

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.

EMPLOYEE PLANS

Notice 2010-57, page 267.

Weighted average interest rate update; corporate bond indices; 30-year Treasury securities; segment rates.

This notice contains updates for the corporate bond weighted average interest rate for plan years beginning in August 2010; the 24-month average segment rates; the funding transitional segment rates applicable for August 2010; and the minimum present value transitional rates for July 2010.

EXEMPT ORGANIZATIONS

Announcement 2010-49, page 272.

The IRS has revoked its determination that Advanced Debt Management Solutions, Inc., of Tampa, FL; Aviation Volunteer Fire Department Engine Company 3, Inc., of Bronx, NY; C.C. Financial Health and Life Skills, Inc., of Chesterfield, VA; Consumer Counseling Centers of America of Fort Lauderdale, FL; Continental Credit Counseling Services, Inc., of North Miami Beach, FL; Credit Counseling Concepts, Inc., of Indianapolis, IN; The Credit Counseling Foundation, Inc., of Fort Lauderdale, FL; Credit Debt Consolidators and Counselors Foundation, Inc., of North Bergen, NJ; Debt Reduction Solutions, Inc., of St. Petersburg, FL; Debticated Consumer Counseling, Inc., of Huntington, NY; Friends of Child Abuse Prevention of Farmington Hills, MI; Giving Tree Foundation of Park City, UT; Greater ST. James Holiness Community Development Corporation of Fremont, OH; Independence Restoration, Inc., of Tampa, FL; Merri-mac Camping Club of College Park, GA; One World Online Charitable Foundation, of Springville, UT; Project Oz Adoption, Inc., of Tarboro, NC; Southeastern Anthropological Institute, Inc., of Huntsville, AL; Southeastern Kentucky Association of Native People, Inc., of Corbin, KY; Tricap Academy of Olive Branch, MS; and Yonkers Alliance for Latino and Immigrant Services,

Inc., of Yonkers, NY, qualify as organizations described in sections 501(c)(3) and 170(c)(2) of the Code.

ADMINISTRATIVE

Rev. Proc. 2010-28, page 270.

This procedure proposes a safe harbor for contracts with a maturity date of 100, which are intended to qualify as life insurance contracts under section 7702 of the Code and avoid characterization as a MEC under section 7702A, provided the contract complies with certain testing methodologies set out in the revenue procedure. Notice 2009-47 obsolete.

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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Part III. Administrative, Procedural, and Miscellaneous

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

Notice 2010-57

This notice provides guidance as to the corporate bond weighted average interest rate and the permissible range of interest rates specified under § 412(b)(5)(B)(ii)(II) of the Internal Revenue Code as in effect for plan years beginning before 2008. It also provides guidance on the corporate bond monthly yield curve (and the corresponding spot segment rates), the 24-month average segment rates, and the funding transitional segment rates under § 430(h)(2). In addition, this notice provides guidance as to the interest rate on 30-year Treasury securities under § 417(e)(3)(A)(ii)(II) as in effect for plan years beginning before 2008, the 30-year Treasury weighted average rate under § 431(c)(6)(E)(ii)(I), and the min-

imum present value segment rates under § 417(e)(3)(D) as in effect for plan years beginning after 2007.

CORPORATE BOND WEIGHTED AVERAGE INTEREST RATE

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

Notice 2004-34, 2004-1 C.B. 848, provides guidelines for determining the corporate bond weighted average interest rate

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

The composite corporate bond rate for July 2010 is 5.44 percent. Pursuant to Notice 2004-34, the Service has determined this rate as the average of the monthly yields for the included corporate bond indices for that month.

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

For Plan Years Beginning in		Corporate Bond Weighted Average	Permissible Range	
Month	Year		90%	100%
August	2010	6.28	5.65	6.28

YIELD CURVE AND SEGMENT RATES

Generally for plan years beginning after 2007 (except for delayed effective dates for certain plans under sections 104, 105, and 106 of PPA), § 430 of the Code specifies the minimum funding requirements that apply to single employer plans pursuant to § 412. Section 430(h)(2) specifies the interest rates that must be used to determine a plan's target normal cost and funding target. Under this provision, present value is generally determined using three 24-month average interest rates

("segment rates"), each of which applies to cash flows during specified periods. However, an election may be made under § 430(h)(2)(D)(ii) to use the monthly yield curve in place of the segment rates. For plan years beginning in 2008 and 2009, a transitional rule under § 430(h)(2)(G) provides that the segment rates are blended with the corporate bond weighted average as specified above. An election may be made under § 430(h)(2)(G)(iv) to use the segment rates without applying the transitional rule.

Notice 2007-81, 2007-2 C.B. 899, provides guidelines for determining the

monthly corporate bond yield curve, the 24-month average corporate bond segment rates, and the funding transitional segment rates used to compute the target normal cost and the funding target. Pursuant to Notice 2007-81, the monthly corporate bond yield curve derived from July 2010 data is in Table I at the end of this notice. The spot first, second, and third segment rates for the month of July 2010 are, respectively, 2.06, 5.10, and 6.11. The three 24-month average corporate bond segment rates applicable for August 2010 under the election of § 430(h)(2)(G)(iv) are as follows:

First Segment	Second Segment	Third Segment
3.92	6.40	6.61

The transitional segment rates under § 430(h)(2)(G) applicable for August 2010, taking into account the corporate bond

weighted average of 6.28 stated above, are as follows:

For Plan Years Beginning in	First Segment	Second Segment	Third Segment
2009	4.71	6.36	6.50

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

30-YEAR TREASURY SECURITIES INTEREST RATES

Section 417(e)(3)(A)(ii)(II) (prior to amendment by PPA) defines the applicable interest rate, which must be used for purposes of determining the minimum present value of a participant's benefit under § 417(e)(1) and (2), as the annual rate of interest on 30-year Treasury se-

curities for the month before the date of distribution or such other time as the Secretary may by regulations prescribe. Section 1.417(e)-1(d)(3) of the Income Tax Regulations provides that the applicable interest rate for a month is the annual rate of interest on 30-year Treasury securities as specified by the Commissioner for that month in revenue rulings, notices or other guidance published in the Internal Revenue Bulletin.

The rate of interest on 30-year Treasury securities for July 2010 is 3.99 percent. The Service has determined this rate as the average of the daily determinations of yield on the 30-year Treasury bond maturing in May 2040.

Generally for plan years beginning after 2007, § 431 specifies the mini-

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

For Plan Years Beginning in		30-Year Treasury Weighted Average	Permissible Range	
Month	Year		90%	100%
August	2010	4.33	3.90	4.55

MINIMUM PRESENT VALUE SEGMENT RATES

Generally for plan years beginning after December 31, 2007, the applicable interest rates under § 417(e)(3)(D) are segment rates computed without regard to a

24-month average. For plan years beginning in 2008 through 2011, the applicable interest rates are the monthly spot segment rates blended with the applicable rate under § 417(e)(3)(A)(ii)(II) as in effect for plan years beginning in 2007. Notice 2007-81 provides guidelines for determin-

ing the minimum present value segment rates. Pursuant to that notice, the minimum present value transitional segment rates determined for July 2010, taking into account the July 2010 30-year Treasury rate of 3.99 stated above, are as follows:

For Plan Years Beginning in	First Segment	Second Segment	Third Segment
2009	3.22	4.43	4.84
2010	2.83	4.66	5.26

DRAFTING INFORMATION

The principal author of this notice is Tony Montanaro of the Employee Plans,

Tax Exempt and Government Entities Division. Mr. Montanaro may be e-mailed at RetirementPlanQuestions@irs.gov.

Table I
 Monthly Yield Curve for July 2010
 Derived from July 2010 Data

<i>Maturity</i>	<i>Yield</i>								
0.5	0.97	20.5	5.80	40.5	6.14	60.5	6.26	80.5	6.32
1.0	1.13	21.0	5.82	41.0	6.15	61.0	6.27	81.0	6.33
1.5	1.33	21.5	5.83	41.5	6.15	61.5	6.27	81.5	6.33
2.0	1.57	22.0	5.85	42.0	6.16	62.0	6.27	82.0	6.33
2.5	1.85	22.5	5.86	42.5	6.16	62.5	6.27	82.5	6.33
3.0	2.15	23.0	5.87	43.0	6.17	63.0	6.27	83.0	6.33
3.5	2.46	23.5	5.89	43.5	6.17	63.5	6.28	83.5	6.33
4.0	2.76	24.0	5.90	44.0	6.17	64.0	6.28	84.0	6.33
4.5	3.05	24.5	5.91	44.5	6.18	64.5	6.28	84.5	6.33
5.0	3.31	25.0	5.92	45.0	6.18	65.0	6.28	85.0	6.33
5.5	3.55	25.5	5.93	45.5	6.18	65.5	6.28	85.5	6.34
6.0	3.76	26.0	5.94	46.0	6.19	66.0	6.28	86.0	6.34
6.5	3.96	26.5	5.95	46.5	6.19	66.5	6.29	86.5	6.34
7.0	4.14	27.0	5.96	47.0	6.19	67.0	6.29	87.0	6.34
7.5	4.30	27.5	5.97	47.5	6.20	67.5	6.29	87.5	6.34
8.0	4.45	28.0	5.98	48.0	6.20	68.0	6.29	88.0	6.34
8.5	4.58	28.5	5.99	48.5	6.20	68.5	6.29	88.5	6.34
9.0	4.70	29.0	6.00	49.0	6.21	69.0	6.29	89.0	6.34
9.5	4.81	29.5	6.01	49.5	6.21	69.5	6.30	89.5	6.34
10.0	4.91	30.0	6.02	50.0	6.21	70.0	6.30	90.0	6.34
10.5	5.00	30.5	6.03	50.5	6.22	70.5	6.30	90.5	6.34
11.0	5.08	31.0	6.03	51.0	6.22	71.0	6.30	91.0	6.35
11.5	5.16	31.5	6.04	51.5	6.22	71.5	6.30	91.5	6.35
12.0	5.23	32.0	6.05	52.0	6.22	72.0	6.30	92.0	6.35
12.5	5.29	32.5	6.06	52.5	6.23	72.5	6.30	92.5	6.35
13.0	5.35	33.0	6.06	53.0	6.23	73.0	6.31	93.0	6.35
13.5	5.40	33.5	6.07	53.5	6.23	73.5	6.31	93.5	6.35
14.0	5.45	34.0	6.08	54.0	6.24	74.0	6.31	94.0	6.35
14.5	5.49	34.5	6.08	54.5	6.24	74.5	6.31	94.5	6.35
15.0	5.53	35.0	6.09	55.0	6.24	75.0	6.31	95.0	6.35
15.5	5.57	35.5	6.09	55.5	6.24	75.5	6.31	95.5	6.35
16.0	5.60	36.0	6.10	56.0	6.24	76.0	6.31	96.0	6.35
16.5	5.63	36.5	6.10	56.5	6.25	76.5	6.32	96.5	6.36
17.0	5.65	37.0	6.11	57.0	6.25	77.0	6.32	97.0	6.36
17.5	5.68	37.5	6.12	57.5	6.25	77.5	6.32	97.5	6.36
18.0	5.70	38.0	6.12	58.0	6.25	78.0	6.32	98.0	6.36
18.5	5.73	38.5	6.13	58.5	6.26	78.5	6.32	98.5	6.36
19.0	5.75	39.0	6.13	59.0	6.26	79.0	6.32	99.0	6.36
19.5	5.77	39.5	6.14	59.5	6.26	79.5	6.32	99.5	6.36
20.0	5.78	40.0	6.14	60.0	6.26	80.0	6.32	100.0	6.36

Section 7702.—Life Insurance Contract Defined

(Also § 7702A.)

Rev. Proc. 2010–28

SECTION 1. PURPOSE

This revenue procedure provides a safe harbor concerning the application of §§ 7702 and 7702A of the Internal Revenue Code to life insurance contracts that (1) have mortality guarantees based upon the 2001 Commissioners' Standard Ordinary Mortality Tables ("2001 CSO tables"), and (2) may continue in force after the day on which the insured individual ("the insured") attains age 100. Notice 2009–47, 2009–24 I.R.B. 1083, is obsolete.

SECTION 2. BACKGROUND

.01 Section 7702 of the Code defines the term "life insurance contract" for purposes of the Code. Section 7702(a) provides that a "life insurance contract" is any contract that is a life insurance contract under the applicable law, but only if such contract either (1) meets the cash value accumulation test of § 7702(b), or (2) both meets the guideline premium requirements of § 7702(c) and falls within the cash value corridor of § 7702(d). Section 7702 was added to the Code by the Deficit Reduction Act of 1984, P.L. 98–369 (the 1984 Act).

.02 A contract meets the cash value accumulation test of § 7702(b) if, by the terms of the contract, the cash surrender value of the contract may not at any time exceed the net single premium that would have to be paid at that time to fund future benefits under the contract.

.03 A contract meets the guideline premium requirements of § 7702(c) if the sum of the premiums paid under the contract does not at any time exceed the guideline premium limitation as of that time. The guideline premium limitation as of any date is the greater of the guideline single premium, or the sum of the guideline level premiums to that date. The guideline single premium is the premium that would be required on the date the contract is issued to fund the future benefits under the contract. The guideline level premium is

the level annual premium, computed on the same basis as the guideline single premium but with a lower interest rate, that would be required on the date the contract is issued to fund the future benefits under the contract.

.04 A contract falls within the cash value corridor of § 7702(d) if the death benefit under the contract at any time is not less than the applicable percentage of the cash surrender value, as determined under the table set forth in § 7702(d)(2). Under that table, the applicable percentage for an insured with an attained age of 95 is 100 percent.

.05 Section 7702(e) provides computational rules that must be used for purposes of § 7702, other than for purposes of applying the cash value corridor. In particular, under § 7702(e)(1)(B) the maturity date (including the date on which any death benefit is payable) under a contract is deemed to be no earlier than the day on which the insured attains age 95, and no later than the day on which the insured attains age 100. Section 1.7702–2 of the Income Tax Regulations provides guidance on determining the attained age of the insured for this purpose.

.06 Section 7702A(a) provides that a life insurance contract is a modified endowment contract (MEC) if the contract is entered into on or after June 21, 1988, and fails to meet the 7-pay test, or is received in exchange for a contract which is a MEC. A contract fails to meet the 7-pay test if the accumulated amount paid under the contract at any time during the first 7 contract years exceeds the sum of the net level premiums that would have to be paid on or before such time if the contract were to provide for paid-up future benefits (including death benefits) after the payment of 7 level annual premiums. Under § 7702A(c)(1)(B), the determination of the 7 level annual premiums generally is made by applying the computational rules of § 7702(e), including the rule requiring a deemed maturity date no earlier than the day on which the insured attains age 95 and no later than the day on which the insured attains age 100.

.07 The 2001 CSO tables became the prevailing commissioners' standard tables within the meaning of § 807(d)(5) during calendar year 2004, and have been adopted by all 50 states and the District of Columbia. For tax purposes, the 2001

CSO tables generally must be used for purposes of applying the reasonable mortality charge requirements of § 7702(c)(3)(B)(i) with regard to contracts issued after December 31, 2008. See Notice 2006–95, 2006–2 C.B. 848, *modifying and superseding* Notice 2004–61, 2004–2 C.B. 596, *supplementing* Notice 88–128, 88–2 C.B. 540.

.08 Unlike the 1958 Commissioners Standard Ordinary Mortality Tables ("1958 CSO tables") and the 1980 Commissioners' Standard Ordinary Mortality Tables ("1980 CSO tables"), the 2001 CSO tables extend to age 121. As a result, an increasing number of issuers now develop contracts with maturity dates beyond age 100, even though the qualification of a contract as a life insurance contract (and as a MEC) is tested using computational rules that deem the contract to mature between the day on which the insured attains age 95 and the day on which the insured attains age 100.

.09 The 2001 CSO Maturity Age Task Force of the Taxation Section of the Society of Actuaries ("Task Force") recommended a series of computational rules for compliance with the requirements of §§ 7702 and 7702A in a manner that is actuarially sound in the case of contracts that do not provide for actual maturity before age 100. See *2001 CSO Implementation Under IRC Sections 7702 and 7702A*, 2 Taxing Times 23 (May 2006).

.10 Notice 2009–47, 2009–24 I.R.B. 1083, proposed a safe harbor drawn from the recommendations of the Task Force, with modifications. Specifically, the notice addressed the application §§ 7702 and 7702A to a contract that has mortality guarantees based on the 2001 CSO tables and that may continue in force after the day on which the insured attains age 100. The notice requested comments on the proposed safe harbor and on other issues, including the applicability of pre-1984 Act case law for purposes of defining a life insurance contract, and the applicability of the doctrine of constructive receipt to a contract that, by its terms, matures while the insured is still alive.

.11 Treasury and the Service have determined that it is in the interest of sound tax administration to adopt the safe harbor that was proposed in Notice 2009–47, with modifications, in the form of a revenue procedure. See § 601.601(d)(2)(vi)

of the Procedure and Administration regulations. In particular, this revenue procedure removes a proposed requirement that, in order to qualify for the safe harbor, a contract must provide a death benefit equal to or greater than 105 percent of the cash value. This revenue procedure does not address the other issues on which comments were requested in Notice 2009–47.

SECTION 3. APPLICATION

.01 *In general.* The Service will not challenge the qualification of a contract as a life insurance contract under § 7702, or assert that a contract is a MEC under § 7702A, if the contract satisfies the requirements of those provisions using all of the Age 100 Safe Harbor Testing Methodologies of section 3.02 of this revenue procedure.

.02 *Age 100 Safe Harbor Testing Methodologies.* The Age 100 Safe Harbor Testing Methodologies are as follows:

(a) All determinations under §§ 7702 and 7702A (other than the cash value corridor) assume that the contract will mature by the day on which the insured attains age 100, notwithstanding that the contract specifies a later maturity date (such as by reason of using the 2001 CSO mortality tables).

(b) The net single premium determined for purposes of the cash value accumulation test under § 7702(b), and the necessary premiums determined for purposes of § 7702A(c)(3)(B)(i), assume an endowment on the day on which the insured attains age 100.

(c) The guideline level premium determined under § 7702(c)(4) assumes premium payments through the day on which the insured attains age 99.

(d) Under § 7702(c)(2)(B), the guideline level premiums accumulate through a

date no earlier than the day on which the insured attains age 95 and no later than the day on which the insured attains age 99. Thereafter, premium payments are allowed and are tested against the guideline premium limitation, but in determining the guideline premium limitation the sum of the guideline level premiums does not change after the day on which the insured attains age 100.

(e) In the case of a contract issued or materially changed within fewer than 7 years of the day on which the insured attains age 100, the net level premium under § 7702A(b) is computed assuming level annual premium payments over the number of years between the date on which the contract is issued or materially changed and the date on which the insured attains age 100.

(f) In the case of a contract issued or materially changed within fewer than 7 years of the day on which the insured attains age 100, the sum of the net level premiums increases until the day on which the insured attains age 100. Thereafter, the sum of the net level premiums does not increase, but premium payments are allowed and are tested against this limit for the remainder of the 7-year period.

(g) In the case of a contract that (i) is not subject to § 7702A(c)(6) and (ii) is issued or materially changed within fewer than 7 years of the day on which the insured attains age 100 and thereafter has a reduction in benefits, the reduction in benefits rule of § 7702A(c)(2) applies for 7 years from the date of issue or the date of the material change. In the case of a contract that is subject to § 7702A(c)(6) (generally, a contract with more than one insured), the rule of § 7702A(c)(6) concerning reductions in benefits applies as long as the contract remains in force whether or not the contract is issued or materially changed fewer than

7 years before the day on which the insured attains age 100.

(h) A change in benefits under (or in other terms of) a life insurance contract that occurs on or after the day on which the insured attains age 100 is not treated as a material change for purposes of § 7702A(c)(3) or as an adjustment event for purposes of § 7702(f)(7). Thus, necessary premium testing under § 7702A(c)(3)(B)(i) ceases on the day on which the insured attains age 100.

.03 *No inference.* No adverse inference should be drawn with respect to the qualification of a contract as a life insurance contract under § 7702, or its status as not a MEC under § 7702A, merely by reason of a failure to satisfy all of the requirements of this section 3. Furthermore, this revenue procedure neither answers nor comments on any issue raised in Notice 2009–47 that is not specifically covered by the safe harbor in this revenue procedure.

SECTION 4. EFFECT ON OTHER DOCUMENTS

Notice 2009–47 is obsolete.

SECTION 5. EFFECTIVE DATE

This revenue procedure is effective August 23, 2010.

DRAFTING INFORMATION

The principal author of this revenue procedure is Christine K. Lane of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this revenue procedure, contact Christine K. Lane at (202) 622–4653 (not a toll-free call).

Part IV. Items of General Interest

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

Announcement 2010-49

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

Generally, the Service will not disallow deductions for contributions made to a listed organization on or before the date of announcement in the Internal Revenue Bulletin that an organization no longer qualifies. However, the Service is not precluded from disallowing a deduction for any contributions made after an organization ceases to qualify under section 170(c)(2) if the organization has not timely filed a suit for declaratory judgment under section 7428 and if the contributor (1) had knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was in part responsible for or was aware of the activities or omissions of the organization that brought about this revocation.

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organiza-

tions described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on August 23, 2010, and would end on the date the court first determines that the organization is not described in section 170(c)(2) as more particularly set forth in section 7428(c)(1). For individual contributors, the maximum deduction protected is \$1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

Advanced Debt Management Solutions, Inc.
Tampa, FL
Aviation Volunteer Fire Department
Engine Company 3, Inc.
Bronx, NY
C. C. Financial Health and Life Skills, Inc.
Chesterfield, VA
Consumer Counseling Centers of America
Fort Lauderdale, FL
Continental Credit Counseling Services, Inc.
North Maimi Beach, FL
Credit Counseling Concepts, Inc.
Indianapolis, IN
The Credit Counseling Foundation, Inc.
Fort Lauderdale, FL
Credit Debt Consolidators and Counselors
Foundation, Inc
North Bergen, NJ

Debt Reduction Solutions, Inc.
St. Petersburg, FL
Debticated Consumer Counseling, Inc.
Huntington, NY
Friends of Child Abuse Prevention
Farmington Hills, MI
Giving Tree Foundation
Park City, UT
Greater ST. James Holiness Community
Development Corporation
Fremont, OH
Independence Restoration, Inc.
Tampa, FL
Merrimac Camping Club
College Park, GA
One World Online Charitable Foundation
Springville, UT
Project Oz Adoption, Inc
Springville Tarboro, NC
Southeastern Anthropological Institute,
Inc.
Huntsville, AL
Southeastern Kentucky Association of
Native People, Inc.
Corbin, KY
Tricap Academy
Olive Branch, MS
Yonkers Alliance for Latino and
Immigrant Services, Inc.
Yonkers, NY

Definition of Terms

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

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

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

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

Modified is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the new ruling holds that it applies to both A

and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

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

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

Superseded describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the new ruling does more than restate the substance

of a prior ruling, a combination of terms is used. For example, *modified* and *superseded* describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case, the previously published ruling is first modified and then, as modified, is superseded.

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

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

Abbreviations

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

A—Individual.
Acq.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—County.
D—Decedent.
DC—Dummy Corporation.
DE—Donee.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.
E.O.—Executive Order.

ER—Employer.
ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contributions Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign corporation.
G.C.M.—Chief Counsel’s Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.
PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.

PRS—Partnership.
PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
S.P.R.—Statement of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

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¹ 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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