520,050 | \$628,650   | \$781,250   |
| BROOMFIELD      | CO | \$406,250 | \$520,050 | \$628,650   | \$781,250   |
| CLEAR CREEK     | CO | \$406,250 | \$520,050 | \$628,650   | \$781,250   |
| DENVER          | CO | \$406,250 | \$520,050 | \$628,650   | \$781,250   |
| DOUGLAS         | CO | \$406,250 | \$520,050 | \$628,650   | \$781,250   |
| ELBERT          | CO | \$406,250 | \$520,050 | \$628,650   | \$781,250   |
| GILPIN          | CO | \$406,250 | \$520,050 | \$628,650   | \$781,250   |
| JEFFERSON       | CO | \$406,250 | \$520,050 | \$628,650   | \$781,250   |
| PARK            | CO | \$406,250 | \$520,050 | \$628,650   | \$781,250   |
| WELD            | CO | \$417,500 | \$534,450 | \$646,050   | \$802,900   |
| GARFIELD        | CO | \$425,000 | \$544,050 | \$657,650   | \$817,300   |
| SAN JUAN        | CO | \$425,000 | \$544,050 | \$657,650   | \$817,300   |

|                 |    |           |           |             |             |
|-----------------|----|-----------|-----------|-------------|-------------|
| GUNNISON        | CO | \$433,750 | \$555,250 | \$671,200   | \$834,150   |
| LA PLATA        | CO | \$443,750 | \$568,050 | \$686,650   | \$853,350   |
| BOULDER         | CO | \$460,000 | \$588,850 | \$711,800   | \$884,600   |
| OURAY           | CO | \$482,500 | \$617,700 | \$746,650   | \$927,900   |
| HINSDALE        | CO | \$557,500 | \$713,700 | \$862,700   | \$1,072,150 |
| SAN MIGUEL      | CO | \$651,250 | \$833,700 | \$1,007,750 | \$1,252,400 |
| ROUTT           | CO | \$675,000 | \$864,100 | \$1,044,550 | \$1,298,100 |
| EAGLE           | CO | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| LAKE            | CO | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| PITKIN          | CO | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| SUMMIT          | CO | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
|                 |    |           |           |             |             |
| WINDHAM         | CT | \$272,500 | \$348,850 | \$421,650   | \$524,050   |
| LITCHFIELD      | CT | \$375,000 | \$480,050 | \$580,300   | \$721,150   |
| NEW HAVEN       | CT | \$387,500 | \$496,050 | \$599,600   | \$745,200   |
| NEW LONDON      | CT | \$398,750 | \$510,450 | \$617,050   | \$766,850   |
| HARTFORD        | CT | \$440,000 | \$563,250 | \$680,850   | \$846,150   |
| MIDDLESEX       | CT | \$440,000 | \$563,250 | \$680,850   | \$846,150   |
| TOLLAND         | CT | \$440,000 | \$563,250 | \$680,850   | \$846,150   |
| FAIRFIELD       | CT | \$708,750 | \$907,350 | \$1,096,750 | \$1,363,000 |
|                 |    |           |           |             |             |
| DISTRICT OF COL | DC | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
|                 |    |           |           |             |             |
| SUSSEX          | DE | \$375,000 | \$480,050 | \$580,300   | \$721,150   |
| KENT            | DE | \$376,250 | \$481,650 | \$582,200   | \$723,550   |
| NEW CASTLE      | DE | \$420,000 | \$537,650 | \$649,900   | \$807,700   |
|                 |    |           |           |             |             |
| SUMTER          | FL | \$278,750 | \$356,850 | \$431,350   | \$536,050   |
| INDIAN RIVER    | FL | \$283,750 | \$363,250 | \$439,050   | \$545,650   |
| FLAGLER         | FL | \$287,500 | \$368,050 | \$444,900   | \$552,900   |
| BREVARD         | FL | \$291,250 | \$372,850 | \$450,700   | \$560,100   |
| HERNANDO        | FL | \$292,500 | \$374,450 | \$452,600   | \$562,500   |
| HILLSBOROUGH    | FL | \$292,500 | \$374,450 | \$452,600   | \$562,500   |
| PASCO           | FL | \$292,500 | \$374,450 | \$452,600   | \$562,500   |
| PINELLAS        | FL | \$292,500 | \$374,450 | \$452,600   | \$562,500   |
| CHARLOTTE       | FL | \$296,250 | \$379,250 | \$458,400   | \$569,700   |
| VOLUSIA         | FL | \$303,750 | \$388,850 | \$470,000   | \$584,150   |
| FRANKLIN        | FL | \$305,000 | \$390,450 | \$471,950   | \$586,550   |
| OKALOOSA        | FL | \$312,500 | \$400,050 | \$483,550   | \$600,950   |



|               |    |           |           |             |             |
|---------------|----|-----------|-----------|-------------|-------------|
| LAKE          | FL | \$353,750 | \$452,850 | \$547,400   | \$680,300   |
| ORANGE        | FL | \$353,750 | \$452,850 | \$547,400   | \$680,300   |
| OSCEOLA       | FL | \$353,750 | \$452,850 | \$547,400   | \$680,300   |
| SEMINOLE      | FL | \$353,750 | \$452,850 | \$547,400   | \$680,300   |
| LEE           | FL | \$356,250 | \$456,050 | \$551,250   | \$685,100   |
| WALTON        | FL | \$362,790 | \$464,400 | \$561,400   | \$697,650   |
| MARTIN        | FL | \$375,000 | \$480,050 | \$580,300   | \$721,150   |
| ST. LUCIE     | FL | \$375,000 | \$480,050 | \$580,300   | \$721,150   |
| BAKER         | FL | \$387,500 | \$496,050 | \$599,600   | \$745,200   |
| CLAY          | FL | \$387,500 | \$496,050 | \$599,600   | \$745,200   |
| DUVAL         | FL | \$387,500 | \$496,050 | \$599,600   | \$745,200   |
| NASSAU        | FL | \$387,500 | \$496,050 | \$599,600   | \$745,200   |
| ST. JOHNS     | FL | \$387,500 | \$496,050 | \$599,600   | \$745,200   |
| BAY           | FL | \$396,250 | \$507,250 | \$613,150   | \$762,000   |
| BROWARD       | FL | \$423,750 | \$542,450 | \$655,700   | \$814,900   |
| MIAMI-DADE    | FL | \$423,750 | \$542,450 | \$655,700   | \$814,900   |
| PALM BEACH    | FL | \$423,750 | \$542,450 | \$655,700   | \$814,900   |
| MANATEE       | FL | \$442,500 | \$566,450 | \$684,750   | \$850,950   |
| SARASOTA      | FL | \$442,500 | \$566,450 | \$684,750   | \$850,950   |
| COLLIER       | FL | \$531,250 | \$680,100 | \$822,050   | \$1,021,650 |
| MONROE        | FL | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
|               |    |           |           |             |             |
| BRANTLEY      | GA | \$276,250 | \$353,650 | \$427,450   | \$531,250   |
| GLYNN         | GA | \$276,250 | \$353,650 | \$427,450   | \$531,250   |
| MCINTOSH      | GA | \$276,250 | \$353,650 | \$427,450   | \$531,250   |
| CHATTAHOOCHEE | GA | \$289,800 | \$371,000 | \$448,450   | \$557,300   |
| HARRIS        | GA | \$289,800 | \$371,000 | \$448,450   | \$557,300   |
| MARION        | GA | \$289,800 | \$371,000 | \$448,450   | \$557,300   |
| MUSCOGEE      | GA | \$289,800 | \$371,000 | \$448,450   | \$557,300   |
| CLARKE        | GA | \$298,750 | \$382,450 | \$462,300   | \$574,500   |
| MADISON       | GA | \$298,750 | \$382,450 | \$462,300   | \$574,500   |
| OCONEE        | GA | \$298,750 | \$382,450 | \$462,300   | \$574,500   |
| OGLETHORPE    | GA | \$298,750 | \$382,450 | \$462,300   | \$574,500   |
| BARROW        | GA | \$346,250 | \$443,250 | \$535,800   | \$665,850   |
| BARTOW        | GA | \$346,250 | \$443,250 | \$535,800   | \$665,850   |
| BUTTS         | GA | \$346,250 | \$443,250 | \$535,800   | \$665,850   |
| CARROLL       | GA | \$346,250 | \$443,250 | \$535,800   | \$665,850   |
| CHEROKEE      | GA | \$346,250 | \$443,250 | \$535,800   | \$665,850   |
| CLAYTON       | GA | \$346,250 | \$443,250 | \$535,800   | \$665,850   |

|            |    |           |             |             |             |
|------------|----|-----------|-------------|-------------|-------------|
| COBB       | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| COWETA     | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| DAWSON     | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| DEKALB     | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| DOUGLAS    | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| FAYETTE    | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| FORSYTH    | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| FULTON     | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| GWINNETT   | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| HARALSON   | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| HEARD      | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| HENRY      | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| JASPER     | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| LAMAR      | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| MERIWETHER | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| NEWTON     | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| PAULDING   | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| PICKENS    | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| PIKE       | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| ROCKDALE   | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| SPALDING   | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| WALTON     | GA | \$346,250 | \$443,250   | \$535,800   | \$665,850   |
| GREENE     | GA | \$662,500 | \$848,100   | \$1,025,200 | \$1,274,050 |
|            |    |           |             |             |             |
| HAWAII     | HI | \$618,750 | \$792,100   | \$957,500   | \$1,189,900 |
| KALAWAO    | HI | \$716,250 | \$916,950   | \$1,108,350 | \$1,377,450 |
| HONOLULU   | HI | \$793,750 | \$1,016,150 | \$1,228,300 | \$1,526,450 |
| MAUI       | HI | \$790,000 | \$1,011,350 | \$1,222,500 | \$1,519,250 |
| KAUAI      | HI | \$773,750 | \$990,550   | \$1,197,350 | \$1,488,000 |
|            |    |           |             |             |             |
| ADAMS      | ID | \$273,750 | \$350,450   | \$423,600   | \$526,450   |
| KOOTENAI   | ID | \$286,250 | \$366,450   | \$442,950   | \$550,450   |
| ADA        | ID | \$303,750 | \$388,850   | \$470,000   | \$584,150   |
| BOISE      | ID | \$303,750 | \$388,850   | \$470,000   | \$584,150   |
| CANYON     | ID | \$303,750 | \$388,850   | \$470,000   | \$584,150   |
| GEM        | ID | \$303,750 | \$388,850   | \$470,000   | \$584,150   |
| OWYHEE     | ID | \$303,750 | \$388,850   | \$470,000   | \$584,150   |
| VALLEY     | ID | \$462,500 | \$592,050   | \$715,700   | \$889,450   |
| TETON      | ID | \$693,750 | \$888,100   | \$1,073,550 | \$1,334,150 |

|            |    |           |           |             |             |
|------------|----|-----------|-----------|-------------|-------------|
| BLAINE     | ID | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
|            |    |           |           |             |             |
| BOND       | IL | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| CALHOUN    | IL | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| CLINTON    | IL | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| JERSEY     | IL | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| MACOUPIN   | IL | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| MADISON    | IL | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| MONROE     | IL | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| ST. CLAIR  | IL | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| BOONE      | IL | \$339,250 | \$434,300 | \$524,950   | \$652,400   |
| WINNEBAGO  | IL | \$339,250 | \$434,300 | \$524,950   | \$652,400   |
| COOK       | IL | \$410,000 | \$524,850 | \$634,450   | \$788,450   |
| DEKALB     | IL | \$410,000 | \$524,850 | \$634,450   | \$788,450   |
| DUPAGE     | IL | \$410,000 | \$524,850 | \$634,450   | \$788,450   |
| GRUNDY     | IL | \$410,000 | \$524,850 | \$634,450   | \$788,450   |
| KANE       | IL | \$410,000 | \$524,850 | \$634,450   | \$788,450   |
| KENDALL    | IL | \$410,000 | \$524,850 | \$634,450   | \$788,450   |
| LAKE       | IL | \$410,000 | \$524,850 | \$634,450   | \$788,450   |
| MCHENRY    | IL | \$410,000 | \$524,850 | \$634,450   | \$788,450   |
| WILL       | IL | \$410,000 | \$524,850 | \$634,450   | \$788,450   |
|            |    |           |           |             |             |
| CLARK      | IN | \$302,500 | \$387,250 | \$468,100   | \$581,750   |
| FLOYD      | IN | \$302,500 | \$387,250 | \$468,100   | \$581,750   |
| HARRISON   | IN | \$302,500 | \$387,250 | \$468,100   | \$581,750   |
| WASHINGTON | IN | \$302,500 | \$387,250 | \$468,100   | \$581,750   |
| DEARBORN   | IN | \$337,500 | \$432,050 | \$522,250   | \$649,050   |
| FRANKLIN   | IN | \$337,500 | \$432,050 | \$522,250   | \$649,050   |
| OHIO       | IN | \$337,500 | \$432,050 | \$522,250   | \$649,050   |
| JASPER     | IN | \$410,000 | \$524,850 | \$634,450   | \$788,450   |
| LAKE       | IN | \$410,000 | \$524,850 | \$634,450   | \$788,450   |
| NEWTON     | IN | \$410,000 | \$524,850 | \$634,450   | \$788,450   |
| PORTER     | IN | \$410,000 | \$524,850 | \$634,450   | \$788,450   |
|            |    |           |           |             |             |
| BULLITT    | KY | \$302,500 | \$387,250 | \$468,100   | \$581,750   |
| HENRY      | KY | \$302,500 | \$387,250 | \$468,100   | \$581,750   |
| JEFFERSON  | KY | \$302,500 | \$387,250 | \$468,100   | \$581,750   |
| MEADE      | KY | \$302,500 | \$387,250 | \$468,100   | \$581,750   |
| NELSON     | KY | \$302,500 | \$387,250 | \$468,100   | \$581,750   |

|                 |    |           |           |           |             |
|-----------------|----|-----------|-----------|-----------|-------------|
| OLDHAM          | KY | \$302,500 | \$387,250 | \$468,100 | \$581,750   |
| SHELBY          | KY | \$302,500 | \$387,250 | \$468,100 | \$581,750   |
| SPENCER         | KY | \$302,500 | \$387,250 | \$468,100 | \$581,750   |
| TRIMBLE         | KY | \$302,500 | \$387,250 | \$468,100 | \$581,750   |
| BOONE           | KY | \$337,500 | \$432,050 | \$522,250 | \$649,050   |
| BRACKEN         | KY | \$337,500 | \$432,050 | \$522,250 | \$649,050   |
| CAMPBELL        | KY | \$337,500 | \$432,050 | \$522,250 | \$649,050   |
| GALLATIN        | KY | \$337,500 | \$432,050 | \$522,250 | \$649,050   |
| GRANT           | KY | \$337,500 | \$432,050 | \$522,250 | \$649,050   |
| KENTON          | KY | \$337,500 | \$432,050 | \$522,250 | \$649,050   |
| PENDLETON       | KY | \$337,500 | \$432,050 | \$522,250 | \$649,050   |
|                 |    |           |           |           |             |
| ASCENSION       | LA | \$280,000 | \$358,450 | \$433,250 | \$538,450   |
| EAST BATON ROUG | LA | \$280,000 | \$358,450 | \$433,250 | \$538,450   |
| EAST FELICIANA  | LA | \$280,000 | \$358,450 | \$433,250 | \$538,450   |
| IBERVILLE       | LA | \$280,000 | \$358,450 | \$433,250 | \$538,450   |
| LIVINGSTON      | LA | \$280,000 | \$358,450 | \$433,250 | \$538,450   |
| POINTE COUPEE   | LA | \$280,000 | \$358,450 | \$433,250 | \$538,450   |
| ST. HELENA      | LA | \$280,000 | \$358,450 | \$433,250 | \$538,450   |
| WEST BATON ROUG | LA | \$280,000 | \$358,450 | \$433,250 | \$538,450   |
| WEST FELICIANA  | LA | \$280,000 | \$358,450 | \$433,250 | \$538,450   |
| JEFFERSON       | LA | \$287,500 | \$368,050 | \$444,900 | \$552,900   |
| ORLEANS         | LA | \$287,500 | \$368,050 | \$444,900 | \$552,900   |
| PLAQUEMINES     | LA | \$287,500 | \$368,050 | \$444,900 | \$552,900   |
| ST. BERNARD     | LA | \$287,500 | \$368,050 | \$444,900 | \$552,900   |
| ST. CHARLES     | LA | \$287,500 | \$368,050 | \$444,900 | \$552,900   |
| ST. JOHN THE BA | LA | \$287,500 | \$368,050 | \$444,900 | \$552,900   |
| ST. TAMMANY     | LA | \$287,500 | \$368,050 | \$444,900 | \$552,900   |
|                 |    |           |           |           |             |
| FRANKLIN        | MA | \$318,750 | \$408,050 | \$493,250 | \$613,000   |
| HAMPDEN         | MA | \$318,750 | \$408,050 | \$493,250 | \$613,000   |
| HAMPSHIRE       | MA | \$318,750 | \$408,050 | \$493,250 | \$613,000   |
| WORCESTER       | MA | \$385,000 | \$492,850 | \$595,750 | \$740,400   |
| BARNSTABLE      | MA | \$462,500 | \$592,050 | \$715,700 | \$889,450   |
| BRISTOL         | MA | \$475,000 | \$608,100 | \$735,050 | \$913,450   |
| ESSEX           | MA | \$523,750 | \$670,500 | \$810,450 | \$1,007,200 |
| MIDDLESEX       | MA | \$523,750 | \$670,500 | \$810,450 | \$1,007,200 |
| NORFOLK         | MA | \$523,750 | \$670,500 | \$810,450 | \$1,007,200 |
| PLYMOUTH        | MA | \$523,750 | \$670,500 | \$810,450 | \$1,007,200 |

|                 |    |           |           |             |             |
|-----------------|----|-----------|-----------|-------------|-------------|
| SUFFOLK         | MA | \$523,750 | \$670,500 | \$810,450   | \$1,007,200 |
| DUKES           | MA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| NANTUCKET       | MA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
|                 |    |           |           |             |             |
| SOMERSET        | MD | \$328,750 | \$420,850 | \$508,700   | \$632,200   |
| WICOMICO        | MD | \$328,750 | \$420,850 | \$508,700   | \$632,200   |
| KENT            | MD | \$343,750 | \$440,050 | \$531,900   | \$661,050   |
| WASHINGTON      | MD | \$377,500 | \$483,250 | \$584,150   | \$725,950   |
| ST. MARY'S      | MD | \$400,000 | \$512,050 | \$618,950   | \$769,250   |
| CECIL           | MD | \$420,000 | \$537,650 | \$649,900   | \$807,700   |
| GARRETT         | MD | \$437,500 | \$560,050 | \$677,000   | \$841,350   |
| WORCESTER       | MD | \$437,500 | \$560,050 | \$677,000   | \$841,350   |
| TALBOT          | MD | \$443,750 | \$568,050 | \$686,650   | \$853,350   |
| ANNE ARUNDEL    | MD | \$560,000 | \$716,900 | \$866,550   | \$1,076,950 |
| BALTIMORE       | MD | \$560,000 | \$716,900 | \$866,550   | \$1,076,950 |
| BALTIMORE CITY  | MD | \$560,000 | \$716,900 | \$866,550   | \$1,076,950 |
| CARROLL         | MD | \$560,000 | \$716,900 | \$866,550   | \$1,076,950 |
| HARFORD         | MD | \$560,000 | \$716,900 | \$866,550   | \$1,076,950 |
| HOWARD          | MD | \$560,000 | \$716,900 | \$866,550   | \$1,076,950 |
| QUEEN ANNE'S    | MD | \$560,000 | \$716,900 | \$866,550   | \$1,076,950 |
| CALVERT         | MD | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| CHARLES         | MD | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| FREDERICK       | MD | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| MONTGOMERY      | MD | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| PRINCE GEORGE'S | MD | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
|                 |    |           |           |             |             |
| HANCOCK         | ME | \$272,500 | \$348,850 | \$421,650   | \$524,050   |
| KNOX            | ME | \$279,450 | \$357,750 | \$432,400   | \$537,400   |
| LINCOLN         | ME | \$318,750 | \$408,050 | \$493,250   | \$613,000   |
| CUMBERLAND      | ME | \$337,500 | \$432,050 | \$522,250   | \$649,050   |
| SAGADAHOC       | ME | \$337,500 | \$432,050 | \$522,250   | \$649,050   |
| YORK            | ME | \$337,500 | \$432,050 | \$522,250   | \$649,050   |
|                 |    |           |           |             |             |
| KALAMAZOO       | MI | \$286,250 | \$366,450 | \$442,950   | \$550,450   |
| VAN BUREN       | MI | \$286,250 | \$366,450 | \$442,950   | \$550,450   |
| LAPEER          | MI | \$297,500 | \$380,850 | \$460,350   | \$572,100   |
| LENAWEE         | MI | \$297,500 | \$380,850 | \$460,350   | \$572,100   |
| LIVINGSTON      | MI | \$297,500 | \$380,850 | \$460,350   | \$572,100   |
| MACOMB          | MI | \$297,500 | \$380,850 | \$460,350   | \$572,100   |

|                 |    |           |           |           |           |
|-----------------|----|-----------|-----------|-----------|-----------|
| MONROE          | MI | \$297,500 | \$380,850 | \$460,350 | \$572,100 |
| OAKLAND         | MI | \$297,500 | \$380,850 | \$460,350 | \$572,100 |
| ST. CLAIR       | MI | \$297,500 | \$380,850 | \$460,350 | \$572,100 |
| WAYNE           | MI | \$297,500 | \$380,850 | \$460,350 | \$572,100 |
| BERRIEN         | MI | \$298,750 | \$382,450 | \$462,300 | \$574,500 |
| WASHTENAW       | MI | \$345,000 | \$441,650 | \$533,850 | \$663,450 |
|                 |    |           |           |           |           |
| COOK            | MN | \$296,250 | \$379,250 | \$458,400 | \$569,700 |
| ANOKA           | MN | \$365,000 | \$467,250 | \$564,800 | \$701,900 |
| CARVER          | MN | \$365,000 | \$467,250 | \$564,800 | \$701,900 |
| CHISAGO         | MN | \$365,000 | \$467,250 | \$564,800 | \$701,900 |
| DAKOTA          | MN | \$365,000 | \$467,250 | \$564,800 | \$701,900 |
| HENNEPIN        | MN | \$365,000 | \$467,250 | \$564,800 | \$701,900 |
| ISANTI          | MN | \$365,000 | \$467,250 | \$564,800 | \$701,900 |
| RAMSEY          | MN | \$365,000 | \$467,250 | \$564,800 | \$701,900 |
| SCOTT           | MN | \$365,000 | \$467,250 | \$564,800 | \$701,900 |
| SHERBURNE       | MN | \$365,000 | \$467,250 | \$564,800 | \$701,900 |
| WASHINGTON      | MN | \$365,000 | \$467,250 | \$564,800 | \$701,900 |
| WRIGHT          | MN | \$365,000 | \$467,250 | \$564,800 | \$701,900 |
|                 |    |           |           |           |           |
| CRAWFORD        | MO | \$281,250 | \$360,050 | \$435,200 | \$540,850 |
| FRANKLIN        | MO | \$281,250 | \$360,050 | \$435,200 | \$540,850 |
| JEFFERSON       | MO | \$281,250 | \$360,050 | \$435,200 | \$540,850 |
| LINCOLN         | MO | \$281,250 | \$360,050 | \$435,200 | \$540,850 |
| ST. CHARLES     | MO | \$281,250 | \$360,050 | \$435,200 | \$540,850 |
| ST. LOUIS       | MO | \$281,250 | \$360,050 | \$435,200 | \$540,850 |
| ST. LOUIS CITY  | MO | \$281,250 | \$360,050 | \$435,200 | \$540,850 |
| WARREN          | MO | \$281,250 | \$360,050 | \$435,200 | \$540,850 |
| WASHINGTON      | MO | \$281,250 | \$360,050 | \$435,200 | \$540,850 |
|                 |    |           |           |           |           |
| MADISON         | MT | \$281,750 | \$360,700 | \$436,000 | \$541,800 |
| CARBON          | MT | \$291,250 | \$372,850 | \$450,700 | \$560,100 |
| MISSOULA        | MT | \$291,250 | \$372,850 | \$450,700 | \$560,100 |
| YELLOWSTONE     | MT | \$291,250 | \$372,850 | \$450,700 | \$560,100 |
| LAKE            | MT | \$301,250 | \$385,650 | \$466,150 | \$579,300 |
| FLATHEAD        | MT | \$301,300 | \$385,700 | \$466,250 | \$579,400 |
| RAVALLI         | MT | \$303,750 | \$388,850 | \$470,000 | \$584,150 |
| JEFFERSON       | MT | \$341,250 | \$436,850 | \$528,050 | \$656,250 |
| LEWIS AND CLARK | MT | \$341,250 | \$436,850 | \$528,050 | \$656,250 |

|              |    |           |           |             |             |
|--------------|----|-----------|-----------|-------------|-------------|
| SWEET GRASS  | MT | \$346,250 | \$443,250 | \$535,800   | \$665,850   |
| GALLATIN     | MT | \$386,250 | \$494,450 | \$597,700   | \$742,800   |
|              |    |           |           |             |             |
| WATAUGA      | NC | \$285,000 | \$364,850 | \$441,000   | \$548,050   |
| CARTERET     | NC | \$287,500 | \$368,050 | \$444,900   | \$552,900   |
| TRANSYLVANIA | NC | \$293,750 | \$376,050 | \$454,550   | \$564,900   |
| FRANKLIN     | NC | \$295,000 | \$377,650 | \$456,500   | \$567,300   |
| JOHNSTON     | NC | \$295,000 | \$377,650 | \$456,500   | \$567,300   |
| WAKE         | NC | \$295,000 | \$377,650 | \$456,500   | \$567,300   |
| ANSON        | NC | \$303,750 | \$388,850 | \$470,000   | \$584,150   |
| BRUNSWICK    | NC | \$303,750 | \$388,850 | \$470,000   | \$584,150   |
| BUNCOMBE     | NC | \$303,750 | \$388,850 | \$470,000   | \$584,150   |
| CABARRUS     | NC | \$303,750 | \$388,850 | \$470,000   | \$584,150   |
| GASTON       | NC | \$303,750 | \$388,850 | \$470,000   | \$584,150   |
| HAYWOOD      | NC | \$303,750 | \$388,850 | \$470,000   | \$584,150   |
| HENDERSON    | NC | \$303,750 | \$388,850 | \$470,000   | \$584,150   |
| MADISON      | NC | \$303,750 | \$388,850 | \$470,000   | \$584,150   |
| MECKLENBURG  | NC | \$303,750 | \$388,850 | \$470,000   | \$584,150   |
| NEW HANOVER  | NC | \$303,750 | \$388,850 | \$470,000   | \$584,150   |
| PENDER       | NC | \$303,750 | \$388,850 | \$470,000   | \$584,150   |
| UNION        | NC | \$303,750 | \$388,850 | \$470,000   | \$584,150   |
| ONSLow       | NC | \$306,250 | \$392,050 | \$473,900   | \$588,950   |
| CHATHAM      | NC | \$334,650 | \$428,400 | \$517,850   | \$643,550   |
| DURHAM       | NC | \$334,650 | \$428,400 | \$517,850   | \$643,550   |
| ORANGE       | NC | \$334,650 | \$428,400 | \$517,850   | \$643,550   |
| PERSON       | NC | \$334,650 | \$428,400 | \$517,850   | \$643,550   |
| CURRITUCK    | NC | \$458,850 | \$587,400 | \$710,050   | \$882,400   |
| DARE         | NC | \$460,000 | \$588,850 | \$711,800   | \$884,600   |
| HYDE         | NC | \$483,000 | \$618,300 | \$747,400   | \$928,850   |
| CAMDEN       | NC | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| PASQUOTANK   | NC | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| PERQUIMANS   | NC | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
|              |    |           |           |             |             |
| BELKNAP      | NH | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| GRAFTON      | NH | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| MERRIMACK    | NH | \$302,500 | \$387,250 | \$468,100   | \$581,750   |
| HILLSBOROUGH | NH | \$402,500 | \$515,250 | \$622,850   | \$774,050   |
| ROCKINGHAM   | NH | \$523,750 | \$670,500 | \$810,450   | \$1,007,200 |
| STRAFFORD    | NH | \$523,750 | \$670,500 | \$810,450   | \$1,007,200 |

|             |    |           |           |             |             |
|-------------|----|-----------|-----------|-------------|-------------|
| WARREN      | NJ | \$402,500 | \$515,250 | \$622,850   | \$774,050   |
| CUMBERLAND  | NJ | \$405,000 | \$518,450 | \$626,700   | \$778,850   |
| BURLINGTON  | NJ | \$420,000 | \$537,650 | \$649,900   | \$807,700   |
| CAMDEN      | NJ | \$420,000 | \$537,650 | \$649,900   | \$807,700   |
| GLOUCESTER  | NJ | \$420,000 | \$537,650 | \$649,900   | \$807,700   |
| SALEM       | NJ | \$420,000 | \$537,650 | \$649,900   | \$807,700   |
| MERCER      | NJ | \$440,000 | \$563,250 | \$680,850   | \$846,150   |
| ATLANTIC    | NJ | \$453,750 | \$580,850 | \$702,150   | \$872,600   |
| CAPE MAY    | NJ | \$487,500 | \$624,100 | \$754,350   | \$937,500   |
| BERGEN      | NJ | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| ESSEX       | NJ | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| HUDSON      | NJ | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| HUNTERDON   | NJ | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| MIDDLESEX   | NJ | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| MONMOUTH    | NJ | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| MORRIS      | NJ | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| OCEAN       | NJ | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| PASSAIC     | NJ | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| SOMERSET    | NJ | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| SUSSEX      | NJ | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| UNION       | NJ | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
|             |    |           |           |             |             |
| SAN JUAN    | NM | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| LOS ALAMOS  | NM | \$380,650 | \$487,300 | \$589,000   | \$732,000   |
| SANTA FE    | NM | \$427,500 | \$547,250 | \$661,500   | \$822,100   |
|             |    |           |           |             |             |
| ELKO        | NV | \$325,000 | \$416,050 | \$502,900   | \$625,000   |
| EUREKA      | NV | \$325,000 | \$416,050 | \$502,900   | \$625,000   |
| NYE         | NV | \$325,000 | \$416,050 | \$502,900   | \$625,000   |
| LYON        | NV | \$331,250 | \$424,050 | \$512,600   | \$637,000   |
| CARSON CITY | NV | \$398,750 | \$510,450 | \$617,050   | \$766,850   |
| CLARK       | NV | \$400,000 | \$512,050 | \$618,950   | \$769,250   |
| STOREY      | NV | \$403,750 | \$516,850 | \$624,750   | \$776,450   |
| WASHOE      | NV | \$403,750 | \$516,850 | \$624,750   | \$776,450   |
| DOUGLAS     | NV | \$468,750 | \$600,100 | \$725,350   | \$901,450   |
|             |    |           |           |             |             |
| COLUMBIA    | NY | \$276,250 | \$353,650 | \$427,450   | \$531,250   |
| ERIE        | NY | \$276,250 | \$353,650 | \$427,450   | \$531,250   |
| NIAGARA     | NY | \$276,250 | \$353,650 | \$427,450   | \$531,250   |



|             |    |           |           |             |             |
|-------------|----|-----------|-----------|-------------|-------------|
| MADISON     | NY | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| ONONDAGA    | NY | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| OSWEGO      | NY | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| ALBANY      | NY | \$312,500 | \$400,050 | \$483,550   | \$600,950   |
| RENSSELAER  | NY | \$312,500 | \$400,050 | \$483,550   | \$600,950   |
| SARATOGA    | NY | \$312,500 | \$400,050 | \$483,550   | \$600,950   |
| SCHENECTADY | NY | \$312,500 | \$400,050 | \$483,550   | \$600,950   |
| SCHOHARIE   | NY | \$312,500 | \$400,050 | \$483,550   | \$600,950   |
| ULSTER      | NY | \$406,250 | \$520,050 | \$628,650   | \$781,250   |
| DUTCHESS    | NY | \$443,750 | \$568,050 | \$686,650   | \$853,350   |
| ORANGE      | NY | \$443,750 | \$568,050 | \$686,650   | \$853,350   |
| BRONX       | NY | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| KINGS       | NY | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| NASSAU      | NY | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| NEW YORK    | NY | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| PUTNAM      | NY | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| QUEENS      | NY | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| RICHMOND    | NY | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| ROCKLAND    | NY | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| SUFFOLK     | NY | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| WESTCHESTER | NY | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
|             |    |           |           |             |             |
| GREENE      | OH | \$271,250 | \$347,250 | \$419,750   | \$521,650   |
| MIAMI       | OH | \$271,250 | \$347,250 | \$419,750   | \$521,650   |
| MONTGOMERY  | OH | \$271,250 | \$347,250 | \$419,750   | \$521,650   |
| PREBLE      | OH | \$271,250 | \$347,250 | \$419,750   | \$521,650   |
| CARROLL     | OH | \$277,500 | \$355,250 | \$429,400   | \$533,650   |
| STARK       | OH | \$277,500 | \$355,250 | \$429,400   | \$533,650   |
| ASHTABULA   | OH | \$291,250 | \$372,850 | \$450,700   | \$560,100   |
| MERCER      | OH | \$292,500 | \$374,450 | \$452,600   | \$562,500   |
| CUYAHOGA    | OH | \$298,750 | \$382,450 | \$462,300   | \$574,500   |
| GEAUGA      | OH | \$298,750 | \$382,450 | \$462,300   | \$574,500   |
| LAKE        | OH | \$298,750 | \$382,450 | \$462,300   | \$574,500   |
| LORAIN      | OH | \$298,750 | \$382,450 | \$462,300   | \$574,500   |
| MEDINA      | OH | \$298,750 | \$382,450 | \$462,300   | \$574,500   |
| VAN WERT    | OH | \$301,250 | \$385,650 | \$466,150   | \$579,300   |
| PORTAGE     | OH | \$330,000 | \$422,450 | \$510,650   | \$634,600   |
| SUMMIT      | OH | \$330,000 | \$422,450 | \$510,650   | \$634,600   |
| BROWN       | OH | \$337,500 | \$432,050 | \$522,250   | \$649,050   |

|            |    |           |           |           |           |
|------------|----|-----------|-----------|-----------|-----------|
| BUTLER     | OH | \$337,500 | \$432,050 | \$522,250 | \$649,050 |
| CLERMONT   | OH | \$337,500 | \$432,050 | \$522,250 | \$649,050 |
| HAMILTON   | OH | \$337,500 | \$432,050 | \$522,250 | \$649,050 |
| WARREN     | OH | \$337,500 | \$432,050 | \$522,250 | \$649,050 |
| DELAWARE   | OH | \$341,250 | \$436,850 | \$528,050 | \$656,250 |
| FAIRFIELD  | OH | \$341,250 | \$436,850 | \$528,050 | \$656,250 |
| FRANKLIN   | OH | \$341,250 | \$436,850 | \$528,050 | \$656,250 |
| LICKING    | OH | \$341,250 | \$436,850 | \$528,050 | \$656,250 |
| MADISON    | OH | \$341,250 | \$436,850 | \$528,050 | \$656,250 |
| MORROW     | OH | \$341,250 | \$436,850 | \$528,050 | \$656,250 |
| PICKAWAY   | OH | \$341,250 | \$436,850 | \$528,050 | \$656,250 |
| UNION      | OH | \$341,250 | \$436,850 | \$528,050 | \$656,250 |
| ATHENS     | OH | \$432,500 | \$553,650 | \$669,250 | \$831,750 |
|            |    |           |           |           |           |
| MARION     | OR | \$295,000 | \$377,650 | \$456,500 | \$567,300 |
| POLK       | OR | \$295,000 | \$377,650 | \$456,500 | \$567,300 |
| LINCOLN    | OR | \$312,500 | \$400,050 | \$483,550 | \$600,950 |
| JOSEPHINE  | OR | \$325,000 | \$416,050 | \$502,900 | \$625,000 |
| BENTON     | OR | \$337,500 | \$432,050 | \$522,250 | \$649,050 |
| LANE       | OR | \$343,750 | \$440,050 | \$531,900 | \$661,050 |
| TILLAMOOK  | OR | \$343,750 | \$440,050 | \$531,900 | \$661,050 |
| CLATSOP    | OR | \$347,500 | \$444,850 | \$537,750 | \$668,250 |
| CURRY      | OR | \$351,250 | \$449,650 | \$543,550 | \$675,500 |
| HOOD RIVER | OR | \$393,750 | \$504,050 | \$609,300 | \$757,200 |
| CLACKAMAS  | OR | \$418,750 | \$536,050 | \$648,000 | \$805,300 |
| COLUMBIA   | OR | \$418,750 | \$536,050 | \$648,000 | \$805,300 |
| MULTNOMAH  | OR | \$418,750 | \$536,050 | \$648,000 | \$805,300 |
| WASHINGTON | OR | \$418,750 | \$536,050 | \$648,000 | \$805,300 |
| YAMHILL    | OR | \$418,750 | \$536,050 | \$648,000 | \$805,300 |
| JACKSON    | OR | \$422,500 | \$540,850 | \$653,800 | \$812,500 |
| DESCHUTES  | OR | \$447,500 | \$572,850 | \$692,450 | \$860,600 |
|            |    |           |           |           |           |
| CENTRE     | PA | \$280,000 | \$358,450 | \$433,250 | \$538,450 |
| BERKS      | PA | \$300,000 | \$384,050 | \$464,200 | \$576,900 |
| ALLEGHENY  | PA | \$327,500 | \$419,250 | \$506,800 | \$629,800 |
| ARMSTRONG  | PA | \$327,500 | \$419,250 | \$506,800 | \$629,800 |
| BEAVER     | PA | \$327,500 | \$419,250 | \$506,800 | \$629,800 |
| BUTLER     | PA | \$327,500 | \$419,250 | \$506,800 | \$629,800 |
| FAYETTE    | PA | \$327,500 | \$419,250 | \$506,800 | \$629,800 |

|              |    |           |           |             |             |
|--------------|----|-----------|-----------|-------------|-------------|
| WASHINGTON   | PA | \$327,500 | \$419,250 | \$506,800   | \$629,800   |
| WESTMORELAND | PA | \$327,500 | \$419,250 | \$506,800   | \$629,800   |
| LANCASTER    | PA | \$383,750 | \$491,250 | \$593,800   | \$738,000   |
| CARBON       | PA | \$402,500 | \$515,250 | \$622,850   | \$774,050   |
| LEHIGH       | PA | \$402,500 | \$515,250 | \$622,850   | \$774,050   |
| NORTHAMPTON  | PA | \$402,500 | \$515,250 | \$622,850   | \$774,050   |
| BUCKS        | PA | \$420,000 | \$537,650 | \$649,900   | \$807,700   |
| CHESTER      | PA | \$420,000 | \$537,650 | \$649,900   | \$807,700   |
| DELAWARE     | PA | \$420,000 | \$537,650 | \$649,900   | \$807,700   |
| MONTGOMERY   | PA | \$420,000 | \$537,650 | \$649,900   | \$807,700   |
| PHILADELPHIA | PA | \$420,000 | \$537,650 | \$649,900   | \$807,700   |
| YORK         | PA | \$425,000 | \$544,050 | \$657,650   | \$817,300   |
| PIKE         | PA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
|              |    |           |           |             |             |
| BRISTOL      | RI | \$475,000 | \$608,100 | \$735,050   | \$913,450   |
| KENT         | RI | \$475,000 | \$608,100 | \$735,050   | \$913,450   |
| NEWPORT      | RI | \$475,000 | \$608,100 | \$735,050   | \$913,450   |
| PROVIDENCE   | RI | \$475,000 | \$608,100 | \$735,050   | \$913,450   |
| WASHINGTON   | RI | \$475,000 | \$608,100 | \$735,050   | \$913,450   |
|              |    |           |           |             |             |
| HORRY        | SC | \$286,250 | \$366,450 | \$442,950   | \$550,450   |
| GREENVILLE   | SC | \$295,000 | \$377,650 | \$456,500   | \$567,300   |
| LAURENS      | SC | \$295,000 | \$377,650 | \$456,500   | \$567,300   |
| PICKENS      | SC | \$295,000 | \$377,650 | \$456,500   | \$567,300   |
| YORK         | SC | \$303,750 | \$388,850 | \$470,000   | \$584,150   |
| BERKELEY     | SC | \$335,000 | \$428,850 | \$518,400   | \$644,250   |
| CHARLESTON   | SC | \$335,000 | \$428,850 | \$518,400   | \$644,250   |
| DORCHESTER   | SC | \$335,000 | \$428,850 | \$518,400   | \$644,250   |
| BEAUFORT     | SC | \$387,500 | \$496,050 | \$599,600   | \$745,200   |
| JASPER       | SC | \$387,500 | \$496,050 | \$599,600   | \$745,200   |
| GEORGETOWN   | SC | \$395,000 | \$505,650 | \$611,250   | \$759,600   |
|              |    |           |           |             |             |
| CANNON       | TN | \$432,500 | \$553,650 | \$669,250   | \$831,750   |
| CHEATHAM     | TN | \$432,500 | \$553,650 | \$669,250   | \$831,750   |
| DAVIDSON     | TN | \$432,500 | \$553,650 | \$669,250   | \$831,750   |
| DICKSON      | TN | \$432,500 | \$553,650 | \$669,250   | \$831,750   |
| HICKMAN      | TN | \$432,500 | \$553,650 | \$669,250   | \$831,750   |
| MACON        | TN | \$432,500 | \$553,650 | \$669,250   | \$831,750   |
| ROBERTSON    | TN | \$432,500 | \$553,650 | \$669,250   | \$831,750   |

|              |    |           |           |             |             |
|--------------|----|-----------|-----------|-------------|-------------|
| RUTHERFORD   | TN | \$432,500 | \$553,650 | \$669,250   | \$831,750   |
| SMITH        | TN | \$432,500 | \$553,650 | \$669,250   | \$831,750   |
| SUMNER       | TN | \$432,500 | \$553,650 | \$669,250   | \$831,750   |
| TROUSDALE    | TN | \$432,500 | \$553,650 | \$669,250   | \$831,750   |
| WILLIAMSON   | TN | \$432,500 | \$553,650 | \$669,250   | \$831,750   |
| WILSON       | TN | \$432,500 | \$553,650 | \$669,250   | \$831,750   |
|              |    |           |           |             |             |
| JEFF DAVIS   | TX | \$271,250 | \$347,250 | \$419,750   | \$521,650   |
| BASTROP      | TX | \$288,750 | \$369,650 | \$446,800   | \$555,300   |
| CALDWELL     | TX | \$288,750 | \$369,650 | \$446,800   | \$555,300   |
| HAYS         | TX | \$288,750 | \$369,650 | \$446,800   | \$555,300   |
| TRAVIS       | TX | \$288,750 | \$369,650 | \$446,800   | \$555,300   |
| WILLIAMSON   | TX | \$288,750 | \$369,650 | \$446,800   | \$555,300   |
| ATASCOSA     | TX | \$332,500 | \$425,650 | \$514,500   | \$639,400   |
| BANDERA      | TX | \$332,500 | \$425,650 | \$514,500   | \$639,400   |
| BEXAR        | TX | \$332,500 | \$425,650 | \$514,500   | \$639,400   |
| COMAL        | TX | \$332,500 | \$425,650 | \$514,500   | \$639,400   |
| GUADALUPE    | TX | \$332,500 | \$425,650 | \$514,500   | \$639,400   |
| KENDALL      | TX | \$332,500 | \$425,650 | \$514,500   | \$639,400   |
| MEDINA       | TX | \$332,500 | \$425,650 | \$514,500   | \$639,400   |
| WILSON       | TX | \$332,500 | \$425,650 | \$514,500   | \$639,400   |
|              |    |           |           |             |             |
| RICH         | UT | \$296,700 | \$379,800 | \$459,100   | \$570,550   |
| DAGGETT      | UT | \$302,450 | \$387,200 | \$468,000   | \$581,650   |
| JUAB         | UT | \$323,750 | \$414,450 | \$500,950   | \$622,600   |
| UTAH         | UT | \$323,750 | \$414,450 | \$500,950   | \$622,600   |
| WASHINGTON   | UT | \$372,500 | \$476,850 | \$576,400   | \$716,350   |
| KANE         | UT | \$383,750 | \$491,250 | \$593,800   | \$738,000   |
| DAVIS        | UT | \$397,500 | \$508,850 | \$615,100   | \$764,400   |
| MORGAN       | UT | \$397,500 | \$508,850 | \$615,100   | \$764,400   |
| WEBER        | UT | \$397,500 | \$508,850 | \$615,100   | \$764,400   |
| WASATCH      | UT | \$431,250 | \$552,050 | \$667,350   | \$829,350   |
| SALT LAKE    | UT | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| SUMMIT       | UT | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| TOOELE       | UT | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
|              |    |           |           |             |             |
| HARRISONBURG | VA | \$277,150 | \$354,800 | \$428,850   | \$532,950   |
| ROCKINGHAM   | VA | \$277,150 | \$354,800 | \$428,850   | \$532,950   |
| MADISON      | VA | \$277,500 | \$355,250 | \$429,400   | \$533,650   |

|                 |    |           |           |           |           |
|-----------------|----|-----------|-----------|-----------|-----------|
| BOTETOURT       | VA | \$280,000 | \$358,450 | \$433,250 | \$538,450 |
| CRAIG           | VA | \$280,000 | \$358,450 | \$433,250 | \$538,450 |
| FRANKLIN        | VA | \$280,000 | \$358,450 | \$433,250 | \$538,450 |
| ROANOKE         | VA | \$280,000 | \$358,450 | \$433,250 | \$538,450 |
| ROANOKE IND     | VA | \$280,000 | \$358,450 | \$433,250 | \$538,450 |
| SALEM           | VA | \$280,000 | \$358,450 | \$433,250 | \$538,450 |
| HIGHLAND        | VA | \$287,500 | \$368,050 | \$444,900 | \$552,900 |
| AMHERST         | VA | \$292,100 | \$373,950 | \$452,000 | \$561,700 |
| APPOMATTOX      | VA | \$292,100 | \$373,950 | \$452,000 | \$561,700 |
| BEDFORD         | VA | \$292,100 | \$373,950 | \$452,000 | \$561,700 |
| BEDFORD IND     | VA | \$292,100 | \$373,950 | \$452,000 | \$561,700 |
| CAMPBELL        | VA | \$292,100 | \$373,950 | \$452,000 | \$561,700 |
| GILES           | VA | \$292,100 | \$373,950 | \$452,000 | \$561,700 |
| LYNCHBURG       | VA | \$292,100 | \$373,950 | \$452,000 | \$561,700 |
| MONTGOMERY      | VA | \$292,100 | \$373,950 | \$452,000 | \$561,700 |
| PULASKI         | VA | \$292,100 | \$373,950 | \$452,000 | \$561,700 |
| RADFORD         | VA | \$292,100 | \$373,950 | \$452,000 | \$561,700 |
| LEXINGTON       | VA | \$296,250 | \$379,250 | \$458,400 | \$569,700 |
| RICHMOND        | VA | \$300,000 | \$384,050 | \$464,200 | \$576,900 |
| MIDDLESEX       | VA | \$330,000 | \$422,450 | \$510,650 | \$634,600 |
| ORANGE          | VA | \$331,250 | \$424,050 | \$512,600 | \$637,000 |
| RAPPAHANNOCK    | VA | \$359,950 | \$460,800 | \$557,000 | \$692,200 |
| ESSEX           | VA | \$375,000 | \$480,050 | \$580,300 | \$721,150 |
| CULPEPER        | VA | \$382,500 | \$489,650 | \$591,900 | \$735,600 |
| KING GEORGE     | VA | \$386,250 | \$494,450 | \$597,700 | \$742,800 |
| NORTHUMBERLAND  | VA | \$392,500 | \$502,450 | \$607,350 | \$754,800 |
| ALBEMARLE       | VA | \$437,000 | \$559,450 | \$676,200 | \$840,400 |
| CHARLOTTESVILLE | VA | \$437,000 | \$559,450 | \$676,200 | \$840,400 |
| FLUVANNA        | VA | \$437,000 | \$559,450 | \$676,200 | \$840,400 |
| GREENE          | VA | \$437,000 | \$559,450 | \$676,200 | \$840,400 |
| NELSON          | VA | \$437,000 | \$559,450 | \$676,200 | \$840,400 |
| CHESAPEAKE      | VA | \$458,850 | \$587,400 | \$710,050 | \$882,400 |
| GLOUCESTER      | VA | \$458,850 | \$587,400 | \$710,050 | \$882,400 |
| HAMPTON         | VA | \$458,850 | \$587,400 | \$710,050 | \$882,400 |
| ISLE OF WIGHT   | VA | \$458,850 | \$587,400 | \$710,050 | \$882,400 |
| JAMES CITY      | VA | \$458,850 | \$587,400 | \$710,050 | \$882,400 |
| MATHEWS         | VA | \$458,850 | \$587,400 | \$710,050 | \$882,400 |
| NEWPORT NEWS    | VA | \$458,850 | \$587,400 | \$710,050 | \$882,400 |
| NORFOLK         | VA | \$458,850 | \$587,400 | \$710,050 | \$882,400 |

|                 |    |           |           |             |             |
|-----------------|----|-----------|-----------|-------------|-------------|
| POQUOSON        | VA | \$458,850 | \$587,400 | \$710,050   | \$882,400   |
| PORTSMOUTH      | VA | \$458,850 | \$587,400 | \$710,050   | \$882,400   |
| SUFFOLK         | VA | \$458,850 | \$587,400 | \$710,050   | \$882,400   |
| SURRY           | VA | \$458,850 | \$587,400 | \$710,050   | \$882,400   |
| VIRGINIA BEACH  | VA | \$458,850 | \$587,400 | \$710,050   | \$882,400   |
| WILLIAMSBURG    | VA | \$458,850 | \$587,400 | \$710,050   | \$882,400   |
| YORK            | VA | \$458,850 | \$587,400 | \$710,050   | \$882,400   |
| FREDERICK       | VA | \$475,000 | \$608,100 | \$735,050   | \$913,450   |
| WINCHESTER      | VA | \$475,000 | \$608,100 | \$735,050   | \$913,450   |
| AMELIA          | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| CAROLINE        | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| CHARLES CITY    | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| CHESTERFIELD    | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| COLONIAL HEIGHT | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| CUMBERLAND      | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| DINWIDDIE       | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| GOOCHLAND       | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| HANOVER         | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| HENRICO         | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| HOPEWELL        | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| KING AND QUEEN  | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| KING WILLIAM    | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| LOUISA          | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| NEW KENT        | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| PETERSBURG      | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| POWHATAN        | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| PRINCE GEORGE   | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| RICHMOND IND    | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| SUSSEX          | VA | \$535,900 | \$686,050 | \$829,250   | \$1,030,600 |
| LANCASTER       | VA | \$545,000 | \$697,700 | \$843,350   | \$1,048,100 |
| ALEXANDRIA      | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| ARLINGTON       | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| CLARKE          | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| FAIRFAX         | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| FAIRFAX IND     | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| FALLS CHURCH    | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| FAUQUIER        | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| FREDERICKSBURG  | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| LOUDOUN         | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |

|                |    |           |           |             |             |
|----------------|----|-----------|-----------|-------------|-------------|
| MANASSAS       | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| MANASSAS PARK  | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| PRINCE WILLIAM | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| SPOTSYLVANIA   | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| STAFFORD       | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
| WARREN         | VA | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
|                |    |           |           |             |             |
| LAMOILLE       | VT | \$276,000 | \$353,300 | \$427,100   | \$530,750   |
| BENNINGTON     | VT | \$277,150 | \$354,800 | \$428,850   | \$532,950   |
| ORANGE         | VT | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| WINDSOR        | VT | \$281,250 | \$360,050 | \$435,200   | \$540,850   |
| CHITTENDEN     | VT | \$318,750 | \$408,050 | \$493,250   | \$613,000   |
| FRANKLIN       | VT | \$318,750 | \$408,050 | \$493,250   | \$613,000   |
| GRAND ISLE     | VT | \$318,750 | \$408,050 | \$493,250   | \$613,000   |
|                |    |           |           |             |             |
| BENTON         | WA | \$275,000 | \$352,050 | \$425,550   | \$528,850   |
| FRANKLIN       | WA | \$275,000 | \$352,050 | \$425,550   | \$528,850   |
| MASON          | WA | \$310,000 | \$396,850 | \$479,700   | \$596,150   |
| KITTITAS       | WA | \$328,750 | \$420,850 | \$508,700   | \$632,200   |
| CHELAN         | WA | \$342,700 | \$438,700 | \$530,300   | \$659,050   |
| DOUGLAS        | WA | \$342,700 | \$438,700 | \$530,300   | \$659,050   |
| THURSTON       | WA | \$361,250 | \$462,450 | \$559,000   | \$694,700   |
| SKAGIT         | WA | \$373,750 | \$478,450 | \$578,350   | \$718,750   |
| WHATCOM        | WA | \$375,000 | \$480,050 | \$580,300   | \$721,150   |
| ISLAND         | WA | \$381,250 | \$488,050 | \$589,950   | \$733,150   |
| CLALLAM        | WA | \$383,750 | \$491,250 | \$593,800   | \$738,000   |
| CLARK          | WA | \$418,750 | \$536,050 | \$648,000   | \$805,300   |
| SKAMANIA       | WA | \$418,750 | \$536,050 | \$648,000   | \$805,300   |
| JEFFERSON      | WA | \$437,500 | \$560,050 | \$677,000   | \$841,350   |
| KITSAP         | WA | \$475,000 | \$608,100 | \$735,050   | \$913,450   |
| KING           | WA | \$567,500 | \$726,500 | \$878,150   | \$1,091,350 |
| PIERCE         | WA | \$567,500 | \$726,500 | \$878,150   | \$1,091,350 |
| SNOHOMISH      | WA | \$567,500 | \$726,500 | \$878,150   | \$1,091,350 |
| SAN JUAN       | WA | \$593,750 | \$760,100 | \$918,800   | \$1,141,850 |
|                |    |           |           |             |             |
| WALWORTH       | WI | \$278,750 | \$356,850 | \$431,350   | \$536,050   |
| COLUMBIA       | WI | \$293,750 | \$376,050 | \$454,550   | \$564,900   |
| DANE           | WI | \$293,750 | \$376,050 | \$454,550   | \$564,900   |
| IOWA           | WI | \$293,750 | \$376,050 | \$454,550   | \$564,900   |

|                 |    |           |           |             |             |
|-----------------|----|-----------|-----------|-------------|-------------|
| MILWAUKEE       | WI | \$315,000 | \$403,250 | \$487,450   | \$605,750   |
| OZAUKEE         | WI | \$315,000 | \$403,250 | \$487,450   | \$605,750   |
| WASHINGTON      | WI | \$315,000 | \$403,250 | \$487,450   | \$605,750   |
| WAUKESHA        | WI | \$315,000 | \$403,250 | \$487,450   | \$605,750   |
| PIERCE          | WI | \$365,000 | \$467,250 | \$564,800   | \$701,900   |
| ST. CROIX       | WI | \$365,000 | \$467,250 | \$564,800   | \$701,900   |
| KENOSHA         | WI | \$410,000 | \$524,850 | \$634,450   | \$788,450   |
|                 |    |           |           |             |             |
| BERKELEY        | WV | \$377,500 | \$483,250 | \$584,150   | \$725,950   |
| MORGAN          | WV | \$377,500 | \$483,250 | \$584,150   | \$725,950   |
| HAMPSHIRE       | WV | \$475,000 | \$608,100 | \$735,050   | \$913,450   |
| JEFFERSON       | WV | \$729,750 | \$934,200 | \$1,129,250 | \$1,403,400 |
|                 |    |           |           |             |             |
| SHERIDAN        | WY | \$272,500 | \$348,850 | \$421,650   | \$524,050   |
| SUBLETTE        | WY | \$298,750 | \$382,450 | \$462,300   | \$574,500   |
| TETON           | WY | \$693,750 | \$888,100 | \$1,073,550 | \$1,334,150 |
|                 |    |           |           |             |             |
| MANUA           | AS | \$305,000 | \$390,450 | \$471,950   | \$586,550   |
|                 |    |           |           |             |             |
| GUAM            | GU | \$651,250 | \$833,700 | \$1,007,750 | \$1,252,400 |
|                 |    |           |           |             |             |
| ROTA            | MP | \$473,750 | \$606,500 | \$733,100   | \$911,050   |
| NORTHERN ISLAND | MP | \$605,000 | \$774,500 | \$936,200   | \$1,163,500 |
| SAIPAN          | MP | \$610,000 | \$780,900 | \$943,950   | \$1,173,100 |
| TINIAN          | MP | \$613,750 | \$785,700 | \$949,750   | \$1,180,300 |
|                 |    |           |           |             |             |
| AGUAS BUENAS    | PR | \$606,250 | \$776,100 | \$938,150   | \$1,165,900 |
| AIBONITO        | PR | \$606,250 | \$776,100 | \$938,150   | \$1,165,900 |
| ARECIBO         | PR | \$606,250 | \$776,100 | \$938,150   | \$1,165,900 |
| BARCELONETA     | PR | \$606,250 | \$776,100 | \$938,150   | \$1,165,900 |
| BARRANQUITAS    | PR | \$606,250 | \$776,100 | \$938,150   | \$1,165,900 |
| BAYAMON         | PR | \$606,250 | \$776,100 | \$938,150   | \$1,165,900 |
| CAGUAS          | PR | \$606,250 | \$776,100 | \$938,150   | \$1,165,900 |
| CAMUY           | PR | \$606,250 | \$776,100 | \$938,150   | \$1,165,900 |
| CANOVANAS       | PR | \$606,250 | \$776,100 | \$938,150   | \$1,165,900 |
| CAROLINA        | PR | \$606,250 | \$776,100 | \$938,150   | \$1,165,900 |
| CATANO          | PR | \$606,250 | \$776,100 | \$938,150   | \$1,165,900 |
| CAYEY           | PR | \$606,250 | \$776,100 | \$938,150   | \$1,165,900 |
| CEIBA           | PR | \$325,000 | \$416,050 | \$502,900   | \$625,000   |
| CIALES          | PR | \$606,250 | \$776,100 | \$938,150   | \$1,165,900 |



|                                 |    |           |           |           |             |
|---------------------------------|----|-----------|-----------|-----------|-------------|
| CIDRA                           | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| COMERIO                         | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| COROZAL                         | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| DORADO                          | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| FAJARDO                         | PR | \$325,000 | \$416,050 | \$502,900 | \$625,000   |
| FLORIDA                         | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| GUAYNABO                        | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| GURABO                          | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| HATILLO                         | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| HUMACAO                         | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| JUNCOS                          | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| LAS PIEDRAS                     | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| LOIZA                           | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| LUQUILLO                        | PR | \$325,000 | \$416,050 | \$502,900 | \$625,000   |
| MANATI                          | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| MAUNABO                         | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| MOROVIS                         | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| NAGUABO                         | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| NARANJITO                       | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| OROCOVIS                        | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| QUEBRADILLAS                    | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| RIO GRANDE                      | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| SAN JUAN                        | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| SAN LORENZO                     | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| TOA ALTA                        | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| TOA BAJA                        | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| TRUJILLO ALTO                   | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| VEGA ALTA                       | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| VEGA BAJA                       | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
| YABUCOA                         | PR | \$606,250 | \$776,100 | \$938,150 | \$1,165,900 |
|                                 |    |           |           |           |             |
| ST. CROIX                       | VI | \$327,750 | \$419,550 | \$507,150 | \$630,300   |
| ST. THOMAS                      | VI | \$446,200 | \$571,200 | \$690,450 | \$858,100   |
| ST. JOHN,VI                     | VI | \$623,300 | \$797,950 | \$964,500 | \$1,198,650 |
|                                 |    |           |           |           |             |
| <b>All other areas (floor):</b> |    | \$271,050 | \$347,000 | \$419,400 | \$521,250   |

.02 The nationwide average purchase price (for use in the housing cost/income ratio for new and existing residences) is \$217,300.

## SECTION 5. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2009–18 is obsolete except as provided in section 6 of this revenue procedure.

## SECTION 6. EFFECTIVE DATES

.01 Issuers may rely on this revenue procedure to determine average area purchase price safe harbors for commitments to provide financing or issue mortgage credit certificates that are made, or (if the purchase precedes the commitment) for residences that are purchased, in the period that begins on June 16, 2010, and ends on the date as of which the safe harbors contained in section 4.01 of this revenue procedure are rendered obsolete by a new revenue procedure.

.02 Notwithstanding section 5 of this revenue procedure, issuers may continue to rely on the average area purchase price safe harbors contained in Rev. Proc. 2009–18, with respect to bonds sold, or for mortgage credit certificates issued with respect to bond authority exchanged, before July 16, 2010, if the commitments to provide financing or issue mortgage credit certificates are made on or before August 15, 2010.

.03 Except as provided in section 6.04, issuers must use the nationwide average purchase price limitation contained in this revenue procedure for commitments to provide financing or issue mortgage credit certificates that are made, or (if the purchase precedes the commitment) for residences that are purchased, in the period that begins on June 16, 2010, and ends on the date when the nationwide average purchase price limitation is rendered obsolete by a new revenue procedure.

.04 Notwithstanding sections 5 and 6.03 of this revenue procedure, issuers may continue to rely on the nationwide average purchase price set forth in Rev. Proc. 2009–18 with respect to bonds sold, or for mortgage credit certificates issued with respect to bond authority exchanged,

before July 16, 2010, if the commitments to provide financing or issue mortgage credit certificates are made on or before August 15, 2010.

## SECTION 7. REQUEST FOR COMMENTS

The Treasury Department and the IRS are reviewing the available data sources and method used to determine the average area purchase price safe harbors listed in section 4.01 of this revenue procedure and are considering possible changes in the data used to determine these safe harbors for future years. One possible alternative method under consideration would involve the use of certain current available data from the Department of Housing and Urban Development (“HUD”) regarding county median housing purchase prices. The Treasury Department and the IRS solicit public comments generally on whether the average area purchase price safe harbors listed in section 4.01 of this revenue procedure should continue to be based on FHA loan limits or whether the data used to calculate these safe harbors should be changed in any way, such as, without limitation, a change to an alternative method using current HUD data on county median housing purchase prices.

Comments should be submitted in writing and can be e-mailed to [notice.comments@irscounsel.treas.gov](mailto:notice.comments@irscounsel.treas.gov) (include “Rev. Proc. 2010–25” in the subject line) or mailed to Office of Associate Chief Counsel (Financial Institutions & Products), Re: Rev. Proc. 2010–25, CC:FIP:B5, Room 3547, 1111 Constitution Avenue, NW, Washington, DC 20224. The due date for the public comments is September 6, 2010. Comments that are submitted will be made available to the public.

## SECTION 8. PAPERWORK REDUCTION ACT

The collection of information contained in this revenue procedure has been

reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545–1877.

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

This revenue procedure contains a collection of information requirement in section 3.03. The purpose of the collection of information is to verify the applicable FHA loan limit that issuers of qualified mortgage bonds and qualified mortgage certificates have used to calculate the average area purchase price for a given metropolitan statistical area for purposes of section 143(e) and 25(c). The collection of information is required to obtain the benefit of using revisions to FHA loan limits to determine average area purchase prices. The likely respondents are state and local governments.

The estimated total annual reporting and/or recordkeeping burden is: 15 hours.

The estimated annual burden per respondent and/or recordkeeper: 15 minutes.

The estimated number of respondents and/or recordkeepers: 60.

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

## SECTION 9. DRAFTING INFORMATION

The principal authors of this revenue procedure are David E. White and Timothy L. Jones of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this revenue procedure, contact David E. White at (202) 622–3980 (not a toll-free call).

## Part IV. Items of General Interest

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

### Indoor Tanning Services; Cosmetic Services; Excise Taxes

#### REG-112841-10

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of Proposed Rulemaking by Cross-Reference to Temporary Regulations.

SUMMARY: In this issue of the Bulletin, the IRS is issuing temporary regulations (T.D. 9486) that provide guidance on the indoor tanning services excise tax imposed by the Patient Protection and Affordable Care Act of 2010. These regulations affect users and providers of indoor tanning services. The text of the temporary regulations also serves as the text of the proposed regulations. These regulations affect users and providers of indoor tanning services.

DATES: Written and electronic comments and requests for a public hearing must be received by September 13, 2010.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-112841-10), Room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered to: CC:PA:LPD:PR Monday through Friday between the hours of 8 a.m. and 4 p.m. to: CC:PA:LPD:PR (REG-112841-10), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW; Washington, DC, or sent electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG-112841-10).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Taylor Cortright, (202) 622-3130; concerning submissions of

comments and requests for a public hearing, Regina Johnson, (202) 622-7180 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

#### Paperwork Reduction Act

The collection of information contained in this notice of proposed rulemaking has been approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) and assigned control number 1545-2177. Comments on the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, SE:W:CAR:MP:T:T:SP, Washington, DC 20224. Comments on the collection of information should be received by September 13, 2010. Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the functions of the Internal Revenue Service, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proposed collection of information (see below);

How the quality, utility, and clarity of the information to be collected may be enhanced;

How the burden of complying with the proposed collections of information may be minimized, including through the application of automated collection techniques or other forms of information technology; and

Estimates of capital or start-up costs of operation, maintenance, and purchase of service to provide information.

The collection of information in this proposed regulation is in proposed §49.5000B-1(d)(2). This information is required by the IRS to allow providers of indoor tanning services to calculate the tax on indoor tanning services. The likely recordkeepers are providers of indoor tanning services.

*Estimated total average annual record-keeping burden:* 10,000 hours.

*Estimated average annual burden hours per recordkeeper:* 30 minutes.

*Estimated number of recordkeepers:* 20,000.

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

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

#### Background

This document contains proposed amendments to the Excise Tax Procedural Regulations (26 CFR part 40) and the Facilities and Services Excise Tax Regulations (26 CFR part 49) under section 5000B of the Internal Revenue Code (Code). Section 5000B of the Code was enacted by section 10907 of the Patient Protection and Affordable Care Act of 2010, Public Law 111-148 (124 Stat. 119) to impose an excise tax on indoor tanning services. The text of temporary regulations published in this issue of the Bulletin also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the temporary regulations.

#### 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 has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. It is hereby certified that these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that these regulations are designed to accommodate the recordkeeping methods

currently used by small entities that provide indoor tanning services. The regulations merely implement the tax imposed by section 5000B of the Code, and section 6001 of the Code already requires taxpayers to keep books and records sufficient to show whether or not they are liable for tax. The information necessary to prepare these records is readily available to providers, and this recordkeeping will take little additional time to complete. Accordingly, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Code, this notice of proposed rulemaking has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

### Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. The IRS and the Treasury Department specifically request comments on the clarity of the proposed regulations and how they may be 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 written comments. If a public hearing is scheduled, notice of the date, time, and place for the hearing will be published in the **Federal Register**.

### Drafting Information

The principal author of these regulations is Taylor Cortright, Office of the Associate Chief Counsel (Passthroughs and Special Industries). However, other personnel from the IRS and the Treasury Department participated in their development.

\* \* \* \* \*

### Proposed Amendments to the Regulations

Accordingly, 26 CFR parts 40 and 49 are proposed to be amended as follows:

#### PART 40—EXCISE TAX PROCEDURAL REGULATIONS

Paragraph 1. The authority citation for part 40 is amended by adding an entry in numerical order to read in part as follows:

Authority: 26 U.S.C. 7805.

Section 40.0–1 also issued under 26 U.S.C. 5000B(c). \* \* \*

Par. 2. Section 40.0–1 is amended by revising paragraphs (d) and (e) to read as follows:

#### *§40.0–1 Introduction.*

\* \* \* \* \*

(d) [The text of this proposed §40.0–1(d) is the same as the text of §40.0–1T(d) published elsewhere in this issue of the Bulletin].

(e) [The text of this proposed §40.0–1(e) is the same as the text of §40.0–1T(e) published elsewhere in this issue of the Bulletin].

\* \* \* \* \*

Par. 3. Section 40.6302(c)–1 is amended by adding paragraph (g) to read as follows:

*§40.6302(c)–1 Use of government depositaries.*

\* \* \* \* \*

(g) [The text of this proposed §40.6302(c)–1T(g) is the same as the text of §40.6302(c)–1T(g) published elsewhere in this issue of the Bulletin].

#### PART 49—FACILITIES AND SERVICES EXCISE TAX

Par. 4. The authority citation for part 49 is amended by adding an entry in numerical order to read in part as follows:

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

Section 49.5000B–1 also issued under 26 U.S.C. 5000B.

Par. 5. Section 49.0–3 is added to read as follows:

#### *§49.0–3 Introduction; cosmetic services.*

[The text of this proposed §49.0–3 is the same as the text of §49.0–3T published elsewhere in this issue of the Bulletin].

Par. 6. Subpart G is added to read as follows:

#### **Subpart G—Cosmetic Services**

#### *§49.5000B–1 Indoor Tanning Services.*

[The text of this proposed §49.5000B–1 is the same as the text of §49.5000B–1T(a) through (h) published elsewhere in this issue of the Bulletin].

Steven Miller,  
*Deputy Commissioner for  
Services and Enforcement.*

(Filed by the Office of the Federal Register on June 11, 2010, 11:15 a.m., and published in the issue of the Federal Register for June 15, 2010, 75 F.R. 33740)

# Announcement of Disciplinary Sanctions From the Office of Professional Responsibility

## Announcement 2010-43

The Office of Professional Responsibility (OPR) announces recent disciplinary sanctions involving attorneys, certified public accountants, enrolled agents, enrolled actuaries, enrolled retirement plan agents, and appraisers. These individuals

are subject to the regulations governing practice before the Internal Revenue Service (IRS), which are set out in Title 31, Code of Federal Regulations, Part 10, and which are published in pamphlet form as Treasury Department Circular No. 230.

The regulations prescribe the duties and restrictions relating to such practice and prescribe the disciplinary sanctions for violating the regulations.

The disciplinary sanctions to be imposed for violation of the regulations are:

**Disbarred from practice before the IRS**—An individual who is disbarred is not eligible to represent taxpayers before the IRS.

**Suspended from practice before the IRS**—An individual who is suspended is not eligible to represent taxpayers before the IRS during the term of the suspension.

**Censured in practice before the IRS**—Censure is a public reprimand. Unlike disbarment or suspension, censure does not affect an individual’s eligibility to represent taxpayers before the IRS, but OPR may subject the individual’s future representations to conditions designed to promote high standards of conduct.

**Monetary penalty**—A monetary penalty may be imposed on an individual who engages in conduct subject to sanction or on an employer, firm, or entity if the individual was acting on its behalf and if it knew, or reasonably should have known, of the individual’s conduct.

**Disqualification of appraiser**—An appraiser who is disqualified is barred from presenting evidence or testimony in any administrative proceeding before the Department of the Treasury or the IRS.

Under the regulations, attorneys, certified public accountants, enrolled agents, enrolled actuaries, and enrolled retirement plan agents may not assist, or accept assistance from, individuals who are suspended or disbarred with respect to matters constituting practice (*i.e.*, representation) before the IRS, and they may not aid or abet suspended or disbarred individuals to practice before the IRS.

Disciplinary sanctions are described in these terms:

**Disbarred by decision after hearing, Suspended by decision after hearing, Censured by decision after hearing,**

**Monetary penalty imposed after hearing, and Disqualified after hearing**—An administrative law judge (ALJ) conducted an evidentiary hearing upon OPR’s complaint alleging violation of the regulations and issued a decision imposing one of these sanctions. After 30 days from the issuance of the decision, in the absence of an appeal, the ALJ’s decision became the final agency decision.

**Disbarred by default decision, Suspended by default decision, Censured by default decision, Monetary penalty imposed by default decision, and Disqualified by default decision**—An ALJ, after finding that no answer to OPR’s complaint had been filed, granted OPR’s motion for a default judgment and issued a decision imposing one of these sanctions.

**Disbarment by decision on appeal, Suspended by decision on appeal, Censured by decision on appeal, Monetary penalty imposed by decision on appeal, and Disqualified by decision on appeal**—The decision of the ALJ was appealed to the agency appeal authority, acting as the delegate of the Secretary of the Treasury, and the appeal authority issued a decision imposing one of these sanctions.

**Disbarred by consent, Suspended by consent, Censured by consent, Monetary penalty imposed by consent, and Disqualified by consent**—In lieu of a disciplinary proceeding being instituted or continued, an individual offered a consent to one of these sanctions and OPR accepted the offer. Typically, an offer of consent will provide for: suspension for an indefinite term; conditions that the individual must observe during the suspension; and the individual’s opportunity, after a stated number of months, to file

with OPR a petition for reinstatement affirming compliance with the terms of the consent and affirming current eligibility to practice (*i.e.*, an active professional license or active enrollment status). An enrolled agent or an enrolled retirement plan agent may also offer to resign in order to avoid a disciplinary proceeding.

**Suspended by decision in expedited proceeding, Suspended by default decision in expedited proceeding, Suspended by consent in expedited proceeding**—OPR instituted an expedited proceeding for suspension (based on certain limited grounds, including loss of a professional license and criminal convictions).

OPR has authority to disclose the grounds for disciplinary sanctions in these situations: (1) an ALJ or the Secretary’s delegate on appeal has issued a decision on or after September 26, 2007, which was the effective date of amendments to the regulations that permit making such decisions publicly available; (2) the individual has settled a disciplinary case by signing OPR’s “consent to sanction” form, which requires consenting individuals to admit to one or more violations of the regulations and to consent to the disclosure of the individual’s own return information related to the admitted violations (for example, failure to file Federal income tax returns); or (3) OPR has issued a decision in an expedited proceeding for suspension.

Announcements of disciplinary sanctions appear in the Internal Revenue Bulletin at the earliest practicable date. The sanctions announced below are alphabetized first by the names of states and second by the last names of individuals. Unless otherwise indicated, section numbers (*e.g.*, § 10.51) refer to the regulations.

| City & State   | Name                    | Professional Designation | Disciplinary Sanction   | Effective Date(s)              |
|----------------|-------------------------|--------------------------|---|--------------------------------|
| <b>Alabama</b> |                         |                          |   |                                |
| Birmingham     | Moseley, Christopher P. | Attorney                 | Suspended by default decision in expedited proceeding under § 10.82 (attorney disbarment) | Indefinite from April 15, 2010 |

| <b>City &amp; State</b> | <b>Name</b>                | <b>Professional Designation</b> | <b>Disciplinary Sanction</b>   | <b>Effective Date(s)</b>                              |
|-------------------------|----------------------------|---------------------------------|--|---|
| <b>California</b>       |                            |                                 |  |   |
| Fresno                  | Fearnside, William L.      | Attorney                        | Suspended by decision in expedited proceeding under § 10.82 (suspension of attorney license)   | Indefinite from April 15, 2010                        |
| Burlingame              | Kassel, Steven H.          | Enrolled Agent                  | Suspended by consent for violation of §§ 10.33 (1994), 10.51(a)(7), and 10.51(a)(13) (in that practitioner made or furnished, or caused another person to make or furnish, false statements as to the allowability of various types of deductions and other tax benefits which practitioner knew, or should have known, were false.) | Indefinite from April 1, 2009, but at least 48 months |
| Pasadena                | Rodriguez, Stephen A.      | Attorney                        | Suspended by default decision in expedited proceeding under § 10.82 (attorney disbarment)  | Indefinite from April 15, 2010                        |
| Placerville             | Marty, Teresa M.           | Enrolled Agent                  | Suspended by default decision in expedited proceeding under § 10.82 (permanently enjoined by U.S. District Court from acting as a Federal tax return preparer, promoting any abusive tax shelter, and other Federal tax-related activities)  | Indefinite from May 6, 2010                           |
| Monterey Park           | Morinaka, Glen             | CPA                             | Suspended by decision in expedited proceeding under § 10.82 (revocation of CPA license)  | Indefinite from April 26, 2010                        |
| Long Beach              | Rachele, Susan             | CPA                             | Suspended by decision in expedited proceeding under § 10.82 (revocation of CPA license)  | Indefinite from May 6, 2010                           |
| <b>Louisiana</b>        |                            |                                 |  |   |
| Natchitoches            | Whitehead, III, Charles R. | Attorney                        | Suspended by decision in expedited proceeding under § 10.82 (suspension of attorney license)   | Indefinite from May 12, 2010                          |

| <b>City &amp; State</b> | <b>Name</b>            | <b>Professional Designation</b> | <b>Disciplinary Sanction</b>  | <b>Effective Date(s)</b>      |
|-------------------------|------------------------|---------------------------------|---|-------------------------------|
| <b>Maryland</b>         |                        |                                 |   |                               |
| Baltimore               | Dixon, III, Isaiah     | Attorney                        | Suspended by default decision in expedited proceeding under § 10.82 (attorney disbarment)   | Indefinite from May 12, 2010  |
| <b>Massachusetts</b>    |                        |                                 |   |                               |
| East Freetown           | Barnes, Jr., Donald H. | Attorney                        | Suspended by default decision in expedited proceeding under § 10.82 (suspension of attorney license)  | Indefinite from May 12, 2010  |
| Boston                  | Corben, Gary S.        | Attorney                        | Suspended by default decision in expedited proceeding under § 10.82 (suspension of attorney license)  | Indefinite from May 12, 2010  |
| North Dartmouth         | Sites, Michael G       | Attorney                        | Suspended by decision in expedited proceeding under § 10.82 (attorney disbarment)   | Indefinite from May 12, 2010  |
| <b>Missouri</b>         |                        |                                 |   |                               |
| St. Peters              | Geiger, David J.       | Enrolled Agent                  | Suspended by decision in expedited proceeding under § 10.82 (permanently enjoined by U.S. District Court from promoting the FNS (fuel from nonconventional sources) credit scheme or any other unlawful tax shelter, preparing Federal tax returns asserting frivolous or unrealistic positions, representing FNS customers in any manner before the IRS related to the customers' participation in the scheme, and other Federal tax-related activities) | Indefinite from March 9, 2010 |

| <b>City &amp; State</b>     | <b>Name</b>        | <b>Professional Designation</b> | <b>Disciplinary Sanction</b>  | <b>Effective Date(s)</b>       |
|-----------------------------|--------------------|---------------------------------|---|--------------------------------|
| <b>Missouri (Continued)</b> |                    |                                 |   |                                |
| St. Louis                   | Neel, William G.   | CPA                             | Suspended by decision in expedited proceeding under § 10.82 (permanently enjoined by U.S. District Court from promoting the FNS (fuel from nonconventional sources) credit scheme or any other unlawful tax shelter, preparing Federal tax returns asserting frivolous or unrealistic positions, representing FNS customers in any manner before the IRS related to the customers' participation in the scheme, and other Federal tax-related activities) | Indefinite from March 9, 2010  |
| <b>New Jersey</b>           |                    |                                 |   |                                |
| Jackson                     | Davis, Richard B.  | CPA                             | Suspended by decision in expedited proceeding under § 10.82 (conviction under 18 U.S.C. § 1001, making false statements to the Internal Revenue Service)  | Indefinite from April 26, 2010 |
| Stewartsville               | Robinson, Loren K. | Attorney                        | Suspended by default decision in expedited proceeding under § 10.82 (attorney disbarment)   | Indefinite from May 12, 2010   |
| <b>New York</b>             |                    |                                 |   |                                |
| Utica                       | Koziol, Leon R.    | Attorney                        | Suspended by default decision in expedited proceeding under § 10.82 (suspension of attorney license)  | Indefinite from May 12, 2010   |
| Brooklyn                    | Lewis, John D.     | Attorney                        | Suspended by default decision in expedited proceeding under § 10.82 (suspension of attorney license)  | Indefinite from May 12, 2010   |
| Brooklyn                    | Shweky, Alan J.    | Attorney                        | Suspended by decision in expedited proceeding under § 10.82 (attorney's resignation from practice of law)   | Indefinite from May 12, 2010   |



| <b>City &amp; State</b> | <b>Name</b>        | <b>Professional Designation</b> | <b>Disciplinary Sanction</b>  | <b>Effective Date(s)</b>     |
|-------------------------|--------------------|---------------------------------|---|------------------------------|
| <b>North Carolina</b>   |                    |                                 |   |                              |
| Timberlake              | Farless, James M.  | CPA                             | Suspended by default decision in expedited proceeding under § 10.82 (suspension of CPA license) | Indefinite from May 12, 2010 |
| Four Oaks               | Hatch, Jonathan L. | Attorney                        | Suspended by default decision in expedited proceeding under § 10.82 (attorney disbarment)       | Indefinite from May 12, 2010 |
| Elkin                   | Neaves, William A. | CPA                             | Suspended by default decision in expedited proceeding under § 10.82 (revocation of CPA license) | Indefinite from May 12, 2010 |

# 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.

## **Numerical Finding List<sup>1</sup>**

Bulletin 2010–27

### **Announcements:**

2010-43, 2010-27 I.R.B. 42

### **Notices:**

2010-48, 2010-27 I.R.B. 9

2010-49, 2010-27 I.R.B. 10

2010-50, 2010-27 I.R.B. 12

### **Proposed Regulations:**

REG-112841-10, 2010-27 I.R.B. 41

### **Revenue Procedures:**

2010-25, 2010-27 I.R.B. 16

### **Revenue Rulings:**

2010-18, 2010-27 I.R.B. 1

### **Treasury Decisions:**

9486, 2010-27 I.R.B. 3

---

<sup>1</sup> A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2010–1 through 2010–26 is in Internal Revenue Bulletin 2010–26, dated June 28, 2010.

## **Finding List of Current Actions on Previously Published Items<sup>1</sup>**

Bulletin 2010–27

### **Revenue Procedures:**

#### **2007-44**

Modified by

Notice 2010-48, 2010-27 I.R.B. 9

#### **2009-18**

Obsoleted in part by

Rev. Proc. 2010-25, 2010-27 I.R.B. 16

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<sup>1</sup> A cumulative list of current actions on previously published items in Internal Revenue Bulletins 2010–1 through 2010–26 is in Internal Revenue Bulletin 2010–26, dated June 28, 2010.







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