

## **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. 2011-8, page 554.**

**Fringe benefits aircraft valuation formula.** For purposes of regulations section 1.61-21(g), relating to the rule for valuing non-commercial flights on employer-provided aircraft, the Standard Industry Fare Level (SIFL) cents-per-mile rates and terminal charge in effect for the first half of 2011 are set forth.

#### **Rev. Rul. 2011-9, page 554.**

**Life insurance contracts.** This ruling concludes that if a business receives a life insurance contract in a tax-free exchange for a life insurance contract that is excepted from the *pro rata* interest disallowance rule of section 264(f)(1) of the Code, the new contract received in the exchange must be tested to determine whether it, too, is excepted from that rule. Exception from the *pro rata* interest disallowance rule is not an attribute that carries over to a contract received in a tax-free exchange.

#### **Rev. Proc. 2011-21, page 560.**

**Automobile owners and lessees.** This procedure provides the depreciation deduction limitations for owners of passenger automobiles (including trucks and vans) first placed in service during calendar year 2011 and amounts to be included in income by lessees of passenger automobiles first leased during calendar year 2011. Rev. Proc. 2010-18 amplified and modified.

### **EMPLOYEE PLANS**

#### **Notice 2011-22, page 557.**

**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 March 2011; the 24-month average segment rates; the funding transitional segment rates applicable for March 2011; and the minimum present value transitional rates for February 2011.

#### **Announcement 2011-21, page 567.**

**Replacement of Schedule SSA (Form 5500) with Form 8955-SSA.** This announcement designates Form 8955-SSA, Annual Registration Statement Identifying Separated Participants With Deferred Vested Benefits, as the form to be used to satisfy the reporting requirements of section 6057(a) of the Code for plan years beginning on or after January 1, 2009, and sets forth the due dates for filing the Form 8955-SSA for the 2009 plan year and subsequent plan years.

### **EXEMPT ORGANIZATIONS**

#### **Announcement 2011-23, page 568.**

The IRS has revoked its determination that B & B Scholar Foundation, Inc., of Titusville, FL; Gentle Touch Ministries of Newport, TN; Harbour Credit Counseling Services, Inc., of Virginia Beach, VA; Initiatives for Community Development, Inc., of New York, NY; Past Presidents Club, Inc., of Houma, LA; Reproductive and Child Health Alliance of Henderson, NV; School in the Clouds Assisi of Coronado, CA; Waukesha Kennel Club, Inc., of Mukwonago, WI; and Xelan Foundation, Inc., of Tampa, FL, qualify as organizations described in sections 501(c)(3) and 170(c)(2) of the Code.

(Continued on the next page)

Announcements of Disbarments and Suspensions begin on page 569.  
Finding Lists begin on page ii.



## **TAX CONVENTIONS**

### **Announcement 2011–18, page 567.**

This document is a Competent Authority Agreement entered into on November 24, 2010, by the competent authorities of the United States of America and the People's Republic of China with respect to the taxation of professors and teachers under the U.S.-China income tax treaty and protocol.

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

## Section 61.—Gross Income Defined Rev. Rul. 2011-8

26 CFR 1.61-21: Taxation of fringe benefits.

**Fringe benefits aircraft valuation formula.** For purposes of regulations section 1.61-21(g), relating to the rule for valuing non-commercial flights on employer-provided aircraft, the Standard Industry Fare Level (SIFL) cents-per-mile rates and terminal charge in effect for the first half of 2011 are set forth.

For purposes of the taxation of fringe benefits under section 61 of the Internal Revenue Code, section 1.61-21(g) of the Income Tax Regulations provides a rule for valuing noncommercial flights on employer-provided aircraft. Section 1.61-21(g)(5) provides an aircraft valuation formula to determine the value of such flights. The value of a flight is determined under the base aircraft valuation formula (also known as the Standard Industry Fare

Level formula or SIFL) by multiplying the SIFL cents-per-mile rates applicable for the period during which the flight was taken by the appropriate aircraft multiple provided in section 1.61-21(g)(7) and then adding the applicable terminal charge. The SIFL cents-per-mile rates in the formula and the terminal charge are calculated by the Department of Transportation and are reviewed semi-annually.

The following chart sets forth the terminal charge and SIFL mileage rates:

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<i>Period During Which the Flight Is Taken</i>	<i>Terminal Charge</i>	<i>SIFL Mileage Rates</i>
1/1/11 - 6/30/11	\$40.90	Up to 500 miles = \$.2237 per mile  501-1500 miles = \$.1706 per mile  Over 1500 miles = \$.1640 per mile

### DRAFTING INFORMATION

The principal author of this revenue ruling is Kathleen Edmondson of the Office of Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities). For further information regarding this revenue ruling, contact Ms. Edmondson at (202) 622-0047 (not a toll-free call).

## Section 264.—Certain Amounts Paid in Connection with Insurance Contracts

(Also § 1035.)

**Life insurance contracts.** This ruling concludes that if a business receives a life insurance contract in a tax-free exchange for a life insurance contract that is excepted from the *pro rata* interest disallowance rule of section 264(f)(1) of the Code, the new contract received in the exchange must be tested to determine whether it, too, is excepted from that rule. Exception from the *pro rata* interest disallowance rule is not an attribute that carries

over to a contract received in a tax-free exchange.

## Rev. Rul. 2011-9

### ISSUE

Does the *pro rata* interest expense disallowance rule of § 264(f)(1) of the Internal Revenue Code apply to Old Policy and to New Policy in the situations described below?

### FACTS

*Situation 1.* Taxpayer is a corporation engaged in a trade or business that has substantial indebtedness on which it incurs interest expense. On January 3, 2000, Taxpayer purchased a life insurance policy (“Old Policy”) covering the life of A, an employee of Taxpayer, as of that date. A was not a 20-percent owner, officer, or director of Taxpayer, and was the only individual covered by Old Policy. On January 3, 2011, Taxpayer received a new life insurance policy (“New Policy”) covering the life of A as of January 3, 2011, in exchange for Old Policy in a transaction

that qualified for non-recognition of gain or loss under § 1035. New Policy also covers only the life of A and has the same death benefit as Old Policy. A remained an employee of Taxpayer as of January 3, 2011. Both Old Policy and New Policy are life insurance contracts as defined in § 7702.

*Situation 2.* The facts are the same as in Situation 1, except that on January 4, 2010, A terminated employment with Taxpayer.

### LAW

Under § 264(f)(1), no deduction is allowed for that portion of the taxpayer’s interest expense that is allocable to unborrowed policy cash values.

Section 264(f)(7) defines “interest expense” as the aggregate amount allowable to the taxpayer as a deduction for interest (within the meaning of § 265(b)(4)) for the taxable year (determined without regard to §§ 264(f), 265(b) and 291).

Section 264(f)(3) defines “unborrowed policy cash value” as, with respect to any life insurance policy or annuity or endowment contract, the excess of (A) the cash surrender value of the policy or contract

determined without regard to any surrender charge, over (B) the amount of any loan with respect to the policy or contract. If the amount described in (A) with respect to any policy or contract does not reasonably approximate its actual value, the amount taken into account under (A) is the greater of the amount of the insurance company liability or the insurance company reserve with respect to the policy or contract (as determined for purposes of the annual statement approved by the National Association of Insurance Commissioners) or is another amount as determined by the Secretary.

Section 264(f)(2) states that, for purposes of § 264(f)(1), the portion of the taxpayer's interest expense that is allocable to unborrowed policy cash values is an amount that bears the same ratio to that interest expense as the taxpayer's average unborrowed policy cash values of life insurance policies, and annuity and endowment contracts, issued after June 8, 1997, bears to the sum of (i) in the case of assets of the taxpayer that are life insurance policies or annuity or endowment contracts, the average unborrowed policy cash values of those policies and contracts, and (ii) in the case of any other assets of the taxpayer, the average adjusted bases (within the meaning of § 1016) of those assets.

Section 264(f)(4) provides an exception to the *pro rata* interest expense disallowance rule of § 264(f)(1) for certain policies and contracts. Under § 264(f)(4), § 264(f)(1) does not apply to any policy or contract owned by an entity engaged in a trade or business if the policy or contract covers only one individual and if that individual is (at the time first covered by the policy or contract) (i) a 20-percent owner of the entity, or (ii) an individual (not described in (i)) who is an officer, director, or employee of the trade or business.

Section 264(f) applies to contracts issued after June 8, 1997, in taxable years ending after that date. For this purpose, any material increase in the death benefit or other material change in the contract is treated as a new contract. Taxpayer Relief Act of 1997, Pub. L. No. 105-34, § 1084.

Section 1035(a)(1) provides that no gain or loss is recognized on the exchange of a life insurance contract for another life insurance contract, or for an endowment or annuity contract or for a qualified long-term care insurance contract. The

legislative history of § 1035 explains that § 1035 provides non-recognition treatment for taxpayers who have “merely exchanged one insurance policy for another better suited to their needs and who have not actually realized gain.” H. Rep. 1337, 83d Cong., 2d Sess. 81 (1954). Under § 1.1035-1, the contracts exchanged must relate to the same insured.

## ANALYSIS

### *Old Policy*

In both *Situation 1* and *Situation 2*, A was an employee of Taxpayer on January 3, 2000, which was the date as of which A was first covered by Old Policy. A was the only individual covered by Old Policy. Under the exception provided by § 264(f)(4)(A), the *pro rata* interest expense disallowance rule of § 264(f)(1) did not apply to Old Policy in either situation.

### *New Policy*

In general, a contract that is received in exchange for an existing contract is treated as a new contract issued on the date of the exchange for purposes of testing the contract's qualification as a life insurance contract under § 7702. *See* 1 Staff of Senate Comm. on Finance, 98th Cong., 2d Sess., *Deficit Reduction Act of 1984, Explanation of Provisions Approved by the Committee on March 21, 1984*, at 579 (Comm. Print 1984); Notice 2006-95, 2006-2 C.B. 848, section 5.01. Consistently, the exchange of a life insurance contract for another life insurance contract is treated as a material change, and the contract received in the exchange is treated as a new contract, for purposes of applying the 7-pay test of § 7702A(b) to determine whether the contract is a modified endowment contract (MEC). 2 H.R. Conf. Rep. No. 1104, 100th Cong., 2d Sess. II-98 (1988), 1988-3 C.B. 588. *Cf.* 1 Staff of Senate Comm. on Finance, 98th Cong., 2d Sess., *Deficit Reduction Act of 1984, Explanation of Provisions Approved by the Committee on March 21, 1984*, at 540 (Comm. Print 1984) (date of issuance of a life insurance contract for purposes of determining the tax reserve method applicable to the contract under § 807(d)(2) is the date shown on the policy form).

In some circumstances, the issue date or other attributes of a contract carry over in a § 1035 exchange pursuant to an explicit rule. For example, in the case of § 101(j) Congress grandfathered an employer-owned life insurance contract that is received after August 17, 2006, in a § 1035 exchange for a contract that was issued on or before that date. Pension Protection Act of 2006, § 863(a), Pub. L. No. 109-280. *See also* Rev. Rul. 92-95, 1992-2 C.B. 43 (for purposes of § 72(q)(2)(I) and 72(u)(4), the “date of purchase” of an annuity contract acquired in a § 1035 exchange for another annuity contract is the date of purchase of the annuity contract that was exchanged for the new contract). Congress did not provide a rule under which the status of the insured as an employee “at the time first covered” for purposes of § 264(f)(4)(A) would carry over from a contract given up in a § 1035 tax-free exchange to a contract received in such an exchange, even though the status of the insured as an employee is material to the purpose and application of the exception provided by § 264(f)(4).

In *Situation 1*, A was an employee of Taxpayer on January 3, 2011, which was the date as of which A was first covered by New Policy. A was the only individual covered by New Policy. Under the exception provided by § 264(f)(4)(A), the *pro rata* interest expense disallowance rule of § 264(f)(1) did not apply to New Policy in *Situation 1*.

In *Situation 2*, A was not an employee of Taxpayer on January 3, 2011, which was the date as of which A was first covered by New Policy, nor was A a 20-percent owner, officer, or director of Taxpayer. Accordingly, New Policy does not qualify for the exception provided by § 264(f)(4)(A). The fact that A was an employee of Taxpayer at the time first covered by Old Policy (January 3, 2000) does not change this result.

## HOLDINGS

In both *Situation 1* and *Situation 2*, Old Policy qualified for the exception provided by § 264(f)(4). Therefore, the *pro rata* interest expense disallowance rule of § 264(f)(1) did not apply to Old Policy.

In *Situation 1*, New Policy qualifies for the exception provided by § 264(f)(4). Therefore, the *pro rata* interest expense

disallowance rule of § 264(f)(1) does not apply to New Policy.

In *Situation 2*, New Policy does not qualify for the exception provided by § 264(f)(4). Therefore, the *pro rata* interest expense disallowance rule of § 264(f)(1) applies to New Policy.

#### DRAFTING INFORMATION

The principal author of this revenue ruling is Rebecca L. Baxter of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this revenue ruling, con-

tact Ms. Baxter at (202) 622-3970 (not a toll-free call).

# Part III. Administrative, Procedural, and Miscellaneous

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

### Notice 2011–22

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), and the 24-month average 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 cor-

porate 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 February 2011 is 5.70 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%
March	2011	6.08	5.47	6.08

#### 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. Section 430(h)(2)(G) set forth a transitional rule applicable to plan years beginning in 2008 and 2009 under which the segment rates were blended with the corporate bond weighted average described above, including an election under § 430(h)(2)(G)(iv) for an employer to use the segment rates without 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 February 2011 data is in Table I at the end of this notice. The spot first, second, and third segment rates for the month of February 2011 are, respectively, 2.02, 5.34, and 6.54. The three 24-month average corporate bond segment rates applicable for March 2011 under the election of § 430(h)(2)(G)(iv) are as follows:

First Segment	Second Segment	Third Segment
2.67	5.69	6.44

The transitional rule of § 430(h)(2)(G) does not apply to plan years beginning after December 31, 2009. Therefore, for a

plan year beginning after 2009 with a look-back month to March 2011, the funding segment rates are the three 24-month av-

erage corporate bond segment rates applicable for March 2011, listed above without blending for any transitional period.



**30-YEAR TREASURY SECURITIES  
INTEREST RATES**

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

for that month in revenue rulings, notices or other guidance published in the Internal Revenue Bulletin.

The rate of interest on 30-year Treasury securities for February 2011 is 4.65 percent. The Service has determined this rate as the average of the yield on the 30-year Treasury bond maturing in November 2040 determined each day through February 9, 2011, and the yield on the 30-year Treasury bond maturing in February 2041 determined each day for the balance of the month.

Generally for plan years beginning after 2007, § 431 specifies the minimum funding requirements that apply to multiemployer plans pursuant to § 412. Section 431(c)(6)(B) specifies a minimum

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

For Plan Years Beginning in		30-Year Treasury Weighted Average	Permissible Range	
<i>Month</i>	<i>Year</i>		90%	to 105%
March	2011	4.28	3.85	4.49

**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 February 2011, taking into account the February 2011 30-year Treasury rate of 4.65 stated above, are as follows:

For Plan Years Beginning in	First Segment	Second Segment	Third Segment
2010	3.07	5.06	5.78
2011	2.55	5.20	6.16

**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](mailto:RetirementPlanQuestions@irs.gov).

**Table I**  
 Monthly Yield Curve for February 2011  
 Derived from February 2011 Data

<i>Maturity</i>	<i>Yield</i>	<i>Maturity</i>	<i>Yield</i>	<i>Maturity</i>	<i>Yield</i>	<i>Maturity</i>	<i>Yield</i>	<i>Maturity</i>	<i>Yield</i>
0.5	0.47	20.5	6.14	40.5	6.59	60.5	6.75	80.5	6.82
1.0	0.81	21.0	6.16	41.0	6.60	61.0	6.75	81.0	6.83
1.5	1.15	21.5	6.18	41.5	6.60	61.5	6.75	81.5	6.83
2.0	1.51	22.0	6.20	42.0	6.61	62.0	6.75	82.0	6.83
2.5	1.87	22.5	6.22	42.5	6.61	62.5	6.76	82.5	6.83
3.0	2.24	23.0	6.24	43.0	6.62	63.0	6.76	83.0	6.83
3.5	2.58	23.5	6.25	43.5	6.62	63.5	6.76	83.5	6.83
4.0	2.91	24.0	6.27	44.0	6.63	64.0	6.76	84.0	6.83
4.5	3.21	24.5	6.28	44.5	6.63	64.5	6.77	84.5	6.84
5.0	3.48	25.0	6.30	45.0	6.64	65.0	6.77	85.0	6.84
5.5	3.73	25.5	6.31	45.5	6.64	65.5	6.77	85.5	6.84
6.0	3.95	26.0	6.33	46.0	6.65	66.0	6.77	86.0	6.84
6.5	4.15	26.5	6.34	46.5	6.65	66.5	6.77	86.5	6.84
7.0	4.33	27.0	6.36	47.0	6.66	67.0	6.78	87.0	6.84
7.5	4.50	27.5	6.37	47.5	6.66	67.5	6.78	87.5	6.84
8.0	4.64	28.0	6.38	48.0	6.66	68.0	6.78	88.0	6.84
8.5	4.78	28.5	6.39	48.5	6.67	68.5	6.78	88.5	6.85
9.0	4.90	29.0	6.40	49.0	6.67	69.0	6.79	89.0	6.85
9.5	5.02	29.5	6.42	49.5	6.68	69.5	6.79	89.5	6.85
10.0	5.12	30.0	6.43	50.0	6.68	70.0	6.79	90.0	6.85
10.5	5.21	30.5	6.44	50.5	6.68	70.5	6.79	90.5	6.85
11.0	5.30	31.0	6.45	51.0	6.69	71.0	6.79	91.0	6.85
11.5	5.38	31.5	6.46	51.5	6.69	71.5	6.79	91.5	6.85
12.0	5.46	32.0	6.47	52.0	6.69	72.0	6.80	92.0	6.85
12.5	5.52	32.5	6.47	52.5	6.70	72.5	6.80	92.5	6.86
13.0	5.59	33.0	6.48	53.0	6.70	73.0	6.80	93.0	6.86
13.5	5.64	33.5	6.49	53.5	6.71	73.5	6.80	93.5	6.86
14.0	5.70	34.0	6.50	54.0	6.71	74.0	6.80	94.0	6.86
14.5	5.75	34.5	6.51	54.5	6.71	74.5	6.81	94.5	6.86
15.0	5.79	35.0	6.52	55.0	6.71	75.0	6.81	95.0	6.86
15.5	5.84	35.5	6.52	55.5	6.72	75.5	6.81	95.5	6.86
16.0	5.87	36.0	6.53	56.0	6.72	76.0	6.81	96.0	6.86
16.5	5.91	36.5	6.54	56.5	6.72	76.5	6.81	96.5	6.86
17.0	5.95	37.0	6.55	57.0	6.73	77.0	6.81	97.0	6.86
17.5	5.98	37.5	6.55	57.5	6.73	77.5	6.82	97.5	6.87
18.0	6.01	38.0	6.56	58.0	6.73	78.0	6.82	98.0	6.87
18.5	6.04	38.5	6.57	58.5	6.74	78.5	6.82	98.5	6.87
19.0	6.06	39.0	6.57	59.0	6.74	79.0	6.82	99.0	6.87
19.5	6.09	39.5	6.58	59.5	6.74	79.5	6.82	99.5	6.87
20.0	6.11	40.0	6.58	60.0	6.74	80.0	6.82	100.0	6.87

## Rev. Proc. 2011-21

### SECTION 1. PURPOSE

This revenue procedure provides: (1) limitations on depreciation deductions for owners of passenger automobiles first placed in service by the taxpayer during calendar year 2011, including separate tables of limitations on depreciation deductions for trucks and vans; (2) the amounts that must be included in income by lessees of passenger automobiles first leased by the taxpayer during calendar year 2011, including a separate table of inclusion amounts for lessees of trucks and vans; and (3) revised tables of depreciation limitations and lessee inclusion amounts for passenger automobiles that were first placed in service or first leased by the taxpayer, respectively, during 2010 and to which the 50 percent additional first year depreciation deduction under § 168(k)(1)(A) of the Internal Revenue Code or the 100 percent additional first year depreciation deduction under § 168(k)(5) applies. The tables detailing these depreciation limitations and lessee inclusion amounts reflect the automobile price inflation adjustments required by § 280F(d)(7).

### SECTION 2. BACKGROUND

.01 For owners of passenger automobiles, § 280F(a) imposes dollar limitations on the depreciation deduction for the year the taxpayer places the passenger automobile in service and for each succeeding year. For passenger automobiles placed in service after 1988, § 280F(d)(7) requires the Internal Revenue Service to increase the amounts allowable as depreciation deductions by a price inflation adjustment amount. The method of calculating this price inflation amount for trucks and vans placed in service in or after calendar year 2003 uses a different CPI “automobile component” (the “new trucks” component) than that used in the price inflation amount calculation for other passenger automobiles (the “new cars” component), resulting in somewhat higher depreciation deductions for trucks and vans. This

change reflects the higher rate of price inflation for trucks and vans since 1988.

.02 Section 2022(a) of the Small Business Jobs Act of 2010, Pub. L. No. 111-240, 124 Stat. 2504 (September 27, 2010), extended the 50 percent additional first year depreciation deduction under § 168(k) to qualified property (as defined in § 168(k)(2)) acquired by the taxpayer after December 31, 2007, and before January 1, 2011, if no written binding contract for the acquisition of the property existed before January 1, 2008, and if the taxpayer places the property in service generally before January 1, 2011. Section 401(a) of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, Pub. L. No. 111-312, 124 Stat. 3296 (Dec. 17, 2010) (the “Act”) further extended the 50 percent additional first year depreciation deduction under § 168(k) to qualified property acquired by the taxpayer after December 31, 2007, and before January 1, 2013, if no written binding contract for the acquisition of the property existed before January 1, 2008, and if the taxpayer places the property in service generally before January 1, 2013.

Section 401(b) of the Act further amended § 168(k) by adding § 168(k)(5). It allows a 100 percent additional first year depreciation deduction for qualified property acquired by a taxpayer after September 8, 2010, and before January 1, 2012, if the taxpayer places the property in service generally before January 1, 2012.

Section 168(k)(2)(F)(i) increases the first year depreciation allowed under § 280F(a)(1)(A)(i) by \$8,000 for passenger automobiles to which the additional first year depreciation deduction under § 168(k) (hereinafter, referred to as “§ 168(k) additional first year depreciation deduction”) applies.

.03 Section 168(k)(2)(D)(i) provides that the § 168(k) additional first year depreciation deduction does not apply to any property required to be depreciated under the alternative depreciation system of § 168(g), including property described in § 280F(b)(1). Section 168(k)(2)(D)(iii) permits a taxpayer to elect out of the § 168(k) additional first year depreciation deduction for any class of property. Section 168(k)(4), as amended by the Act, permits a corporation to elect to increase the alternative minimum tax (“AMT”) credit limitation under § 53(c),

instead of claiming the § 168(k) additional first year depreciation deduction for all eligible qualified property placed in service after December 31, 2010, that is round 2 extension property (as defined in § 168(k)(4)(I)(iv)).

Accordingly, this revenue procedure provides tables for passenger automobiles for which the § 168(k) additional first year depreciation deduction applies. This revenue procedure also provides tables for passenger automobiles for which the § 168(k) additional first year depreciation deduction does not apply, either because taxpayer (1) purchased the passenger automobile used; (2) did not use the passenger automobile during 2011 more than 50 percent for business purposes; (3) elected out of the § 168(k) additional first year depreciation deduction pursuant to § 168(k)(2)(D)(iii); or (4) elected to increase the § 53 AMT credit limitation in lieu of claiming § 168(k) additional first year depreciation.

.04 Section 280F(c) requires a reduction in the deduction allowed to the lessee of a leased passenger automobile. The reduction must be substantially equivalent to the limitations on the depreciation deductions imposed on owners of passenger automobiles. Under § 1.280F-7(a) of the Income Tax Regulations, this reduction requires a lessee to include in gross income an amount determined by applying a formula to the amount obtained from a table. One table applies to lessees of trucks and vans and another table applies to all other passenger automobiles. Each table shows inclusion amounts for a range of fair market values for each taxable year after the passenger automobile is first leased.

### SECTION 3. SCOPE

.01 The limitations on depreciation deductions in section 4.01(2) of this revenue procedure apply to passenger automobiles (other than leased passenger automobiles) that are placed in service by the taxpayer in calendar year 2011, and continue to apply for each taxable year that the passenger automobile remains in service.

.02 The tables in section 4.02 of this revenue procedure apply to leased passenger automobiles for which the lease term begins during calendar year 2011. Lessees of these passenger automobiles must use these tables to determine the

inclusion amount for each taxable year during which the passenger automobile is leased. See Rev. Proc. 2006–18, 2006–1 C.B. 645, for passenger automobiles first leased during calendar year 2006; Rev. Proc. 2007–30, 2007–1 C.B. 1104, for passenger automobiles first leased during calendar year 2007; Rev. Proc. 2008–22, 2008–1 C.B. 658, for passenger automobiles first leased during calendar year 2008; Rev. Proc. 2009–24, 2009–1 C.B. 885, for passenger automobiles first leased during calendar year 2009; and Rev. Proc. 2010–18, 2010–1 C.B. 427, as amplified and modified by section 4.03 of this revenue procedure, for passenger automobiles first leased during calendar year 2010.

#### SECTION 4. APPLICATION

##### .01 *Limitations on Depreciation Deductions for Certain Automobiles.*

###### (1) *Amount of the inflation adjustment.*

(a) *Passenger automobiles (other than trucks or vans).* Under § 280F(d)(7)(B)(i), the automobile price inflation adjustment for any calendar year is the percentage (if any) by which the CPI automobile component for October of the preceding calendar year exceeds the CPI automobile component for October 1987. Section 280F(d)(7)(B)(ii) defines the term “CPI automobile component” as the automobile

component of the Consumer Price Index for all Urban Consumers published by the Department of Labor. The new car component of the CPI was 115.2 for October 1987 and 137.880 for October 2010. The October 2010 index exceeded the October 1987 index by 22.680. Therefore, the automobile price inflation adjustment for 2011 for passenger automobiles (other than trucks and vans) is 19.69 percent ( $22.680/115.2 \times 100\%$ ). The dollar limitations in § 280F(a) are multiplied by a factor of 0.1969, and the resulting increases, after rounding to the nearest \$100, are added to the 1988 limitations to give the depreciation limitations applicable to passenger automobiles (other than trucks and vans) for calendar year 2011. This adjustment applies to all passenger automobiles (other than trucks and vans) that are first placed in service in calendar year 2011.

(b) *Trucks and vans.* To determine the dollar limitations for trucks and vans first placed in service during calendar year 2011, the Service uses the new truck component of the CPI instead of the new car component. The new truck component of the CPI was 112.4 for October 1987 and 142.556 for October 2010. The October 2010 index exceeded the October 1987 index by 30.156. Therefore, the automobile price inflation adjustment for

2011 for trucks and vans is 26.83 percent ( $30.156/112.4 \times 100\%$ ). The dollar limitations in § 280F(a) are multiplied by a factor of 0.2683, and the resulting increases, after rounding to the nearest \$100, are added to the 1988 limitations to give the depreciation limitations for trucks and vans. This adjustment applies to all trucks and vans that are first placed in service in calendar year 2011.

(2) *Amount of the limitation.* Tables 1 through 4 contain the dollar amount of the depreciation limitation for each taxable year for passenger automobiles a taxpayer places in service in calendar year 2011. Use Table 1 for a passenger automobile (other than a truck or van), and Table 2 for a truck or van, placed in service in calendar year 2011 for which the § 168(k) additional first year depreciation deduction applies. Use Table 3 for a passenger automobile (other than a truck or van), and Table 4 for a truck or van, placed in service in calendar year 2011 for which the § 168(k) additional first year depreciation deduction does not apply. The Service intends to issue additional guidance addressing the interaction between the 100 percent additional first year depreciation deduction and § 280F(a) for the taxable years subsequent to the first taxable year.

REV. PROC. 2011–21 TABLE 1

DEPRECIATION LIMITATIONS FOR PASSENGER AUTOMOBILES  
(THAT ARE NOT TRUCKS OR VANS) PLACED IN SERVICE IN  
CALENDAR YEAR 2011 FOR WHICH THE § 168(k) ADDITIONAL FIRST YEAR  
DEPRECIATION DEDUCTION APPLIES

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$11,060
2nd Tax Year	\$4,900
3rd Tax Year	\$2,950
Each Succeeding Year	\$1,775

REV. PROC. 2011-21 TABLE 2

DEPRECIATION LIMITATIONS FOR TRUCKS AND VANS  
PLACED IN SERVICE IN CALENDAR YEAR 2011 FOR WHICH THE § 168(k) ADDITIONAL FIRST YEAR  
DEPRECIATION DEDUCTION APPLIES

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$11,260
2nd Tax Year	\$5,200
3rd Tax Year	\$3,150
Each Succeeding Year	\$1,875

REV. PROC. 2011-21 TABLE 3

DEPRECIATION LIMITATIONS FOR PASSENGER AUTOMOBILES  
(THAT ARE NOT TRUCKS OR VANS) PLACED IN SERVICE IN CALENDAR YEAR 2011  
FOR WHICH THE § 168(k) ADDITIONAL FIRST YEAR DEPRECIATION DEDUCTION DOES NOT APPLY

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$3,060
2nd Tax Year	\$4,900
3rd Tax Year	\$2,950
Each Succeeding Year	\$1,775

REV. PROC. 2011-21 TABLE 4

DEPRECIATION LIMITATIONS FOR TRUCKS AND VANS  
PLACED IN SERVICE IN CALENDAR YEAR 2011 FOR WHICH THE § 168(k) ADDITIONAL FIRST YEAR  
DEPRECIATION DEDUCTION DOES NOT APPLY

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$3,260
2nd Tax Year	\$5,200
3rd Tax Year	\$3,150
Each Succeeding Year	\$1,875

.02 *Inclusions in Income of Lessees of Passenger Automobiles.*

A taxpayer must follow the procedures in § 1.280F-7(a) for determining the inclu-

sion amounts for passenger automobiles first leased in calendar year 2011. In applying these procedures, lessees of passenger automobiles other than trucks and vans

should use Table 5 of this revenue procedure, while lessees of trucks and vans should use Table 6 of this revenue procedure.

REV. PROC. 2011-21 TABLE 5

DOLLAR AMOUNTS FOR PASSENGER AUTOMOBILES  
(THAT ARE NOT TRUCKS OR VANS)  
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2011

Fair Market Value of Passenger Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th & later
Over	Not Over					
\$18,500	\$19,000	3	8	11	13	16
19,000	19,500	4	9	13	15	18
19,500	20,000	4	10	15	17	20
20,000	20,500	5	11	16	19	23
20,500	21,000	5	12	18	21	25
21,000	21,500	6	13	19	24	26
21,500	22,000	6	14	21	26	29

REV. PROC. 2011-21 TABLE 5—Continued

DOLLAR AMOUNTS FOR PASSENGER AUTOMOBILES  
(THAT ARE NOT TRUCKS OR VANS)  
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2011

Fair Market Value of Passenger Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th & later
Over	Not Over					
22,000	23,000	7	16	23	29	32
23,000	24,000	8	18	27	32	37
24,000	25,000	9	20	30	36	42
25,000	26,000	10	23	33	40	46
26,000	27,000	11	25	36	44	51
27,000	28,000	12	27	40	48	55
28,000	29,000	13	29	43	52	60
29,000	30,000	14	31	47	55	65
30,000	31,000	15	34	49	60	69
31,000	32,000	16	36	53	63	73
32,000	33,000	17	38	56	68	77
33,000	34,000	18	40	60	71	82
34,000	35,000	19	42	63	75	87
35,000	36,000	20	45	66	79	91
36,000	37,000	21	47	69	83	96
37,000	38,000	22	49	73	87	100
38,000	39,000	23	51	76	91	105
39,000	40,000	24	53	80	94	110
40,000	41,000	25	56	82	99	114
41,000	42,000	26	58	86	102	119
42,000	43,000	27	60	89	107	123
43,000	44,000	28	62	93	110	128
44,000	45,000	29	64	96	114	133
45,000	46,000	30	67	98	119	137
46,000	47,000	31	69	102	122	141
47,000	48,000	32	71	105	127	145
48,000	49,000	33	73	109	130	150
49,000	50,000	34	76	111	134	155
50,000	51,000	35	78	115	138	159
51,000	52,000	36	80	118	142	164
52,000	53,000	37	82	122	146	168
53,000	54,000	38	84	125	150	173
54,000	55,000	39	87	128	153	178
55,000	56,000	40	89	131	158	182
56,000	57,000	41	91	135	161	187
57,000	58,000	42	93	138	166	191
58,000	59,000	43	95	142	169	196
59,000	60,000	44	98	144	174	200
60,000	62,000	46	101	149	179	207
62,000	64,000	48	105	156	187	216
64,000	66,000	50	109	163	195	225
66,000	68,000	52	114	169	203	234
68,000	70,000	54	118	176	211	243
70,000	72,000	56	123	182	218	253
72,000	74,000	58	127	189	226	262
74,000	76,000	60	132	195	234	270
76,000	78,000	62	136	202	242	279
78,000	80,000	64	140	209	250	288
80,000	85,000	67	148	220	264	304
85,000	90,000	72	159	237	283	327
90,000	95,000	77	170	253	303	350
95,000	100,000	82	181	269	323	372
100,000	110,000	90	198	293	352	406

REV. PROC. 2011-21 TABLE 5—Continued  
DOLLAR AMOUNTS FOR PASSENGER AUTOMOBILES  
(THAT ARE NOT TRUCKS OR VANS)  
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2011

Fair Market Value of Passenger Automobile		Tax Year During Lease				
		1st	2nd	3rd	4th	5th & later
Over	Not Over					
110,000	120,000	100	220	326	391	452
120,000	130,000	110	242	359	430	497
130,000	140,000	120	264	392	469	543
140,000	150,000	130	286	424	509	588
150,000	160,000	140	308	457	548	633
160,000	170,000	150	330	490	587	679
170,000	180,000	160	352	523	626	724
180,000	190,000	170	374	555	666	769
190,000	200,000	180	396	588	705	815
200,000	210,000	190	418	621	744	860
210,000	220,000	200	440	654	784	904
220,000	230,000	210	462	687	823	950
230,000	240,000	220	484	719	863	995
240,000	And up	230	506	752	902	1,040

REV. PROC. 2011-21 TABLE 6  
DOLLAR AMOUNTS FOR TRUCKS AND VANS  
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2011

Fair Market Value of Truck or Van		Tax Year During Lease				
		1st	2nd	3rd	4th	5th & later
Over	Not Over					
\$19,000	\$19,500	3	7	9	12	13
19,500	20,000	3	8	11	14	15
20,000	20,500	4	9	13	15	18
20,500	21,000	4	10	15	17	20
21,000	21,500	5	11	16	20	22
21,500	22,000	5	12	18	22	24
22,000	23,000	6	14	20	24	29
23,000	24,000	7	16	24	28	32
24,000	25,000	8	18	27	32	37
25,000	26,000	9	20	31	36	41
26,000	27,000	10	23	33	40	46
27,000	28,000	11	25	37	43	51
28,000	29,000	12	27	40	48	55
29,000	30,000	13	29	43	52	60
30,000	31,000	14	31	47	56	64
31,000	32,000	15	34	49	60	69
32,000	33,000	16	36	53	63	74
33,000	34,000	17	38	56	68	78
34,000	35,000	18	40	60	71	83
35,000	36,000	19	43	62	76	87
36,000	37,000	20	45	66	79	92
37,000	38,000	21	47	69	83	97
38,000	39,000	22	49	73	87	101
39,000	40,000	23	51	76	91	105
40,000	41,000	24	54	79	95	109
41,000	42,000	25	56	82	99	114
42,000	43,000	26	58	86	103	118
43,000	44,000	27	60	89	107	123
44,000	45,000	28	62	93	110	128

REV. PROC. 2011-21 TABLE 6—Continued

DOLLAR AMOUNTS FOR TRUCKS AND VANS  
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2011

Fair Market Value of Truck or Van		Tax Year During Lease				
		1st	2nd	3rd	4th	5th & later
Over	Not Over					
45,000	46,000	29	65	95	115	132
46,000	47,000	30	67	99	118	137
47,000	48,000	31	69	102	123	141
48,000	49,000	32	71	106	126	146
49,000	50,000	33	73	109	130	151
50,000	51,000	34	76	112	134	155
51,000	52,000	35	78	115	138	160
52,000	53,000	36	80	118	143	164
53,000	54,000	37	82	122	146	169
54,000	55,000	38	84	125	150	173
55,000	56,000	39	87	128	154	177
56,000	57,000	40	89	131	158	182
57,000	58,000	41	91	135	162	186
58,000	59,000	42	93	138	166	191
59,000	60,000	43	95	142	169	196
60,000	62,000	45	99	146	175	203
62,000	64,000	47	103	153	183	212
64,000	66,000	49	107	160	191	221
66,000	68,000	51	112	166	199	229
68,000	70,000	53	116	173	206	239
70,000	72,000	55	121	179	214	248
72,000	74,000	57	125	186	222	257
74,000	76,000	59	129	192	231	266
76,000	78,000	61	134	198	239	275
78,000	80,000	63	138	205	246	285
80,000	85,000	66	146	217	260	300
85,000	90,000	71	157	233	280	322
90,000	95,000	76	168	250	299	345
95,000	100,000	81	179	266	319	368
100,000	110,000	89	196	290	348	402
110,000	120,000	99	218	323	387	447
120,000	130,000	109	240	355	427	493
130,000	140,000	119	262	388	466	538
140,000	150,000	129	284	421	505	583
150,000	160,000	139	306	454	544	629
160,000	170,000	149	328	487	583	674
170,000	180,000	159	350	519	623	719
180,000	190,000	169	372	552	662	765
190,000	200,000	179	394	585	701	810
200,000	210,000	189	416	618	740	856
210,000	220,000	199	438	651	779	901
220,000	230,000	209	460	683	819	946
230,000	240,000	219	482	716	858	992
240,000	And up	229	504	749	897	1,037

.03 Revised Amounts for Passenger Automobiles Placed in Service During 2010.

(1) Calculation of the Revised Amount. The revised depreciation limits provided in this section 4.03 were calculated by increasing the existing limitations on the first year allowance in Rev. Proc. 2010-18 by \$8,000 as provided in § 168(k)(2)(F)(i).

(2) Amount of the Revised Limitation. For passenger automobiles (that are not

trucks or vans) placed in service by the taxpayer in calendar year 2010 for which the § 168(k) additional first year depreciation deduction applies, Table 7 of this revenue procedure contains the revised dollar amount of the depreciation limitations for each taxable year. For trucks or vans placed in service by the taxpayer in calendar year 2010 for which the § 168(k) additional first year depreciation deduction

applies, Table 8 of this revenue procedure contains the revised dollar amount of the depreciation limitations for each taxable year. If the § 168(k) additional first year depreciation deduction does not apply to a passenger automobile placed in service by the taxpayer in calendar year 2010, the depreciation limitations for each taxable year in Tables 1 and 2 of Rev. Proc. 2010-18 apply.



REV. PROC. 2011-21 TABLE 7

DEPRECIATION LIMITATIONS FOR PASSENGER AUTOMOBILES  
(THAT ARE NOT TRUCKS OR VANS) PLACED IN SERVICE IN  
CALENDAR YEAR 2010 FOR WHICH THE § 168(k) ADDITIONAL FIRST YEAR  
DEPRECIATION DEDUCTION APPLIES

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$11,060
2nd Tax Year	\$4,900
3rd Tax Year	\$2,950
Each Succeeding Year	\$1,775

REV. PROC. 2011-21 TABLE 8

DEPRECIATION LIMITATIONS FOR TRUCKS AND VANS  
PLACED IN SERVICE IN CALENDAR YEAR 2010 FOR WHICH THE § 168(k) ADDITIONAL FIRST YEAR  
DEPRECIATION DEDUCTION APPLIES

<i>Tax Year</i>	<i>Amount</i>
1st Tax Year	\$11,160
2nd Tax Year	\$5,100
3rd Tax Year	\$3,050
Each Succeeding Year	\$1,875

(3) *Modification to lease inclusion amounts for 2010.* The lease inclusion amounts in Tables 3 and 4 of Rev. Proc. 2010-18 are modified by striking the first four lines of the inclusion amounts in each table. Consequently, Table 3 of Rev. Proc. 2010-18 applies to passenger automobiles (other than trucks and vans) that are first leased by the taxpayer in calendar year 2010 with a fair market value over \$18,500, and Table 4 of Rev. Proc. 2010-18 applies to trucks and vans that are first leased by the taxpayer in calendar year 2010 with a fair market value over \$19,000.

SECTION 5. EFFECTIVE DATE

This revenue procedure, with the exception of section 4.03, applies to passenger automobiles that a taxpayer first places in service or first leases during calendar year 2011. Section 4.03 of this revenue procedure applies to passenger automobiles that a taxpayer first places in service or first leases during calendar year 2010.

SECTION 6. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2010-18 is amplified and modified.

SECTION 7. DRAFTING INFORMATION

The principal author of this revenue procedure is Bernard P. Harvey of the Office of Associate Chief Counsel (Income Tax & Accounting). For further information regarding this revenue procedure, contact Mr. Harvey at (202) 622-4930 (not a toll-free call).

## Part IV. Items of General Interest

### China Professors and Teachers MAP Agreement

#### Announcement 2011-18

The following is a copy of the Competent Authority Agreement entered into on November 24, 2010, by the competent authorities of the United States of America and the People's Republic of China with respect to the taxation of professors and teachers under the U.S.-China income tax treaty and protocol.

The text of the Competent Authority Agreement is as follows:

**COMPETENT AUTHORITY  
AGREEMENT REGARDING  
THE INTERPRETATION  
OF ARTICLE 19 OF THE  
AGREEMENT BETWEEN  
THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA  
AND THE GOVERNMENT OF  
THE PEOPLE'S REPUBLIC OF  
CHINA FOR THE AVOIDANCE  
OF DOUBLE TAXATION AND  
THE PREVENTION OF FISCAL  
EVASION WITH RESPECT TO  
TAXES ON INCOME**

The competent authorities of the United States and the People's Republic of China hereby enter into the following agreement (the "Agreement") regarding the application of Article 19 (Professors and Teachers) of the Agreement Between the Gov-

ernment of the United States of America and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Tax Evasion with Respect to Taxes on Income and accompanying Protocol, signed at Beijing on April 30, 1984, as amended by the Protocol signed at Beijing on May 10, 1986 (the "Treaty"). The Agreement is entered into under paragraph 3 of Article 24 (Mutual Agreement Procedure).

Article 19 (Professors and Teachers) of the Treaty states:

An individual who is, or immediately before visiting a Contracting State was, a resident of the other Contracting State and is temporarily present in the first-mentioned Contracting State for the primary purpose of teaching, giving lectures or conducting research at a university, college, school or other accredited educational institution or scientific research institution in the first-mentioned Contracting State shall be exempt from tax in the first-mentioned Contracting State for a period not exceeding three years in the aggregate in respect of remuneration for such teaching, lectures or research.

It is understood that the three-year exemption period begins to run from the first day the individual enters the first-mentioned Contracting State (hereinafter referred to as the "host state") for the primary purpose of teaching, giving lectures or conducting research at a uni-

versity, college, school or other accredited educational institution or scientific research institution (the "entry date"). It is agreed that if an individual to whom Article 19 applies is present in the host state for the primary purpose of teaching, giving lectures, or conducting research for more than three years following the entry date, then the host state may begin to tax the individual's remuneration for teaching, giving lectures or conducting research starting with the first day of the fourth year. Such an individual's remuneration for the first three years will not lose its host state exemption.

It is further agreed that the three-year exemption period is suspended when an individual to whom Article 19 applies discontinues teaching, giving lectures or conducting research and departs the host state. Provided that the individual is, or immediately before returning to the host state was, a resident of the other Contracting State, the three-year exemption period resumes when the individual returns to the host state for the primary purpose of teaching, giving lectures or conducting research at a university, college, school or other accredited educational institution or scientific research institution.

It is understood that the exemption provided in Article 19 is not available if the research is not undertaken in the public interest, but for the private gain of a specific person or persons.

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Michael Danilack  
United States Competent Authority  
Internal Revenue Service  
Date: \_\_\_\_\_

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WANG Xiaoping  
P.R. China Competent Authority  
State Administration of Taxation  
Date: \_\_\_\_\_

### Replacement of Schedule SSA (Form 5500) with Form 8955-SSA

#### Announcement 2011-21

This announcement designates Form 8955-SSA, *Annual Registration Statement Identifying Separated Participants With*

*Deferred Vested Benefits*, as the form to be used to satisfy the reporting requirements of § 6057(a) of the Internal Revenue Code for plan years beginning on or after January 1, 2009, and sets forth the due dates for filing the Form 8955-SSA for the 2009 plan year and subsequent plan years.

Section 6057(a) requires the plan administrator of a plan that is subject to the vesting standards of section 203 of the Employee Retirement Income Security Act of 1974 (ERISA) to report certain informa-

tion relating to each plan participant with a deferred vested benefit in accordance with regulations prescribed by the Secretary of Treasury. Schedule SSA, an attachment to the *Annual Return/Report of Employee Benefit Plan* (Form 5500 Series), has been the form used by plan administrators to comply with the reporting requirements of § 6057(a).

In 2007, the Department of Labor (DOL) published a final rule requiring plans subject to the annual reporting re-

quirements of Title I of ERISA to electronically file the Form 5500 annual return/report (72 Fed. Reg. 64710). The DOL electronic filing mandate is effective for plan years beginning on or after January 1, 2009, but does not apply to the reporting requirements imposed by § 6057(a). In order to accommodate the DOL's mandate for electronic filing of the Form 5500 annual return/report, a number of changes were made to the Form 5500 Series and accompanying schedules and attachments. One of these changes was the removal of Schedule SSA from the Form 5500 annual return/report beginning with filings covering a plan year that begins on or after January 1, 2009.

The Internal Revenue Service (IRS), in coordination with the Social Security Administration, has developed Form 8955-SSA, a stand-alone form to be filed with the IRS, as the successor to the Schedule SSA (Form 5500). For plan years beginning on or after January 1, 2009, the Form 8955-SSA should be used to comply with the reporting requirements of § 6057(a). Form 8955-SSA for the 2009 plan year is expected to be available for filing by plan administrators shortly. Form 8955-SSA for the 2010 plan year is being developed and is expected to be available for filing later this year. Plan administrators are permitted to report information that would otherwise be required to be reported on the 2010 Form 8955-SSA using a 2009 Form 8955-SSA. The IRS has also developed a voluntary electronic filing system for filing Form 8955-SSA for the 2009 plan year and subsequent plan years. This system is ready to accept filings of Form 8955-SSA when the form becomes available for filing.

In general, as with Schedule SSA (Form 5500), if a Form 8955-SSA must be filed for a plan year, it must be filed by the last day of the seventh month following the last day of that plan year (plus extensions). Thus, for example, for plans on a calendar year, any 2011 Form 8955-SSA that is required to be filed under § 6057(a) must be filed with the IRS by July 31, 2012. However, in order to provide plan administrators with additional time to complete and file the new Form 8955-SSA, this announcement provides that the due date for filing the Form 8955-SSA for the 2009 and the 2010 plan years is the later of (1) the due date that generally applies for fil-

ing the Form 8955-SSA for the 2010 plan year, and (2) August 1, 2011. For example, in the case of a 2009 plan year or a short 2010 plan year, the Form 8955-SSA is not required to be filed before August 1, 2011.

The rules applicable to the extension of time for filing Form 8955-SSA are the same as those applicable to the extension of time for filing Schedule SSA (Form 5500). Thus, for example, Form 5558, *Application for Extension of Time To File Certain Employee Plan Returns*, may be used to file for a one-time extension of time to file the Form 8955-SSA. The IRS is revising the Form 5558 to enable filers to obtain extensions of the time to file Form 8955-SSA and expects to have the revised Form 5558 available soon. Also, plan administrators are granted an automatic extension of time to file Form 8955-SSA (without filing a Form 5558) until the due date of the federal income tax return of the employer if certain conditions are satisfied. See Part II of the General Instructions to the Form 5558.

Some plan administrators have submitted a Schedule SSA to the IRS for the 2009 plan year or may be in the process of completing the Schedule SSA for the 2009 and/or 2010 plan year. In order to reduce the burdens on these plan administrators, the IRS will treat a Schedule SSA that is filed with the IRS for the 2009 or 2010 plan year no later than April 20, 2011, as satisfying the reporting requirements of § 6057 (and no Form 8955-SSA is required to be filed for the 2009 or 2010 plan year if a Schedule SSA for the applicable plan year is filed with the IRS by this date).

Section 6057(b) requires the plan administrator of a plan that is subject to the vesting standards of section 203 of the Employee Retirement Income Security Act of 1974 (ERISA) to notify the Secretary of the Treasury of certain changes relating to the plan and plan administrator. These changes are reported on the plan's Form 5500 annual return/report. Neither the removal of the Schedule SSA from the Form 5500 annual return/report nor the creation of the Form 8955-SSA affect this requirement. Therefore, a plan administrator should continue to report changes in plan status on the Form 5500 annual return/report for the plan year in which the change occurs in accordance with the applicable instructions.

## DRAFTING INFORMATION

The principal authors of this announcement are Robert M. Walsh of the Employee Plans, Tax Exempt and Government Entities Division and William Gibbs of the Office of the Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities). For further information regarding this announcement, please call the Employee Plans taxpayer assistance number at (877) 829-5500 (a toll-free number) or email Mr. Walsh at [retirementplanquestions@irs.gov](mailto:retirementplanquestions@irs.gov).

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

### Announcement 2011-23

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

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

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on March 21, 2011 and would end on the date the court first determines that the organization is not de-

scribed 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.

B & B Scholar Foundation, Inc.  
Titusville, FL  
Gentle Touch Ministries  
Newport, TN  
Harbour Credit Counseling Services, Inc.  
Virginia Beach, VA  
Initiatives for Community Development,  
Inc.  
New York, NY  
Past Presidents Club, Inc.  
Houma, LA

Reproductive and Child Health Alliance  
Henderson, NV  
School in the Clouds Assisi  
Coronado, CA  
Waukesha Kennel Club, Inc.  
Mukwonago, WI  
Xelan Foundation, Inc.  
Tampa, FL

# Announcement of Disciplinary Sanctions From the Office of Professional Responsibility

## Announcement 2011-24

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.

<b>City &amp; State</b>	<b>Name</b>	<b>Professional Designation</b>	<b>Disciplinary Sanction</b>	<b>Effective Date(s)</b>
<b>California</b>				
Citrus Heights	Benoit, George L.	Enrolled Agent	Disbarred by consent for violation of § 10.51 (failure to timely file Federal individual income tax returns for tax years 2002–2004 and failure to file Federal individual income tax return for tax years 2005–2009).	Indefinite from December 7, 2010
Newport Beach	Prendiville, Andrew J.	Attorney	Suspended by default decision in expedited proceeding under § 10.82 (attorney disbarment)	Indefinite from January 7, 2011
San Diego	Withers, Roy R.	Attorney	Suspended by default decision in expedited proceeding under § 10.82 (attorney disbarment)	Indefinite from January 7, 2011
Monterey Park	Wong, Richard Po-Chung	CPA	Suspended by default decision in expedited proceeding under § 10.82 (conviction under 18 U.S.C. § 1343, wire fraud, aiding and abetting, 26 U.S.C. § 7201, tax evasion, and 26 U.S.C. § 7206, willful aiding and assisting preparation of false tax return and license revocation)	Indefinite from December 13, 2010

<b>City &amp; State</b>	<b>Name</b>	<b>Professional Designation</b>	<b>Disciplinary Sanction</b>	<b>Effective Date(s)</b>
<b>Colorado</b>				
Aurora	Krech, Robert G.	CPA	Suspension by consent for violation of § 10.22, (practitioner did not follow due diligence in the determination of the validity of credits and deductions under Section 44 of the Internal Revenue Code).	Indefinite from December 31, 2010
<b>Hawaii</b>				
Honolulu	Paco, Nathan	Attorney	Suspended by default decision in expedited proceeding under § 10.82 (attorney disbarment in California)	Indefinite from January 7, 2011
<b>Indiana</b>				
Avon	Andrews, Ted E.	CPA		Reinstated to practice before the IRS, effective December 20, 2010

<b>City &amp; State</b>	<b>Name</b>	<b>Professional Designation</b>	<b>Disciplinary Sanction</b>	<b>Effective Date(s)</b>
<b>Kansas</b>				
Overland Park	Davison, Allen R.	CPA (Kansas)/ Attorney (Nebraska)	Suspended by decision in expedited proceeding under § 10.82 (permanently enjoined by U.S. District Court from organizing, establishing, promoting, selling, offering for sale or helping to organize, establish, promote, sell or offer for sale any tax plan, involving sham parallel C management companies, sham 412(i) plans, sham flock contracts or any other illegal tax scheme, plan or device; shall not organize, establish, promote, sell, offer for sale or assist in any financial or tax related arrangement without submitting in writing to an IRS designee, a detailed plan explaining the financial or tax arrangement and all steps necessary for the arrangement to be legal under the tax code.	Indefinite from December 17, 2010
<b>Louisiana</b>				
Monroe	Bradley, Louis R.	CPA	Suspended by decision in expedited proceeding under § 10.82 (suspension of CPA certificate)	Indefinite from January 18, 2011
<b>Michigan</b>				
Lansing	Horton, Darryl S.	CPA	Suspended by default decision in expedited proceeding under § 10.82 (conviction under 26 U.S.C. § 7206, aiding and assisting in the preparation and presentation of a false and fraudulent income tax return)	Indefinite from January 7, 2011

<b>City &amp; State</b>	<b>Name</b>	<b>Professional Designation</b>	<b>Disciplinary Sanction</b>	<b>Effective Date(s)</b>
<b>Nebraska</b>				
	Davidson, Allen R. See Kansas			
<b>New Jersey</b>				
Annandale	Orlando, Charles J.	CPA	Suspended by consent for violation of § 10.51 (failure to file Federal individual income tax returns for tax years 2007 and 2008, failure to timely file Federal individual income tax returns for tax years 1998–2006, failure to file employer’s quarterly Federal tax return for five quarters, failure to timely file employer’s quarterly Federal tax returns for most quarters 2001–2008, failure to pay Federal individual income tax 1998–1999 and 2002–2006, failure to pay taxes due on employer’s quarterly Federal tax returns for most quarters 2001–2007 and 2008–2009, and failure to timely pay taxes due on employer’s quarterly Federal tax return for one quarter in 2008.	Indefinite from December 17, 2010
<b>North Carolina</b>				
Newton	Wentz, Deborah	CPA		Reinstated to practice before the IRS, effective November 1, 2010



<b>City &amp; State</b>	<b>Name</b>	<b>Professional Designation</b>	<b>Disciplinary Sanction</b>	<b>Effective Date(s)</b>
<b>Texas</b>				
McAllen	Burford, Kenneth F.	Attorney	Suspended by consent for violation of § 10.51, (failure to timely file Federal individual income tax returns for 2006–2007, failure to pay Federal individual income tax for 2007–2008, failure to timely file employer’s quarterly Federal tax returns for eight quarters 2004–2009, and failure to pay Federal tax liabilities for Kenneth Burford, CPA, JD)	Indefinite from December 21, 2010
Odessa	Hargus, Richard L.	Enrolled Agent		Reinstated to practice before the IRS, effective October 22, 2010
Bedford	Morse, Kyle K.	CPA		Reinstated to practice before the IRS, effective December 22, 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.

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<sup>1</sup> A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2010–27 through 2010–52 is in Internal Revenue Bulletin 2010–52, dated December 27, 2010.

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