

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

Notice 2011-63, page 172.

This notice provides supplemental guidance on the determination of when state and local bonds (as defined in section 103(c) of the Code) are considered "issued" for purposes of volume cap limitations on private activity bonds under section 146 and other bond volume caps under Federal law. Notice 2010-81 amended and supplemented.

Notice 2011-65, page 173.

This notice provides for the suspension of certain requirements under section 42 of the Code for low-income housing credit projects in order to provide emergency housing relief needed as a result of the devastation caused by severe storms, tornadoes, straight-line winds, and flooding in Alabama beginning on April 15, 2011.

EMPLOYEE PLANS

Notice 2011-67, page 174.

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 2011; the 24-month average segment rates; the funding transitional segment rates applicable for August 2011; and the minimum present value transitional rates for July 2011.

EXEMPT ORGANIZATIONS

Announcement 2011-45, page 178.

The IRS has revoked its determination that Bentley Foundation of Sun City, CA; Dance Academy Stars of Marble Falls, TX; Helping Hands Outreach of Victorville, CA; North American Housing Counseling Community Development Corp., Inc., of Houston, TX; Prevailer Community Development Corporation of Lufkin, TX; Silverstein Family Foundation of Watertown, NY; The Sunnyside Foundation, Inc., of Long Island City, NY; and Tradewinds Foundation, Inc., of New Hartford, NY, qualify as organizations described in sections 501(c)(3) and 170(c)(2) of the Code.

Announcement of Declaratory Judgment Proceedings Under Section 7428 begins on page 178.
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.

The contents of this publication are not copyrighted and may be reprinted freely. A citation of the Internal Revenue Bulletin as the source would be appropriate.

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

Part III. Administrative, Procedural, and Miscellaneous

State and Local Bonds: Volume Cap and Timing of Issuing Bonds

Notice 2011-63

SECTION 1. PURPOSE

This notice provides supplemental guidance on the determination of when State and local bonds (as defined in § 103(c) of the Internal Revenue Code (the “Code”)) are considered “issued” for purposes of volume cap limitations on private activity bonds under § 146 and other bond volume caps and limitations under Federal law. This notice amends and supplements Notice 2010-81.

SECTION 2. BACKGROUND

In Notice 2010-81, 2010-50 I.R.B. 825 (December 13, 2010), the Treasury Department and the IRS provided guidance regarding when State and local bonds (as defined in § 103(c)) are considered issued for purposes of various deadlines on issuing bonds. Under the general rule set forth in Notice 2010-81, a bond is treated as issued on the “issue date” of the “bond” under § 1.150-1(b) of the Income Tax Regulations (as contrasted with the “issue date” of the “issue” that includes the bond). This analysis particularly affects certain financing structures, such as draw-down loans and commercial paper, in which bonds of the same issue are issued at different times. Notice 2010-81 applies to various types of deadlines on issuing bonds, including, among others, volume caps on private activity bonds under § 146 and other bond volume caps under Federal law such as national limitations for the amount and timing of bonds issued as Qualified Zone Academy Bonds or Qualified Gulf Opportunity Zone Bonds.

In general, § 146 imposes annual State volume caps on private activity bonds and allows issuers to “carry forward” unused volume cap for use during a three-year carryforward period after the calendar year in which the original bond volume cap authorization arose. Other volume caps on bonds issued by State or local governments may apply in a similar manner, subject

to different carryforward periods based on statutory deadlines, depending on the particular program.

The Treasury Department and the IRS have received comments that prior to Notice 2010-81, various States and issuers treated a bond as issued on other than its issue date as provided in Notice 2010-81, creating concerns for the treatment of draw-down loans and commercial paper for purposes of allocation, use, and administration of volume caps on private activity bonds under § 146.

SECTION 3. SCOPE AND APPLICATION

01. *Bond Issuance for Purposes of Volume Cap Allocations.* Solely for purposes of the private activity bond volume cap under § 146 and other bond volume caps on State and local bonds under Federal law, an issuer may treat a bond as issued either: (1) on the issue date of the bond under the general rule in Notice 2010-81 or (2) in the alternative, on the issue date of the issue provided that the issuer meets the additional requirements of this § 3.01. An issuer that treats the bonds as issued on the issue date of the issue may not retroactively alter such treatment.

The issuer meets the additional requirements of this § 3.01 if the issuer issues all of the bonds of the issue, determined for this purpose by treating each bond of the issue as issued on the issue date of that bond under the general rule in Notice 2010-81, by no later than the earlier of: (i) the statutory deadline for issuing the bonds or (ii) the end of the maximum carryforward period for unused volume cap under the applicable statute, treating all of the unused volume cap for the issue as volume cap arising in the year in which the issue date of the issue occurs.

02. *Example.* In *Year 1*, an issuer receives a \$1 million volume cap allocation from state volume cap that arose in *Year 1* under § 146 for a draw-down bond issue of exempt facility bonds under § 142 and issues \$50,000 in *Year 1*. Thus the issue date of the issue under § 1.150-1(c)(4)(i) occurs in *Year 1*. In *Years 2 through 4*, the issuer issues the \$950,000 in remaining bonds of the issue. Under the general rule in Notice 2010-81, \$50,000 of the bonds would be treated as issued in *Year 1* on the issue date of those bonds, \$50,000 of volume cap would be treated as used in *Year 1*, the remaining \$950,000 of the bonds would be

treated as issued upon funding of the draws in *Years 2 through 4*, respectively, and the issuer would use carryforward volume cap (or obtain additional volume cap) to cover those remaining bonds. Under the alternative option, for volume cap purposes, if the issuer in *Year 1* treated all of the \$1 million in bonds as issued on the issue date of the issue, the entire \$1 million of bonds of the issue is treated as issued on the issue date of the issue and the entire \$1 million of volume cap is treated as used in *Year 1*. If the \$1 million in volume cap in *Year 1* were a carryforward volume cap, the issuer would have three years from *Year 1* to use the carryforward because the alternative option in § 3.01 would treat the amount of the carryforward as volume cap arising in *Year 1* (the year in which the issue date of the issue occurs). If the bonds were small issue bonds under § 144(a), the alternative option would not be available because under § 146 there is no carryforward period for unused volume cap for small issue bonds.

03. *Information Reporting.* Section 1.149(e)-1(e)(2)(ii) of the Income Tax Regulations provides guidance on applicable information reporting requirements under § 149(e) for State and local bonds issued as draw-down bonds and commercial paper. For such information reporting purposes, in the case of issues issued after August 3, 2011, issuers who apply the alternative option under § 3.01 of this notice should write or type “Filed in Accordance with Notice 2011-63 State and Local Bonds: Volume Cap and Timing of Issuing Bonds” at the top of the applicable information reporting return. Pursuant to § 1.149(e)-1(e)(2)(ii), amended information reporting returns are not required for this purpose for bonds treated as issued under this notice before August 3, 2011.

SECTION 4. EFFECT ON OTHER DOCUMENTS

This notice amends and supplements Notice 2010-81.

SECTION 5. DRAFTING INFORMATION

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

Alabama Low-Income Housing Credit Disaster Relief

Notice 2011-65

The Internal Revenue Service is suspending certain requirements under § 42 of the Internal Revenue Code for low-income housing credit projects to provide emergency housing relief needed as a result of the devastation caused by severe storms, tornadoes, straight-line winds, and flooding in Alabama beginning on April 15, 2011. This relief is being granted pursuant to the Service's authority under § 42(n) and § 1.42-13(a) of the Income Tax Regulations.

BACKGROUND

On April 28, 2011, the President declared a major disaster for the State of Alabama. This declaration was made under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 *et seq.* Subsequently, the Federal Emergency Management Agency (FEMA) designated jurisdictions for Individual Assistance. The State of Alabama has requested that the Service allow owners of low-income housing credit projects to provide temporary housing in vacant units to individuals who resided in jurisdictions designated for Individual Assistance in Alabama and who have been displaced because their residences were destroyed or damaged as a result of the devastation caused by the severe storms, tornadoes, straight-line winds, and flooding. Based upon this request and because of the widespread damage to housing caused by the severe storms, tornadoes, straight-line winds, and flooding, the Service has determined that the Alabama Housing Finance Authority (Authority) may provide approval to project owners to provide temporary emergency housing for displaced individuals in accordance with this notice.

I. SUSPENSION OF INCOME LIMITATIONS

The Service has determined that it is appropriate to temporarily suspend certain income limitation requirements under § 42 for certain qualified low-income projects. The suspension will apply to low-income

housing projects approved by the Authority, in which vacant units are rented to displaced individuals. The Authority will determine the appropriate period of temporary housing for each project, not to extend beyond August 31, 2012 (temporary housing period).

II. STATUS OF UNITS

A. Units in the first year of the credit period

A displaced individual temporarily occupying a unit during the first year of the credit period under § 42(f)(1) will be deemed a qualified low-income tenant for purposes of determining the project's qualified basis under § 42(c)(1), and for meeting the project's 20-50 test or 40-60 test as elected by the project owner under § 42(g)(1). After the end of the temporary housing period established by the Authority (not to extend beyond August 31, 2012), a displaced individual will no longer be deemed a qualified low-income tenant.

B. Vacant units after the first year of the credit period

During the temporary housing period established by the Authority, the status of a vacant unit (that is, market-rate or low-income for purposes of § 42 or never previously occupied) after the first year of the credit period that becomes temporarily occupied by a displaced individual remains the same as the unit's status before the displaced individual moves in. Displaced individuals temporarily occupying vacant units will not be treated as low-income tenants under § 42(i)(3)(A)(ii). However, even if it houses a displaced individual, a low-income or market rate unit that was vacant before the effective date of this notice will continue to be treated as a vacant low-income or market rate unit. Similarly, a unit that was never previously occupied before the effective date of this notice will continue to be treated as a unit that has never been previously occupied even if it houses a displaced individual. Thus, the fact that a vacant unit becomes occupied by a displaced individual will not affect the building's applicable fraction under § 42(c)(1)(B) for purposes of determining the building's qualified basis, nor will it affect the 20-50 test or 40-60

test of § 42(g)(1). If the income of occupants in low-income units exceeds 140 percent of the applicable income limitation, the temporary occupancy of a unit by a displaced individual will not cause application of the available unit rule under § 42(g)(2)(D)(ii). In addition, the project owner is not required during the temporary housing period to make attempts to rent to low-income individuals the low-income units that house displaced individuals.

III. SUSPENSION OF NON-TRANSIENT REQUIREMENTS

The non-transient use requirement of § 42(i)(3)(B)(i) shall not apply to any unit providing temporary housing to a displaced individual during the temporary housing period determined by the Authority in accordance with section I of this notice.

IV. OTHER REQUIREMENTS

All other rules and requirements of § 42 will continue to apply during the temporary housing period established by the Authority. After the end of the temporary housing period, the applicable income limitations contained in § 42(g)(1), the available unit rule under § 42(g)(2)(D)(ii), the nontransient requirement of § 42(i)(3)(B)(i), and the requirement to make reasonable attempts to rent vacant units to low-income individuals shall resume. If a project owner offers to rent a unit to a displaced individual after the end of the temporary housing period, the displaced individual must be certified under the requirements of § 42(i)(3)(A)(ii) and § 1.42-5(b) and (c) to be a qualified low-income tenant. To qualify for the relief in this notice, the project owner must additionally meet all of the following requirements:

(1) Major Disaster Area

The displaced individual must have resided in an Alabama jurisdiction designated for Individual Assistance by FEMA as a result of severe storms, tornadoes, straight-line winds, and flooding in Alabama beginning on April 15, 2011.

(2) Approval of the Alabama Housing Finance Authority

The project owner must obtain approval from the Authority for the relief described in this notice. The Authority will determine the appropriate period of temporary housing for each project, not to extend beyond August 31, 2012.

(3) Certifications and Recordkeeping

To comply with the requirements of § 1.42–5, project owners are required to maintain and certify certain information concerning each displaced individual temporarily housed in the project, specifically the following: name, address of damaged residence, social security number, and a statement signed under penalties of perjury by the displaced individual that, because of damage to the individual's residence in an Alabama jurisdiction designated for Individual Assistance by FEMA as a result of the severe storms, tornadoes, straight-line winds, and flooding in Alabama beginning on April 15, 2011, the individual requires temporary housing. The owner must notify the Authority that vacant units are available for rent to displaced individuals.

The owner must also certify the date the displaced individual began temporary occupancy and the date the project will discontinue providing temporary housing as established by the Authority. The certifications and recordkeeping for displaced individuals must be maintained as part of the annual compliance monitoring process with the Authority.

(4) Rent Restrictions

Rents for the low-income units that house displaced individuals must not exceed the existing rent-restricted rates for the low-income units established under § 42(g)(2).

(5) Protection of Existing Tenants

Existing tenants in occupied low-income units cannot be evicted or have their tenancy terminated as a result of efforts to provide temporary housing for displaced individuals.

EFFECTIVE DATE

This notice is effective April 28, 2011 (the date of the President's major disaster

declaration as a result of the severe storms, tornadoes, straight-line winds, and flooding in Alabama beginning on April 15, 2011).

PAPERWORK REDUCTION ACT

The collection of information contained in this notice has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545–2216.

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

The collection of information in this notice is in the section titled "OTHER REQUIREMENTS" under "(3) Certifications and Recordkeeping." This information is required to enable the Service to verify whether individuals are displaced as a result of the devastation caused by severe storms, tornadoes, straight-line winds, and flooding in Alabama beginning on April 15, 2011, and thus warrant temporary housing in vacant low-income housing units. The collection of information is required to obtain a benefit. The likely respondents are individuals and businesses.

The estimated total annual recordkeeping burden is 150 hours.

The estimated annual burden per recordkeeper is approximately 15 minutes. The estimated number of recordkeepers is 600.

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

DRAFTING INFORMATION

The principal author of this notice is David Selig of the Office of Associate Chief Counsel (Passthroughs & Special Industries). For further information regarding this notice, contact Mr. Selig at (202) 622–3040 (not a toll-free call).

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

Notice 2011–67

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

CORPORATE BOND WEIGHTED AVERAGE INTEREST RATE

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

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

apply in determining that rate. See Notice 2006-75, 2006-2 C.B. 366.

The composite corporate bond rate for July 2011 is 5.36 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	
<i>Month</i>	<i>Year</i>		90%	100%
August	2011	5.94	5.35	5.94

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, 2007-44 I.R.B. 899, provides guidelines for determining the

monthly corporate bond yield curve, and the 24-month average corporate bond 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 2011 data is in Table I at the end of this notice. The spot first, second, and third segment rates for the month of July 2011 are, respectively, 1.72, 4.97, and 6.28. The three 24-month average corporate bond segment rates applicable for August 2011 are as follows:

First Segment	Second Segment	Third Segment
2.11	5.31	6.32

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 August 2011, the funding segment rates are the three 24-month average corporate bond segment rates applicable for August 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 July 2011 is 4.27 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 2041.

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%
August	2011	4.26	3.83	4.47

**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 2011, taking into account the July 2011 30-year Treasury rate of 4.27 stated above, are as follows:

For Plan Years Beginning in	First Segment	Second Segment	Third Segment
2010	2.74	4.69	5.48
2011	2.23	4.83	5.88

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 2011
 Derived from July 2011 Data

<i>Maturity</i>	<i>Yield</i>								
0.5	0.54	20.5	5.84	40.5	6.34	60.5	6.51	80.5	6.60
1.0	0.74	21.0	5.86	41.0	6.34	61.0	6.51	81.0	6.60
1.5	0.96	21.5	5.88	41.5	6.35	61.5	6.52	81.5	6.60
2.0	1.22	22.0	5.90	42.0	6.36	62.0	6.52	82.0	6.60
2.5	1.51	22.5	5.93	42.5	6.36	62.5	6.52	82.5	6.60
3.0	1.83	23.0	5.95	43.0	6.37	63.0	6.52	83.0	6.60
3.5	2.15	23.5	5.96	43.5	6.37	63.5	6.53	83.5	6.61
4.0	2.46	24.0	5.98	44.0	6.38	64.0	6.53	84.0	6.61
4.5	2.75	24.5	6.00	44.5	6.38	64.5	6.53	84.5	6.61
5.0	3.02	25.0	6.02	45.0	6.39	65.0	6.53	85.0	6.61
5.5	3.26	25.5	6.03	45.5	6.40	65.5	6.54	85.5	6.61
6.0	3.49	26.0	6.05	46.0	6.40	66.0	6.54	86.0	6.61
6.5	3.70	26.5	6.06	46.5	6.41	66.5	6.54	86.5	6.61
7.0	3.88	27.0	6.08	47.0	6.41	67.0	6.54	87.0	6.62
7.5	4.05	27.5	6.09	47.5	6.41	67.5	6.55	87.5	6.62
8.0	4.21	28.0	6.11	48.0	6.42	68.0	6.55	88.0	6.62
8.5	4.35	28.5	6.12	48.5	6.42	68.5	6.55	88.5	6.62
9.0	4.49	29.0	6.13	49.0	6.43	69.0	6.55	89.0	6.62
9.5	4.61	29.5	6.14	49.5	6.43	69.5	6.56	89.5	6.62
10.0	4.72	30.0	6.16	50.0	6.44	70.0	6.56	90.0	6.62
10.5	4.82	30.5	6.17	50.5	6.44	70.5	6.56	90.5	6.63
11.0	4.92	31.0	6.18	51.0	6.45	71.0	6.56	91.0	6.63
11.5	5.01	31.5	6.19	51.5	6.45	71.5	6.56	91.5	6.63
12.0	5.09	32.0	6.20	52.0	6.45	72.0	6.57	92.0	6.63
12.5	5.16	32.5	6.21	52.5	6.46	72.5	6.57	92.5	6.63
13.0	5.23	33.0	6.22	53.0	6.46	73.0	6.57	93.0	6.63
13.5	5.29	33.5	6.23	53.5	6.46	73.5	6.57	93.5	6.63
14.0	5.35	34.0	6.24	54.0	6.47	74.0	6.57	94.0	6.63
14.5	5.41	34.5	6.25	54.5	6.47	74.5	6.58	94.5	6.64
15.0	5.46	35.0	6.26	55.0	6.48	75.0	6.58	95.0	6.64
15.5	5.50	35.5	6.27	55.5	6.48	75.5	6.58	95.5	6.64
16.0	5.55	36.0	6.27	56.0	6.48	76.0	6.58	96.0	6.64
16.5	5.59	36.5	6.28	56.5	6.49	76.5	6.58	96.5	6.64
17.0	5.63	37.0	6.29	57.0	6.49	77.0	6.58	97.0	6.64
17.5	5.66	37.5	6.30	57.5	6.49	77.5	6.59	97.5	6.64
18.0	5.69	38.0	6.30	58.0	6.50	78.0	6.59	98.0	6.64
18.5	5.73	38.5	6.31	58.5	6.50	78.5	6.59	98.5	6.64
19.0	5.76	39.0	6.32	59.0	6.50	79.0	6.59	99.0	6.65
19.5	5.78	39.5	6.33	59.5	6.50	79.5	6.59	99.5	6.65
20.0	5.81	40.0	6.33	60.0	6.51	80.0	6.59	100.0	6.65

Part IV. Items of General Interest

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

Announcement 2011-45

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 August 22, 2011 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.

Bentley Foundation
Sun City, CA
Dance Academy Stars
Marble Falls, TX
Helping Hands Outreach
Victorville, CA
North American Housing Counseling
Community Development Corp., Inc.
Houston, TX
Prevailer Community Development
Corporation
Lufkin, TX
Silverstein Family Foundation
Watertown, NY
The Sunnyside Foundation, Inc.
Long Island City, NY
Tradewinds Foundation, Inc.
New Hartford, NY

Notice of Disposition of Declaratory Judgment Proceedings Under Section 7428

Announcement 2011-46

This announcement serves notice to donors that on September 9, 2010, the United States Tax Court entered a stipulated decision that the organization listed below is a private foundation described in I.R.C. § 509(a). Accordingly, the organization continues to be recognized as an organization described in section 501(c)(3) and exempt from tax under section 501(a).

Fisherman's Hospital
Marathon, FL

Section 7428(c) Validation of Certain Contributions Made During Pendency of Declaratory Judgment Proceedings

Announcement 2011-47

This announcement serves notice to potential donors that the organization listed below has recently filed a timely declaratory judgment suit under section 7428 of the Code, challenging revocation of its status as an eligible donee under section 170(c)(2).

Protection under section 7428(c) of the Code begins on the date that the notice of revocation is published in the Internal Revenue Bulletin and ends on the date on which a court first determines that an organization is not described in section 170(c)(2), as more particularly set forth in section 7428(c)(1).

In the case of individual contributors, the maximum amount of contributions protected during this period is limited to \$1,000.00, with a husband and wife being treated as one contributor. This protection is not extended to any individual who was responsible, in whole or in part, for the acts or omissions of the organizations that were the basis for the revocation.

This protection also applies (but without limitation as to amount) to organizations described in section 170(c)(2) which are exempt from tax under section 501(a). If the organization ultimately prevails in its declaratory judgment suit, deductibility of contributions would be subject to the normal limitations set forth under section 170.

First Step, Inc.
Manahawkin, NJ

Definition of Terms

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

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

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

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

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

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

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

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

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

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

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

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

Abbreviations

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

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

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

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

Numerical Finding List¹

Bulletins 2011–27 through 2011–34

Announcements:

2011-37, 2011-27 I.R.B. 37
2011-38, 2011-28 I.R.B. 45
2011-39, 2011-28 I.R.B. 46
2011-40, 2011-29 I.R.B. 56
2011-41, 2011-28 I.R.B. 47
2011-42, 2011-32 I.R.B. 138
2011-44, 2011-33 I.R.B. 164
2011-45, 2011-34 I.R.B. 178
2011-46, 2011-34 I.R.B. 178
2011-47, 2011-34 I.R.B. 178

Notices:

2011-47, 2011-27 I.R.B. 34
2011-50, 2011-27 I.R.B. 35
2011-51, 2011-27 I.R.B. 36
2011-52, 2011-30 I.R.B. 60
2011-53, 2011-32 I.R.B. 124
2011-54, 2011-29 I.R.B. 53
2011-55, 2011-29 I.R.B. 53
2011-56, 2011-29 I.R.B. 54
2011-57, 2011-31 I.R.B. 84
2011-58, 2011-31 I.R.B. 85
2011-59, 2011-31 I.R.B. 86
2011-60, 2011-31 I.R.B. 90
2011-61, 2011-31 I.R.B. 91
2011-62, 2011-32 I.R.B. 126
2011-63, 2011-34 I.R.B. 172
2011-65, 2011-34 I.R.B. 173
2011-67, 2011-34 I.R.B. 174
2011-70, 2011-32 I.R.B. 135

Proposed Regulations:

REG-137128-08, 2011-28 I.R.B. 43
REG-125592-10, 2011-32 I.R.B. 137
REG-101352-11, 2011-30 I.R.B. 75
REG-118809-11, 2011-33 I.R.B. 162

Revenue Procedures:

2011-38, 2011-30 I.R.B. 66
2011-39, 2011-30 I.R.B. 68

Revenue Rulings:

2011-14, 2011-27 I.R.B. 31
2011-15, 2011-30 I.R.B. 57
2011-16, 2011-32 I.R.B. 93
2011-17, 2011-33 I.R.B. 160

Treasury Decisions:

9527, 2011-27 I.R.B. 1
9528, 2011-28 I.R.B. 38
9529, 2011-30 I.R.B. 57

Treasury Decisions— Continued:

9530, 2011-31 I.R.B. 77
9531, 2011-31 I.R.B. 79
9532, 2011-32 I.R.B. 95
9533, 2011-33 I.R.B. 139
9534, 2011-33 I.R.B. 144

¹ A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2011–1 through 2011–26 is in Internal Revenue Bulletin 2011–26, dated June 27, 2011.

Finding List of Current Actions on Previously Published Items¹

Bulletins 2011–27 through 2011–34

Notices:

2010-23

Modified and supplemented by
Notice 2011-54, 2011-29 I.R.B. 53

2010-81

Amended and supplemented by
Notice 2011-63, 2011-34 I.R.B. 172

2010-88

Modified by
Ann. 2011-40, 2011-29 I.R.B. 56

Proposed Regulations:

REG-118761-09

Hearing scheduled by
Ann. 2011-38, 2011-28 I.R.B. 45

Revenue Procedures:

2008-24

Modified and superseded by
Rev. Proc. 2011-38, 2011-30 I.R.B. 66

2008-32

Superseded by
Rev. Proc. 2011-39, 2011-30 I.R.B. 68

Revenue Rulings:

58-225

Obsoleted by
Rev. Rul. 2011-15, 2011-30 I.R.B. 57

¹ A cumulative list of current actions on previously published items in Internal Revenue Bulletins 2011–1 through 2011–26 is in Internal Revenue Bulletin 2011–26, dated June 27, 2011.

INTERNAL REVENUE BULLETIN

The Introduction at the beginning of this issue describes the purpose and content of this publication. The weekly Internal Revenue Bulletin is sold on a yearly subscription basis by the Superintendent of Documents. Current subscribers are notified by the Superintendent of Documents when their subscriptions must be renewed.

CUMULATIVE BULLETINS

The contents of this weekly Bulletin are consolidated semiannually into a permanent, indexed, Cumulative Bulletin. These are sold on a single copy basis and *are not* included as part of the subscription to the Internal Revenue Bulletin. Subscribers to the weekly Bulletin are notified when copies of the Cumulative Bulletin are available. Certain issues of Cumulative Bulletins are out of print and are not available. Persons desiring available Cumulative Bulletins, which are listed on the reverse, may purchase them from the Superintendent of Documents.

ACCESS THE INTERNAL REVENUE BULLETIN ON THE INTERNET

You may view the Internal Revenue Bulletin on the Internet at www.irs.gov. Select Businesses. Under Businesses Topics, select More Topics. Then select Internal Revenue Bulletins.

INTERNAL REVENUE BULLETINS ON CD-ROM

Internal Revenue Bulletins are available annually as part of Publication 1796 (Tax Products CD-ROM). The CD-ROM can be purchased from National Technical Information Service (NTIS) on the Internet at www.irs.gov/cdorders (discount for online orders) or by calling 1-877-233-6767. The first release is available in mid-December and the final release is available in late January.

HOW TO ORDER

Check the publications and/or subscription(s) desired on the reverse, complete the order blank, enclose the proper remittance, detach entire page, and mail to the Superintendent of Documents, P.O. Box 979050, St. Louis, MO 63197-9000. Please allow two to six weeks, plus mailing time, for delivery.

WE WELCOME COMMENTS ABOUT THE INTERNAL REVENUE BULLETIN

If you have comments concerning the format or production of the Internal Revenue Bulletin or suggestions for improving it, we would be pleased to hear from you. You can email us your suggestions or comments through the IRS Internet Home Page (www.irs.gov) or write to the IRS Bulletin Unit, SE:W:CAR:MP:T:T:SP, Washington, DC 20224.

Internal Revenue Service
Washington, DC 20224

Official Business
Penalty for Private Use, \$300