

## **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. 2013-13, page 124.**

Federal rates; adjusted federal rates; adjusted federal long-term rate and the long-term exempt rate. For purposes of sections 382, 642, 1274, 1288, and other sections of the Code, tables set forth the rates for August 2013.

#### **REG-140789-12, page 136.**

Proposed regulations provide rules under section 36B of the Code relating to requirements for Affordable Insurance Exchanges to report information relating to the health insurance premium tax credit, enacted by section 1401 of the Affordable Care Act. Comments requested by September 3, 2013.

#### **Notice 2013-50, page 134.**

2013 Section 43 Inflation Adjustment. This notice announces the inflation adjustment factor and phase-out amount for the enhanced oil recovery credit for taxable years beginning in the 2013 calendar year. The notice concludes that the enhanced oil recovery credit for qualified costs paid or incurred in 2013 is phased out completely. The notice also contains the previously published figures for taxable years beginning in the 1991 through 2012 calendar years.

### **EMPLOYEE PLANS**

#### **Notice 2013-49, page 127.**

This notice provides updated static mortality tables to be used by defined benefit pension plans for purposes of satisfying certain funding and benefit requirements under the Code and the Employee Retirement Income Security Act of 1974 (ERISA). These tables apply for purposes of calculations for valuation dates occurring during calendar years 2014 and 2015. The notice also includes a modified unisex version of the mortality

tables for use in determining the minimum present value for distributions with annuity starting dates that occur during stability periods beginning in calendar years 2014 and 2015. The notice also requests comments by October 8, 2013, regarding the publication of mortality tables for future years.

Actions Relating to Court Decisions is on the page following the Introduction.  
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.

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.

## Actions Relating to Court Decisions

It is the policy of the Internal Revenue Service to announce at an early date whether it will follow the holdings in certain cases. An Action on Decision is the document making such an announcement. An Action on Decision will be issued at the discretion of the Service only on unappealed issues decided adverse to the government. Generally, an Action on Decision is issued where its guidance would be helpful to Service personnel working with the same or similar issues. Unlike a Treasury Regulation or a Revenue Ruling, an Action on Decision is not an affirmative statement of Service position. It is not intended to serve as public guidance and may not be cited as precedent.

Actions on Decisions shall be relied upon within the Service only as conclusions applying the law to the facts in the particular case at the time the Action on Decision was issued. Caution should be exercised in extending the recommendation of the Action on Decision to similar cases where the facts are different. Moreover, the recommendation in the Action on Decision may be superseded by new legislation, regulations, rulings, cases, or Actions on Decisions.

Prior to 1991, the Service published acquiescence or nonacquiescence only in certain regular Tax Court opinions. The Service has expanded its acquiescence program to include other civil tax cases where guidance is determined to be helpful. Accordingly, the Service now may acquiesce or nonacquiesce in the holdings of memorandum Tax Court opinions, as well as those of the United States District Courts, Claims Court, and Circuit Courts of Appeal. Regardless of the court deciding the case, the recommendation of any Action on Decision will be published in the Internal Revenue Bulletin.

The recommendation in every Action on Decision will be summarized as acquiescence, acquiescence in result only, or nonacquiescence. Both “acquiescence” and “acquiescence in result only” mean that the Service accepts the holding of the court in a case and that the Service will follow it in disposing of cases with the same controlling facts. However, “acquiescence” indicates neither approval nor disapproval of the reasons assigned by the court for its conclusions; whereas, “acquiescence in result only” indicates disagreement or concern with some or all

of those reasons. “Nonacquiescence” signifies that, although no further review was sought, the Service does not agree with the holding of the court and, generally, will not follow the decision in disposing of cases involving other taxpayers. In reference to an opinion of a circuit court of appeals, a “nonacquiescence” indicates that the Service will not follow the holding on a nationwide basis. However, the Service will recognize the precedential impact of the opinion on cases arising within the venue of the deciding circuit.

The Commissioner ACQUIESCES in the following decision:

**Karen Marie Wilson v. Commissioner<sup>1</sup>**

705 F.3d 980 (9th Cir. 2013), aff’g T.C. Memo. 2010-134

The Commissioner does NOT ACQUIESCE in the following decision:

**Media Space, Inc. v. Commissioner<sup>2</sup>**

135 T.C. 424 (2010), vacated, 477 Fed. Appx. 857 (2nd Cir. 2012)

<sup>1</sup> **Acquiescence** relating to whether section 6015(e)(1)(A) provides a de novo standard and scope of review in section 6015(f) cases petitioned to the United States Tax Court.

<sup>2</sup> **Nonacquiescence** relating to whether the taxpayer’s forbearance payments to its preferred shareholders were (1) ordinary and necessary business expenses that were not required to be capitalized under section 263(a), (2) not nondeductible distributions to the shareholders under section 301, and (3) not pursuant to a reacquisition or an exchange of stock to which section 162(k) or section 361(c)(1) applied.

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

## Section 42.—Low-Income Housing Credit

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2013. See Rev. Rul. 2013-13, page 124.

## Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of August 2013. See Rev. Rul. 2013-13, page 124.

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

The adjusted applicable federal long-term rate is set forth for the month of August 2013. See Rev. Rul. 2013-13, page 124.

## Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2013. See Rev. Rul. 2013-13, page 124.

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

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2013. See Rev. Rul. 2013-13, page 124.

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

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2013. See Rev. Rul. 2013-13, page 124.

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

Federal short-term, mid-term, and long-term rates are set forth for the month of August 2013. See Rev. Rul. 2013-13, page 124.

## Section 483.—Interest on Certain Deferred Payments

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2013. See Rev. Rul. 2013-13, page 124.

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

Federal short-term, mid-term, and long-term rates are set forth for the month of August 2013. See Rev. Rul. 2013-13, page 124.

## Section 807.—Rules for Certain Reserves

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2013. See Rev. Rul. 2013-13, page 124.

## Section 846.—Discounted Unpaid Losses Defined

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2013. See Rev. Rul. 2013-13, page 124.

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

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

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

382, 642, 1274, 1288, and other sections of the Code, tables set forth the rates for August 2013.

## Rev. Rul. 2013-13

This revenue ruling provides various prescribed rates for federal income tax purposes for August 2013 (the current month). Table 1 contains the short-term, mid-term, and long-term applicable federal rates (AFR) for the current month for purposes of section 1274(d) of the Internal Revenue Code. Table 2 contains the short-term, mid-term, and long-term adjusted applicable federal rates (adjusted AFR) for the current month for purposes of section 1288(b). Table 3 sets forth the adjusted federal long-term rate and the long-term tax-exempt rate described in section 382(f). Table 4 contains the appropriate percentages for determining the low-income housing credit described in section 42(b)(1) for buildings placed in service during the current month. However, under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, with respect to housing credit dollar amount allocations made before January 1, 2014, shall not be less than 9%. Finally, Table 5 contains the federal rate for determining the present value of an annuity, an interest for life or for a term of years, or a remainder or a reversionary interest for purposes of section 7520.

REV. RUL. 2013-13 TABLE 1  
Applicable Federal Rates (AFR) for August 2013

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
AFR	.28%	.28%	.28%	.28%
110% AFR	.31%	.31%	.31%	.31%
120% AFR	.34%	.34%	.34%	.34%
130% AFR	.36%	.36%	.36%	.36%
<i>Mid-term</i>				
AFR	1.63%	1.62%	1.62%	1.61%
110% AFR	1.79%	1.78%	1.78%	1.77%
120% AFR	1.95%	1.94%	1.94%	1.93%
130% AFR	2.12%	2.11%	2.10%	2.10%
150% AFR	2.44%	2.43%	2.42%	2.42%
175% AFR	2.86%	2.84%	2.83%	2.82%
<i>Long-term</i>				
AFR	3.16%	3.14%	3.13%	3.12%
110% AFR	3.48%	3.45%	3.44%	3.43%
120% AFR	3.81%	3.77%	3.75%	3.74%
130% AFR	4.12%	4.08%	4.06%	4.05%

REV. RUL. 2013-13 TABLE 2  
Adjusted AFR for August 2013

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	.28%	.28%	.28%	.28%
Mid-term adjusted AFR	1.61%	1.60%	1.60%	1.59%
Long-term adjusted AFR	3.16%	3.14%	3.13%	3.12%

REV. RUL. 2013-13 TABLE 3  
Rates Under Section 382 for August 2013

Adjusted federal long-term rate for the current month	3.16%
Long-term tax-exempt rate for ownership changes during the current month (the highest of the adjusted federal long-term rates for the current month and the prior two months.)	3.16%

REV. RUL. 2013-13 TABLE 4  
Appropriate Percentages Under Section 42(b)(1) for August 2013

Note: Under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, with respect to housing credit dollar amount allocations made before January 1, 2014, shall not be less than 9%.

Appropriate percentage for the 70% present value low-income housing credit	7.55%
Appropriate percentage for the 30% present value low-income housing credit	3.24%

REV. RUL. 2013-13 TABLE 5  
Rate Under Section 7520 for August 2013

Applicable federal rate for determining the present value of an annuity, an interest for life or a term of years,  
or a remainder or reversionary interest 2.0%

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

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2013. See Rev. Rul. 2013-13, page 124.

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**Section 7520.—Valuation  
Tables**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2013. See Rev. Rul. 2013-13, page 124.

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

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of August 2013. See Rev. Rul. 2013-13, page 124.

# Part III. Administrative, Procedural, and Miscellaneous

## Updated Static Mortality Tables for the Years 2014 and 2015

### Notice 2013-49

This notice provides updated static mortality tables to be used under § 430(h)(3)(A) of the Internal Revenue Code (Code) and § 303(h)(3)(A) of the Employee Retirement Income Security Act of 1974 (ERISA), and requests comments regarding the publication of mortality tables for future years. These tables apply for purposes of calculating the funding target and other items for valuation dates occurring during calendar years 2014 and 2015.

This notice also includes a modified unisex version of the mortality tables for use in determining minimum present value under § 417(e)(3) of the Code and § 205(g)(3) of ERISA for distributions with annuity starting dates that occur during stability periods beginning in the 2014 and 2015 calendar years.

#### BACKGROUND

Section 412 of the Code provides minimum funding requirements that generally apply for defined benefit plans. Section 412(a)(2) provides that § 430 specifies the minimum funding requirements that generally apply to defined benefit plans that are not multiemployer plans. Section 430(a) defines the minimum required contribution for such a plan by reference to the plan's funding target for the plan year.

Section 430(h)(3) provides rules regarding the mortality tables to be used under § 430. Under § 430(h)(3)(A), except as provided in § 430(h)(3)(C) or (D), the Secretary is to prescribe by regulation mortality tables to be used in determining any present value or making any computation under § 430. Those tables are to be based on the actual experience of pension plans and projected trends in that experience. Section 430(h)(3)(B) provides that periodically (at least every 10 years) these mortality tables shall be revised to reflect

the actual experience of pension plans and projected trends in that experience.

Section 430(h)(3)(C) provides that, upon request by a plan sponsor and approval by the Secretary, substitute mortality tables that meet the applicable requirements may be used in lieu of the standard mortality tables provided under § 430(h)(3)(A). Section 430(h)(3)(D) provides for the use of separate mortality tables with respect to certain individuals who are entitled to benefits on account of disability, with separate tables for those whose disabilities occurred in plan years beginning before January 1, 1995, and those whose disabilities occurred in plan years beginning after December 31, 1994. These separate mortality tables are permitted to be used with respect to disabled individuals in lieu of the generally applicable mortality tables provided pursuant to § 430(h)(3)(A) or the substitute mortality tables under § 430(h)(3)(C).

#### *Determination of Minimum Funding Requirements under § 430*

Section 1.430(h)(3)-1 of the regulations provides for mortality tables, based on the tables contained in the RP-2000 Mortality Tables Report,<sup>1</sup> adjusted for mortality improvement using Projection Scale AA as recommended in that report. Section 1.430(h)(3)-1 generally requires the use of separate tables for nonannuitant and annuitant periods for large plans (those with over 500 participants as of the valuation date). Sponsors of small plans (those with 500 or fewer participants as of the valuation date) are permitted to use a combined table that applies the same mortality rates to both annuitants and nonannuitants.

Section 1.430(h)(3)-1 describes the methodology that the IRS will use to establish mortality tables as provided under § 430(h)(3)(A). The mortality tables set forth in § 1.430(h)(3)-1 are based on expected mortality as of 2000 and reflect the impact of expected improvements in mortality. The regulations permit plan sponsors to apply the projection of mortality improvement in either of two ways: through use of static tables that are updated

annually to reflect expected improvements in mortality, or through use of generational tables. The regulations include static mortality tables for use in actuarial valuations as of valuation dates occurring in 2008 and provide that the mortality tables for valuation dates occurring in future years are to be provided in the Internal Revenue Bulletin. Notice 2008-85, 2008-42 IRB 905, sets forth the static mortality tables that apply under § 430(h)(3)(A) for valuation dates during 2009 through 2013.

#### *Application of These Tables for Other Purposes under the Funding Rules*

For a plan for which the effective date of § 430 is delayed pursuant to sections 104 or 105 of the Pension Protection Act of 2006, Public Law 109-280, current liability under § 412(l)(7) must be determined in order to calculate the plan's minimum required contribution. Section 1.412(l)(7)-1(a) provides that for plan years beginning on or after January 1, 2008, the mortality tables described in § 430(h)(3)(A) are to be used to determine current liability under § 412(l)(7) of the Code for nondisabled participants.

Section 1.431(c)(6)-1 provides that the same mortality assumptions that apply for purposes of § 430(h)(3)(A) and § 1.430(h)(3)-1(a)(2) are used to determine a multiemployer plan's current liability for purposes of applying the full-funding rules of § 431(c)(6). For this purpose, a multiemployer plan is permitted to apply either the annually-adjusted static mortality tables or the generational mortality tables.

#### *Application of Mortality Tables for Minimum Present Value Requirements under § 417(e)(3)*

Section 417(e)(3) generally provides that the present value of certain benefits under a qualified pension plan (including single-sum distributions) cannot be less than the present value of the accrued benefit using applicable interest rates and the applicable mortality table. Under § 1.417(e)-1(d), these rules must also be used to compute the present value of a

<sup>1</sup> The RP-2000 Mortality Tables Report was released by the Society of Actuaries in July 2000. Society of Actuaries, RP-2000 Mortality Tables Report, at <http://www.soa.org/Research/Experience-Study/Pension/research-rp-2000-mortality-tables.aspx>.

plan benefit for purposes of determining whether consent for a distribution is required under § 411(a)(11)(A).

Section 417(e)(3)(B) defines the term “applicable mortality table” as the mortality table specified for the plan year under § 430(h)(3)(A) (without regard to § 430(h)(3)(C) or (D)), modified as appropriate by the Secretary.

Rev. Rul. 2007–67, 2007–2 C.B. 1047, provides that, except as otherwise stated in future guidance, the applicable mortality table under § 417(e)(3) for 2008 is based on a fixed blend of 50% of the static male combined mortality rates and 50% of the static female combined mortality rates promulgated under § 1.430(h)(3)–1(c)(3) of the proposed regulations (which have since been issued as final regulations). The applicable mortality table for purposes of § 417(e)(3) is not a generational table. Rev. Rul. 2007–67 also provides that the applicable mortality table for a given year applies to distributions with annuity starting dates that occur during stability periods that begin during that calendar year. Rev. Rul. 2007–67 further states that the § 417(e)(3) applicable mortality table for each subsequent year will be published in future guidance and, except as provided in that future guidance, will be determined from the § 430(h)(3)(A) tables on the same basis as the applicable mortality table for 2008. Notice 2008–85 set forth the § 417(e)(3) applicable mortality tables for distributions with annuity starting dates that occur during stability periods beginning during calendar years 2009 through 2013.

#### STATIC MORTALITY TABLES FOR YEARS 2014 AND 2015

The static mortality tables that apply under § 430(h)(3)(A) for valuation dates during 2014 and 2015 are set forth in the appendix to this notice. The mortality rates in these tables have been developed from the base rates, projection factors, and weighting factors set forth in § 1.430(h)(3)–1, using the blending techniques described in the preamble to those regulations.

The static mortality tables that apply under § 417(e)(3) for distributions with annuity starting dates occurring during sta-

bility periods beginning in 2014 and 2015 are set forth in the appendix to this notice in the column labeled “Unisex.” These tables were derived from the tables used for § 430(h)(3)(A) following the procedures set forth in Rev. Rul. 2007–67.

#### REQUEST FOR COMMENTS

As noted in § 430(h)(3)(B) the IRS and Treasury are required to revise the mortality tables used under § 430(h)(3)(A) at least every 10 years, to reflect the actual mortality experience of pension plans and projected trends in that experience. The IRS and Treasury are aware of a study that is currently being conducted by the Society of Actuaries to measure the actual experience and trends in mortality for participants of uninsured pension plans in the United States and an associated report issued in September 2012.<sup>2</sup> Comments are requested as to whether other studies of actual mortality experience of pension plans and projected trends of that experience are available that should be considered for use in developing mortality tables for future use under § 430(h)(3).

Section 430(h)(3)(D) and Rev. Rul. 96–7, 1996–1 C.B. 59 provide for separate mortality tables for disabled participants whose disabilities occurred in plan years beginning before January 1, 1995, and for those whose disabilities occurred in plan years beginning after December 31, 1994. Comments are requested as to whether it is reasonable to expect that the mortality experience for participants who became disabled before 1995 will continue to be sufficiently substandard so that a separate mortality table is warranted for future use with respect to those disabled participants under § 430(h)(3).

The existing regulations under § 430(h)(3)–1 provided a number of alternative versions of the mortality tables that were simplified in order to accommodate limitations in actuarial software. In developing updated regulations, comments are requested as to:

- Whether actuarial software generally available for use with small pension plans is capable of using separate mortality tables for annuitants and non-annuitants, or whether it is necessary for

the IRS and Treasury to continue publishing combined static mortality tables.

- Whether generally available actuarial software is capable of using mortality tables on a fully generational basis, or whether it is necessary for the IRS and Treasury to continue publishing static mortality tables (taking into account the limitations of duration-based static approximations identified in the Society of Actuaries’ September 2012 report);
- Whether it is expected that generally available actuarial software will be capable of using a two-dimensional mortality projection scale as described in the Society of Actuaries’ September 2012 report (that is, with projected mortality improvement that is a function of both age and year of birth).

Written or electronic comments must be received by October 8, 2013. Send submissions to CC:PA:LPD:PR (Notice 2013–49), Room 5203, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to: CC:PA:LPD:PR (Notice 2013–49), Courier’s Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, comments may be submitted via the Internet at [notice.comments@irs.counsel.treas.gov](mailto:notice.comments@irs.counsel.treas.gov). Please include “Notice 2013–49” in the subject line of any electronic communication. All materials submitted will be available for public inspection and copying.

#### Drafting Information

The principal author of this notice is Carolyn E. Zimmerman of the Employee Plans, Tax Exempt and Government Entities Division. For further information regarding this notice, please contact Ms. Zimmerman at [retirementplanquestions@irs.gov](mailto:retirementplanquestions@irs.gov).

<sup>2</sup> See <http://www.soa.org/files/research/exp-study/research-mortality-improve-bb-report.pdf>, issued in September 2012.



**APPENDIX**

**Mortality tables for**

**Valuation dates occurring during 2014**

**Distributions subject to § 417(e)(3) with annuity starting dates during  
stability periods beginning in 2014**

Age	MALE	MALE	MALE	FEMALE	FEMALE	FEMALE	UNISEX
	2014 Non-Annuitant Table	2014 Annuitant Table	2014 Optional Combined Table for Small Plans	2014 Non-Annuitant Table	2014 Annuitant Table	2014 Optional Combined Table for Small Plans	2014 Table for Distributions Subject to § 417(e)(3)
1	0.000355	0.000355	0.000355	0.000318	0.000318	0.000318	0.000337
2	0.000239	0.000239	0.000239	0.000207	0.000207	0.000207	0.000223
3	0.000199	0.000199	0.000199	0.000155	0.000155	0.000155	0.000177
4	0.000155	0.000155	0.000155	0.000116	0.000116	0.000116	0.000136
5	0.000142	0.000142	0.000142	0.000105	0.000105	0.000105	0.000124
6	0.000136	0.000136	0.000136	0.000098	0.000098	0.000098	0.000117
7	0.000130	0.000130	0.000130	0.000092	0.000092	0.000092	0.000111
8	0.000120	0.000120	0.000120	0.000082	0.000082	0.000082	0.000101
9	0.000116	0.000116	0.000116	0.000078	0.000078	0.000078	0.000097
10	0.000118	0.000118	0.000118	0.000078	0.000078	0.000078	0.000098
11	0.000122	0.000122	0.000122	0.000080	0.000080	0.000080	0.000101
12	0.000127	0.000127	0.000127	0.000082	0.000082	0.000082	0.000105
13	0.000134	0.000134	0.000134	0.000086	0.000086	0.000086	0.000110
14	0.000146	0.000146	0.000146	0.000096	0.000096	0.000096	0.000121
15	0.000154	0.000154	0.000154	0.000106	0.000106	0.000106	0.000130
16	0.000163	0.000163	0.000163	0.000114	0.000114	0.000114	0.000139
17	0.000173	0.000173	0.000173	0.000122	0.000122	0.000122	0.000148
18	0.000181	0.000181	0.000181	0.000125	0.000125	0.000125	0.000153
19	0.000190	0.000190	0.000190	0.000123	0.000123	0.000123	0.000157
20	0.000198	0.000198	0.000198	0.000120	0.000120	0.000120	0.000159
21	0.000211	0.000211	0.000211	0.000117	0.000117	0.000117	0.000164
22	0.000223	0.000223	0.000223	0.000118	0.000118	0.000118	0.000171
23	0.000241	0.000241	0.000241	0.000123	0.000123	0.000123	0.000182
24	0.000257	0.000257	0.000257	0.000130	0.000130	0.000130	0.000194
25	0.000281	0.000281	0.000281	0.000138	0.000138	0.000138	0.000210
26	0.000317	0.000317	0.000317	0.000151	0.000151	0.000151	0.000234
27	0.000330	0.000330	0.000330	0.000157	0.000157	0.000157	0.000244
28	0.000340	0.000340	0.000340	0.000166	0.000166	0.000166	0.000253
29	0.000356	0.000356	0.000356	0.000175	0.000175	0.000175	0.000266
30	0.000384	0.000384	0.000384	0.000197	0.000197	0.000197	0.000291
31	0.000431	0.000431	0.000431	0.000243	0.000243	0.000243	0.000337
32	0.000486	0.000486	0.000486	0.000277	0.000277	0.000277	0.000382
33	0.000546	0.000546	0.000546	0.000303	0.000303	0.000303	0.000425
34	0.000607	0.000607	0.000607	0.000325	0.000325	0.000325	0.000466
35	0.000668	0.000668	0.000668	0.000345	0.000345	0.000345	0.000507
36	0.000727	0.000727	0.000727	0.000362	0.000362	0.000362	0.000545
37	0.000782	0.000782	0.000782	0.000379	0.000379	0.000379	0.000581
38	0.000810	0.000810	0.000810	0.000397	0.000397	0.000397	0.000604
39	0.000833	0.000833	0.000833	0.000418	0.000418	0.000418	0.000626
40	0.000855	0.000855	0.000855	0.000455	0.000455	0.000455	0.000655
41	0.000879	0.000906	0.000879	0.000499	0.000499	0.000499	0.000689
42	0.000908	0.001008	0.000909	0.000550	0.000550	0.000550	0.000730
43	0.000943	0.001161	0.000946	0.000604	0.000604	0.000604	0.000775
44	0.000984	0.001364	0.000991	0.000664	0.000664	0.000664	0.000828
45	0.001032	0.001618	0.001045	0.000704	0.000710	0.000704	0.000875
46	0.001074	0.001923	0.001097	0.000744	0.000802	0.000745	0.000921

Age	MALE	MALE	MALE	FEMALE	FEMALE	FEMALE	UNISEX
	2014 Non-Annuitant Table	2014 Annuitant Table	2014 Optional Combined Table for Small Plans	2014 Non-Annuitant Table	2014 Annuitant Table	2014 Optional Combined Table for Small Plans	2014 Table for Distributions Subject to § 417(e)(3)
47	0.001119	0.002279	0.001156	0.000783	0.000941	0.000787	0.000972
48	0.001165	0.002686	0.001220	0.000847	0.001126	0.000856	0.001038
49	0.001213	0.003144	0.001292	0.000915	0.001357	0.000934	0.001113
50	0.001263	0.003651	0.001371	0.001019	0.001635	0.001050	0.001211
51	0.001312	0.003695	0.001431	0.001136	0.001752	0.001172	0.001302
52	0.001363	0.003693	0.001523	0.001307	0.001969	0.001356	0.001440
53	0.001459	0.003744	0.001677	0.001504	0.002247	0.001574	0.001626
54	0.001565	0.003793	0.001852	0.001734	0.002583	0.001835	0.001844
55	0.001737	0.003947	0.002194	0.002001	0.002983	0.002187	0.002191
56	0.001952	0.004182	0.002660	0.002315	0.003459	0.002642	0.002651
57	0.002207	0.004496	0.003072	0.002603	0.003947	0.003060	0.003066
58	0.002504	0.004914	0.003565	0.002846	0.004429	0.003460	0.003513
59	0.002765	0.005334	0.004046	0.003112	0.004978	0.003926	0.003986
60	0.003056	0.005841	0.004625	0.003399	0.005581	0.004480	0.004553
61	0.003472	0.006553	0.005425	0.003705	0.006228	0.005170	0.005298
62	0.003818	0.007219	0.006234	0.004026	0.006921	0.005936	0.006085
63	0.004300	0.008145	0.007338	0.004357	0.007659	0.006840	0.007089
64	0.004669	0.009012	0.008298	0.004694	0.008456	0.007720	0.008009
65	0.005032	0.009980	0.009402	0.005033	0.009329	0.008707	0.009055
66	0.005542	0.011296	0.010905	0.005367	0.010273	0.009840	0.010373
67	0.005883	0.012505	0.012181	0.005692	0.011287	0.010933	0.011557
68	0.006025	0.013536	0.013265	0.006005	0.012395	0.012090	0.012678
69	0.006318	0.014953	0.014706	0.006303	0.013639	0.013365	0.014036
70	0.006401	0.016167	0.015913	0.006583	0.015069	0.014781	0.015347
71	0.007232	0.017888	0.017639	0.007183	0.016373	0.016093	0.016866
72	0.008895	0.019862	0.019634	0.008383	0.018212	0.017946	0.018790
73	0.011389	0.022123	0.021928	0.010183	0.019820	0.019592	0.020760
74	0.014714	0.024681	0.024526	0.012583	0.021966	0.021776	0.023151
75	0.018870	0.028138	0.028018	0.015583	0.023743	0.023604	0.025811
76	0.023858	0.031362	0.031284	0.019183	0.026160	0.026065	0.028675
77	0.029677	0.035636	0.035590	0.023384	0.029427	0.029365	0.032478
78	0.036327	0.040451	0.040430	0.028185	0.032439	0.032410	0.036420
79	0.043808	0.045920	0.045915	0.033586	0.035813	0.035805	0.040860
80	0.052121	0.052121	0.052121	0.039587	0.039587	0.039587	0.045854
81	0.059584	0.059584	0.059584	0.043815	0.043815	0.043815	0.051700
82	0.067993	0.067993	0.067993	0.048573	0.048573	0.048573	0.058283
83	0.075792	0.075792	0.075792	0.053933	0.053933	0.053933	0.064863
84	0.086094	0.086094	0.086094	0.059983	0.059983	0.059983	0.073039
85	0.095566	0.095566	0.095566	0.068252	0.068252	0.068252	0.081909
86	0.105955	0.105955	0.105955	0.077746	0.077746	0.077746	0.091851
87	0.119892	0.119892	0.119892	0.088560	0.088560	0.088560	0.104226
88	0.135544	0.135544	0.135544	0.098641	0.098641	0.098641	0.117093
89	0.149793	0.149793	0.149793	0.111868	0.111868	0.111868	0.130831
90	0.168603	0.168603	0.168603	0.123630	0.123630	0.123630	0.146117
91	0.183643	0.183643	0.183643	0.135762	0.135762	0.135762	0.159703
92	0.203361	0.203361	0.203361	0.147980	0.147980	0.147980	0.175671
93	0.219375	0.219375	0.219375	0.163416	0.163416	0.163416	0.191396
94	0.235364	0.235364	0.235364	0.175273	0.175273	0.175273	0.205319
95	0.256478	0.256478	0.256478	0.186501	0.186501	0.186501	0.221490
96	0.272216	0.272216	0.272216	0.196923	0.196923	0.196923	0.234570
97	0.287507	0.287507	0.287507	0.210765	0.210765	0.210765	0.249136
98	0.308741	0.308741	0.308741	0.219291	0.219291	0.219291	0.264016
99	0.323342	0.323342	0.323342	0.226576	0.226576	0.226576	0.274959
100	0.337392	0.337392	0.337392	0.232530	0.232530	0.232530	0.284961
101	0.358628	0.358628	0.358628	0.244834	0.244834	0.244834	0.301731
102	0.371685	0.371685	0.371685	0.254498	0.254498	0.254498	0.313092

Age	MALE	MALE	MALE	FEMALE	FEMALE	FEMALE	UNISEX 2014 Table for Distributions Subject to § 417(e)(3)
	2014 Non- Annuitant Table	2014 Annuitant Table	2014 Optional Combined Table for Small Plans	2014 Non- Annuitant Table	2014 Annuitant Table	2014 Optional Combined Table for Small Plans	
103	0.383040	0.383040	0.383040	0.266044	0.266044	0.266044	0.324542
104	0.392003	0.392003	0.392003	0.279055	0.279055	0.279055	0.335529
105	0.397886	0.397886	0.397886	0.293116	0.293116	0.293116	0.345501
106	0.400000	0.400000	0.400000	0.307811	0.307811	0.307811	0.353906
107	0.400000	0.400000	0.400000	0.322725	0.322725	0.322725	0.361363
108	0.400000	0.400000	0.400000	0.337441	0.337441	0.337441	0.368721
109	0.400000	0.400000	0.400000	0.351544	0.351544	0.351544	0.375772
110	0.400000	0.400000	0.400000	0.364617	0.364617	0.364617	0.382309
111	0.400000	0.400000	0.400000	0.376246	0.376246	0.376246	0.388123
112	0.400000	0.400000	0.400000	0.386015	0.386015	0.386015	0.393008
113	0.400000	0.400000	0.400000	0.393507	0.393507	0.393507	0.396754
114	0.400000	0.400000	0.400000	0.398308	0.398308	0.398308	0.399154
115	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000
116	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000
117	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000
118	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000
119	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000
120	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000

**Mortality tables for 2015**

**Valuation dates occurring during 2015**

**Distributions subject to § 417(e)(3) with annuity starting dates during  
stability periods beginning in 2015**

Age	MALE	MALE	MALE	FEMALE	FEMALE	FEMALE	UNISEX 2015 Table for Distributions Subject to § 417(e)(3)
	2015 Non- Annuitant Table	2015 Annuitant Table	2015 Optional Combined Table for Small Plans	2015 Non- Annuitant Table	2015 Annuitant Table	2015 Optional Combined Table for Small Plans	
1	0.000347	0.000347	0.000347	0.000311	0.000311	0.000311	0.000329
2	0.000235	0.000235	0.000235	0.000203	0.000203	0.000203	0.000219
3	0.000195	0.000195	0.000195	0.000152	0.000152	0.000152	0.000174
4	0.000152	0.000152	0.000152	0.000113	0.000113	0.000113	0.000133
5	0.000139	0.000139	0.000139	0.000103	0.000103	0.000103	0.000121
6	0.000133	0.000133	0.000133	0.000096	0.000096	0.000096	0.000115
7	0.000128	0.000128	0.000128	0.000090	0.000090	0.000090	0.000109
8	0.000118	0.000118	0.000118	0.000080	0.000080	0.000080	0.000099
9	0.000114	0.000114	0.000114	0.000076	0.000076	0.000076	0.000095
10	0.000116	0.000116	0.000116	0.000077	0.000077	0.000077	0.000097
11	0.000119	0.000119	0.000119	0.000078	0.000078	0.000078	0.000099
12	0.000124	0.000124	0.000124	0.000081	0.000081	0.000081	0.000103
13	0.000131	0.000131	0.000131	0.000085	0.000085	0.000085	0.000108
14	0.000143	0.000143	0.000143	0.000094	0.000094	0.000094	0.000119
15	0.000151	0.000151	0.000151	0.000105	0.000105	0.000105	0.000128
16	0.000160	0.000160	0.000160	0.000112	0.000112	0.000112	0.000136
17	0.000169	0.000169	0.000169	0.000121	0.000121	0.000121	0.000145
18	0.000178	0.000178	0.000178	0.000123	0.000123	0.000123	0.000151
19	0.000186	0.000186	0.000186	0.000121	0.000121	0.000121	0.000154
20	0.000194	0.000194	0.000194	0.000118	0.000118	0.000118	0.000156

Age	MALE	MALE	MALE	FEMALE	FEMALE	FEMALE	UNISEX
	2015 Non-Annuitant Table	2015 Annuitant Table	2015 Optional Combined Table for Small Plans	2015 Non-Annuitant Table	2015 Annuitant Table	2015 Optional Combined Table for Small Plans	2015 Table for Distributions Subject to § 417(e)(3)
21	0.000207	0.000207	0.000207	0.000115	0.000115	0.000115	0.000161
22	0.000219	0.000219	0.000219	0.000116	0.000116	0.000116	0.000168
23	0.000237	0.000237	0.000237	0.000121	0.000121	0.000121	0.000179
24	0.000254	0.000254	0.000254	0.000128	0.000128	0.000128	0.000191
25	0.000278	0.000278	0.000278	0.000136	0.000136	0.000136	0.000207
26	0.000316	0.000316	0.000316	0.000149	0.000149	0.000149	0.000233
27	0.000329	0.000329	0.000329	0.000155	0.000155	0.000155	0.000242
28	0.000338	0.000338	0.000338	0.000164	0.000164	0.000164	0.000251
29	0.000354	0.000354	0.000354	0.000173	0.000173	0.000173	0.000264
30	0.000382	0.000382	0.000382	0.000195	0.000195	0.000195	0.000289
31	0.000429	0.000429	0.000429	0.000241	0.000241	0.000241	0.000335
32	0.000484	0.000484	0.000484	0.000275	0.000275	0.000275	0.000380
33	0.000543	0.000543	0.000543	0.000300	0.000300	0.000300	0.000422
34	0.000604	0.000604	0.000604	0.000322	0.000322	0.000322	0.000463
35	0.000665	0.000665	0.000665	0.000341	0.000341	0.000341	0.000503
36	0.000724	0.000724	0.000724	0.000358	0.000358	0.000358	0.000541
37	0.000778	0.000778	0.000778	0.000374	0.000374	0.000374	0.000576
38	0.000805	0.000805	0.000805	0.000392	0.000392	0.000392	0.000599
39	0.000827	0.000827	0.000827	0.000412	0.000412	0.000412	0.000620
40	0.000848	0.000848	0.000848	0.000449	0.000449	0.000449	0.000649
41	0.000871	0.000898	0.000871	0.000492	0.000492	0.000492	0.000682
42	0.000899	0.000998	0.000900	0.000541	0.000541	0.000541	0.000721
43	0.000932	0.001147	0.000935	0.000595	0.000595	0.000595	0.000765
44	0.000973	0.001346	0.000980	0.000654	0.000654	0.000654	0.000817
45	0.001018	0.001595	0.001031	0.000693	0.000699	0.000693	0.000862
46	0.001059	0.001894	0.001082	0.000731	0.000790	0.000732	0.000907
47	0.001102	0.002242	0.001138	0.000769	0.000926	0.000773	0.000956
48	0.001146	0.002640	0.001200	0.000832	0.001108	0.000841	0.001021
49	0.001193	0.003088	0.001270	0.000899	0.001335	0.000917	0.001094
50	0.001240	0.003586	0.001346	0.001002	0.001607	0.001032	0.001189
51	0.001287	0.003625	0.001403	0.001118	0.001724	0.001154	0.001279
52	0.001335	0.003619	0.001492	0.001289	0.001941	0.001338	0.001415
53	0.001430	0.003669	0.001643	0.001486	0.002220	0.001556	0.001600
54	0.001534	0.003717	0.001815	0.001717	0.002557	0.001817	0.001816
55	0.001704	0.003872	0.002152	0.001985	0.002959	0.002170	0.002161
56	0.001917	0.004107	0.002612	0.002301	0.003438	0.002626	0.002619
57	0.002169	0.004419	0.003020	0.002590	0.003927	0.003045	0.003033
58	0.002464	0.004835	0.003507	0.002832	0.004407	0.003443	0.003475
59	0.002721	0.005249	0.003981	0.003097	0.004953	0.003906	0.003944
60	0.003007	0.005748	0.004551	0.003382	0.005553	0.004458	0.004505
61	0.003420	0.006455	0.005344	0.003687	0.006197	0.005144	0.005244
62	0.003761	0.007110	0.006140	0.004006	0.006886	0.005906	0.006023
63	0.004240	0.008031	0.007236	0.004335	0.007621	0.006806	0.007021
64	0.004604	0.008886	0.008182	0.004671	0.008414	0.007681	0.007932
65	0.004961	0.009840	0.009270	0.005008	0.009282	0.008663	0.008967
66	0.005469	0.011149	0.010763	0.005340	0.010221	0.009790	0.010277
67	0.005806	0.012343	0.012023	0.005664	0.011231	0.010879	0.011451
68	0.005941	0.013346	0.013079	0.005975	0.012333	0.012030	0.012555
69	0.006230	0.014743	0.014500	0.006271	0.013571	0.013299	0.013900
70	0.006305	0.015925	0.015675	0.006550	0.014994	0.014708	0.015192
71	0.007129	0.017620	0.017375	0.007146	0.016275	0.015997	0.016686
72	0.008776	0.019564	0.019340	0.008337	0.018102	0.017837	0.018589
73	0.011247	0.021791	0.021599	0.010124	0.019681	0.019454	0.020527
74	0.014541	0.024311	0.024159	0.012506	0.021813	0.021624	0.022892
75	0.018659	0.027744	0.027626	0.015484	0.023554	0.023417	0.025522
76	0.023600	0.030923	0.030847	0.019058	0.025950	0.025856	0.028352

Age	MALE	MALE	MALE	FEMALE	FEMALE	FEMALE	UNISEX
	2015 Non-Annuitant Table	2015 Annuitant Table	2015 Optional Combined Table for Small Plans	2015 Non-Annuitant Table	2015 Annuitant Table	2015 Optional Combined Table for Small Plans	2015 Table for Distributions Subject to § 417(e)(3)
77	0.029365	0.035173	0.035128	0.023227	0.029221	0.029160	0.032144
78	0.035953	0.039965	0.039944	0.027992	0.032212	0.032183	0.036064
79	0.043365	0.045415	0.045410	0.033353	0.035563	0.035555	0.040483
80	0.051599	0.051599	0.051599	0.039309	0.039309	0.039309	0.045454
81	0.059047	0.059047	0.059047	0.043509	0.043509	0.043509	0.051278
82	0.067449	0.067449	0.067449	0.048233	0.048233	0.048233	0.057841
83	0.075186	0.075186	0.075186	0.053556	0.053556	0.053556	0.064371
84	0.085491	0.085491	0.085491	0.059563	0.059563	0.059563	0.072527
85	0.094897	0.094897	0.094897	0.067842	0.067842	0.067842	0.081370
86	0.105213	0.105213	0.105213	0.077357	0.077357	0.077357	0.091285
87	0.119173	0.119173	0.119173	0.088206	0.088206	0.088206	0.103690
88	0.134866	0.134866	0.134866	0.098247	0.098247	0.098247	0.116557
89	0.149044	0.149044	0.149044	0.111533	0.111533	0.111533	0.130289
90	0.167928	0.167928	0.167928	0.123259	0.123259	0.123259	0.145594
91	0.182908	0.182908	0.182908	0.135355	0.135355	0.135355	0.159132
92	0.202751	0.202751	0.202751	0.147536	0.147536	0.147536	0.175144
93	0.218717	0.218717	0.218717	0.163089	0.163089	0.163089	0.190903
94	0.234658	0.234658	0.234658	0.174923	0.174923	0.174923	0.204791
95	0.255965	0.255965	0.255965	0.186128	0.186128	0.186128	0.221047
96	0.271672	0.271672	0.271672	0.196530	0.196530	0.196530	0.234101
97	0.286932	0.286932	0.286932	0.210554	0.210554	0.210554	0.248743
98	0.308432	0.308432	0.308432	0.219072	0.219072	0.219072	0.263752
99	0.323018	0.323018	0.323018	0.226350	0.226350	0.226350	0.274684
100	0.337055	0.337055	0.337055	0.232297	0.232297	0.232297	0.284676
101	0.358628	0.358628	0.358628	0.244834	0.244834	0.244834	0.301731
102	0.371685	0.371685	0.371685	0.254498	0.254498	0.254498	0.313092
103	0.383040	0.383040	0.383040	0.266044	0.266044	0.266044	0.324542
104	0.392003	0.392003	0.392003	0.279055	0.279055	0.279055	0.335529
105	0.397886	0.397886	0.397886	0.293116	0.293116	0.293116	0.345501
106	0.400000	0.400000	0.400000	0.307811	0.307811	0.307811	0.353906
107	0.400000	0.400000	0.400000	0.322725	0.322725	0.322725	0.361363
108	0.400000	0.400000	0.400000	0.337441	0.337441	0.337441	0.368721
109	0.400000	0.400000	0.400000	0.351544	0.351544	0.351544	0.375772
110	0.400000	0.400000	0.400000	0.364617	0.364617	0.364617	0.382309
111	0.400000	0.400000	0.400000	0.376246	0.376246	0.376246	0.388123
112	0.400000	0.400000	0.400000	0.386015	0.386015	0.386015	0.393008
113	0.400000	0.400000	0.400000	0.393507	0.393507	0.393507	0.396754
114	0.400000	0.400000	0.400000	0.398308	0.398308	0.398308	0.399154
115	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000
116	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000
117	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000
118	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000
119	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000	0.400000
120	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000

## 2013 Section 43 Inflation Adjustment

### Notice 2013-50

Section 43(b)(3)(B) of the Internal Revenue Code requires the Secretary to publish an inflation adjustment factor. The enhanced oil recovery credit under § 43 for any taxable year is reduced if the “reference price,” determined under § 45K(d)(2)(C), for the calendar year preceding the calendar year in which the

taxable year begins is greater than \$28 multiplied by the inflation adjustment factor for that year. The credit is phased out in any taxable year in which the reference price for the preceding calendar year exceeds \$28 (as adjusted) by at least \$6.

The term “inflation adjustment factor” means, with respect to any calendar year, a fraction the numerator of which is the GNP implicit price deflator for the preceding calendar year and the denominator of which is the GNP implicit price deflator for 1990.

Because the reference price for the 2012 calendar year (\$94.53) exceeds \$28 multiplied by the inflation adjustment factor for the 2012 calendar year (\$28 multiplied by 1.5968 = \$44.71) by \$49.82, the enhanced oil recovery credit for qualified costs paid or incurred in 2013 is phased out completely.

Table 1 contains the GNP implicit price deflator used for the 2013 calendar year, as well as the previously published GNP implicit price deflators used for the 1991 through 2012 calendar years.

<u>Calendar Year</u>	<u>GNP Implicit Price Deflator</u>
1990	112.9 (used for 1991)
1991	117.0 (used for 1992)
1992	120.9 (used for 1993)
1993	124.1 (used for 1994)
1994	126.0 (used for 1995)*
1995	107.5 (used for 1996)
1996	109.7 (used for 1997)**
1997	112.35 (used for 1998)
1998	112.64 (used for 1999)***
1999	104.59 (used for 2000)
2000	106.89 (used for 2001)
2001	109.31 (used for 2002)
2002	110.63 (used for 2003)
2003	105.67 (used for 2004)****
2004	108.23 (used for 2005)
2005	112.129 (used for 2006)
2006	116.036 (used for 2007)
2007	119.656 (used for 2008)
2008	122.407 (used for 2009)
2009	109.764 (used for 2010)*****
2010	110.654 (used for 2011)
2011	113.347 (used for 2012)*****
2012	115.387 (used for 2013)

\* Beginning in 1995, the GNP implicit price deflator was rebased relative to 1992. The 1990 GNP implicit price deflator used to compute the 1996 § 43 inflation adjustment factor is 93.6.

\*\* Beginning in 1997, two digits follow the decimal point in the GNP implicit price deflator. The 1990 GNP price deflator used to compute the 1998 § 43 inflation adjustment factor is 93.63.

\*\*\* Beginning in 1999, the GNP implicit price deflator was rebased relative to 1996. The 1990 GNP implicit price deflator used to compute the 2000 § 43 inflation adjustment factor is 86.53.

\*\*\*\* Beginning in 2003, the GNP implicit price deflator was rebased, and the 1990 GNP implicit price deflator used to compute the 2004 § 43 inflation adjustment factor is 81.589.

\*\*\*\*\* Beginning in 2009, the GNP implicit price deflator was rebased, and the 1990 GNP implicit price deflator used to compute the 2010 § 43 inflation adjustment factor is 72.199.

\*\*\*\*\* Beginning in 2011, the 1990 GNP implicit price deflator used to compute the 2012 § 43 inflation adjustment factor is 72.260.

Table 2 contains the inflation adjustment factor and the phase-out amount for taxable years beginning in the 2013 calendar year as well as the previously published inflation adjustment factors and phase-out amounts for taxable years beginning in the 1991 through 2012 calendar years.

Notice 2013-50 TABLE 2

INFLATION ADJUSTMENT FACTORS AND PHASE-OUT AMOUNTS

<u>Calendar Year</u>	<u>Inflation Adjustment Factor</u>	<u>Phase-out Amount</u>
1991	1.0000	0
1992	1.0363	0
1993	1.0708	0
1994	1.0992	0
1995	1.1160	0
1996	1.1485	0
1997	1.1720	0
1998	1.1999	0
1999	1.2030	0
2000	1.2087	0
2001	1.2353	0
2002	1.2633	0
2003	1.2785	0
2004	1.2952	0
2005	1.3266	0
2006	1.3743	100 percent
2007	1.4222	100 percent
2008	1.4666	100 percent
2009	1.5003	100 percent
2010	1.5203	100 percent
2011	1.5326	100 percent
2012	1.5686	100 percent
2013	1.5968	100 percent

DRAFTING INFORMATION

The principal author of this notice is Brian J. Americus of the Office of

Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this notice, contact

Mr. Americus at (202) 622-3110 (not a toll-free call).

## Part IV. Items of General Interest

### Notice of Proposed Rulemaking

#### Information Reporting for Affordable Insurance Exchanges

##### REG-140789-12

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations relating to requirements for Affordable Insurance Exchanges (Exchanges) to report information relating to the health insurance premium tax credit enacted by the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010. These proposed regulations affect Exchanges that make qualified health plans available to individuals and employers.

DATES: Written (including electronic) comments and requests for a public hearing must be received by September 3, 2013.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-140789-12), Room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-140789-12), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC, or sent electronically via the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov) (IRS REG-140789-12).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Arvind Ravichandran, (202) 622-4920; concerning the submission of comments, and/or requests for a public hearing, Oluwafunmilayo Taylor, (202) 622-7180 (not toll-free calls).

#### SUPPLEMENTARY INFORMATION:

##### Paperwork Reduction Act

The collection of information contained in this notice of proposed rulemaking is covered under OMB Control Number 1545-2232 and will be submitted to the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). Comments on the collection of information should be sent to the **Office of Management and Budget**, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the **Internal Revenue Service**, Attn: IRS Reports Clearance Officer, SE:W:CAR:MP:T:T:SP, Washington, DC 20224. Comments on the collection of information should be received by September 3, 2013. Comments are specifically requested concerning:

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

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

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

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

The collection of information in these proposed regulations is in §1.36B-5 and will be reported on Form 1095-A. The collection of information is necessary to compute the premium tax credit and to reconcile the amount of the premium tax credit with advance credit payments made under section 1412 of the Patient Protection and Affordable Care Act (42 U.S.C. 18082). The collection of information is required to comply with the provisions of section 36B(f)(3) of the Internal Revenue Code (Code). The likely respondents are Exchanges established under section 1311

or 1321 of the Patient Protection and Affordable Care Act (42 U.S.C. 13031 or 42 U.S.C. 18041).

The estimated total annual reporting burden is 12,060 hours. The estimated annual burden per respondent is 670 hours and the estimated number of respondent is 18.

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

##### Background

Beginning in 2014, under the Patient Protection and Affordable Care Act, Public Law 111-148 (124 Stat. 119 (2010)), and the Health Care and Education Reconciliation Act of 2010, Public Law 111-152 (124 Stat. 1029 (2010)) (collectively, the Affordable Care Act), individuals and small businesses will be able to purchase private health insurance through competitive marketplaces called Exchanges (also called Health Insurance Marketplaces). Section 1401 of the Affordable Care Act enacted section 36B, allowing a refundable premium tax credit to help individuals and families afford health insurance purchased through an Exchange. The section 36B credit makes health insurance affordable by reducing a taxpayer's out-of-pocket premium cost.

Under section 1411 of the Affordable Care Act (42 U.S.C. 18081), an Exchange makes an advance determination of credit eligibility for individuals enrolling in coverage through the Exchange and seeking financial assistance. Using information available at the time of enrollment, the Exchange determines (1) whether the individual meets the income and other requirements for advance credit payments, and (2) the amount of the advance payments. Advance credit payments are made monthly under section 1412 of the Affordable Care Act (42 U.S.C. 18082) to the issuer of the qualified health plan in which the individual enrolls.

Under section 36B(f)(1), taxpayers who receive advance credit payments must reconcile the amount of the advance payment with the amount of the premium tax credit computed on the taxpayer's in-



come tax return. A taxpayer who receives excess advance payments must treat the excess amount as additional tax under section 36B(f)(2). Taxpayers whose credit amount exceeds the amount of advance payments for the taxable year may receive the excess as additional credit. Taxpayers who do not seek advance credit payments also may claim the premium tax credit on the income tax return.

Section 36B(f)(3) directs Exchanges to report to the IRS and to taxpayers certain information required to reconcile the premium tax credit with advance credit payments and to administer the premium tax credit generally. The required information relates to the enrollment of a taxpayer and taxpayer's family in a qualified health plan through the Exchange and includes (1) the level of coverage, (2) identifying information for the primary insured and each enrollee, (3) the amount of premiums and advance credit payments for the coverage, (4) information (concerning, for example, a change in circumstances) provided to the Exchange necessary to determine eligibility for and the amount of the credit, and (5) other information necessary to determine if a taxpayer has received the appropriate advance credit payments.

Final regulations under section 36B (TD 9590) were issued on May 23, 2012 (77 FR 30377). Section 1.36B-5 identifies the information (primarily based on the statutory language) that Exchanges must report to the IRS and taxpayers and indicates that the time and manner requirements for reporting this information would be provided in subsequent guidance. Accordingly, these proposed regulations amend §1.36B-5, propose detailed rules for information reporting by Exchanges, and describe specific information that has been identified since publication of the final regulations that is necessary for efficient tax administration.

## **Explanation of Provisions**

### **1. Information Reporting to the IRS**

#### **a. Information required to be reported**

The proposed regulations require Exchanges to report information concerning individuals enrolled in qualified health plans, including the monthly amount of advance credit payments, if any. Consistent with the statute, the proposed regulations

require Exchanges to report taxpayer identification numbers. It is anticipated that Exchanges will report only Social Security numbers and provide an individual's date of birth if a Social Security number is not available.

#### **b. Time and manner of reporting**

The proposed regulations require Exchanges to report the specified information for each qualified health plan electronically to the IRS on an annual and, to facilitate efficient tax administration, a monthly basis, and specify the information that must be reported in each category. Under the proposed regulations, Exchanges must make a monthly report to the IRS on or before the fifteenth day of the month following the month of coverage. The information reported monthly will be cumulative, containing monthly data for each month beginning with January through the most recent completed month. For example, information reported in September will contain information for each month from January through August. The annual report for the calendar year must be made on or before January 31 of the year following the year of coverage. Information for more than one tax household will be on the same annual report if the individuals enroll in one qualified health plan.

### **2. Statements Furnished to Taxpayers or Responsible Adults**

The proposed regulations direct Exchanges to furnish to each taxpayer or responsible adult who enrolled, or whose family member enrolled, in a qualified health plan through the Exchange a written statement that includes the information the Exchange must report to the IRS annually. Exchanges may use Form 1095-A for this statement and must furnish the statement on or before January 31 of the year following the calendar year of coverage.

Section 36B(f)(3) and the proposed regulations require that Exchanges furnish statements only to the individual identified to the Exchange as the taxpayer or the responsible adult. Section 36B information reporting may be included in the IRS truncated taxpayer identification number program, see proposed regulations at 78 FR 913 (January 7, 2013). Comments are requested on whether and under what circumstances Exchanges should furnish

a statement to another individual (who may, for example, require the statement to determine tax liability).

The proposed regulations permit electronic delivery of statements to the taxpayer or responsible adult if the taxpayer or responsible adult consents.

The IRS plans to make educational materials available to taxpayers to explain the multiple statements taxpayers may receive under sections 6055, 6056, and 36B.

## **Effective/Applicability Date**

These regulations are proposed to apply for taxable years ending after December 31, 2013. Exchanges and taxpayers may apply these proposed regulations until publication of final regulations or other guidance. The need for additional transition relief will be considered at that time.

## **Special Analyses**

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866, as supplemented by Executive Order 13563. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and, because the regulations do not impose a collection of information requirement on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Code, this notice of proposed rulemaking has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

## **Comments and Requests for Public Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in this preamble under the "Addresses" heading. The Treasury Department and the IRS request comments on all aspects of the proposed rules. All comments will be available at [www.regulations.gov](http://www.regulations.gov) or upon request. A public hearing will be scheduled if requested in writing by any person who timely submits written comments. If

a public hearing is scheduled, notice of the date, time and place for the hearing will be published in the **Federal Register**.

### Drafting Information

The principal authors of these proposed regulations are Shareen S. Pflanz and Stephen J. Toomey of the Office of Associate Chief Counsel (Income Tax and Accounting). However, other personnel from the IRS and the Treasury Department participated in the development of the regulations.

\* \* \* \* \*

### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

#### PART 1—INCOME TAXES

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

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

Section 1.36B-0 also issued under 26 U.S.C. 36B(g).

Section 1.36B-5 also issued under 26 U.S.C. 36B(g).

Par. 2. Section 1.36B-0 is amended by revising the entries for §1.36B-5 to read as follows:

#### §1.36B-0 Table of Contents

\* \* \* \* \*

#### §1.36B-5 Information reporting by Exchanges.

- (a) In general.
- (b) Information required to be reported.
  - (1) Information reported annually.
  - (2) Information reported monthly.
- (c) Alternative to reporting applicable benchmark plan.
- (d) Electronic filing.
- (e) Annual statement to be furnished to taxpayer.
  - (1) In general.
  - (2) Form of the statement.
  - (3) Time and manner for furnishing statements.
- (f) Electronic furnishing of statements.
  - (1) In general.
  - (2) Consent.

- (i) In general.
- (ii) Withdrawal of consent.
- (iii) Change in hardware or software requirements.
  - (iv) Examples.
- (3) Required disclosures.
  - (i) In general.
  - (ii) Paper statement.
  - (iii) Scope and duration of consent.
  - (iv) Post-consent request for a paper statement.
  - (v) Withdrawal of consent.
  - (vi) Notice of termination.
  - (vii) Updating information.
  - (viii) Hardware and software requirements.
- (4) Format.
- (5) Notice.
  - (i) In general.
  - (ii) Undeliverable electronic address.
  - (iii) Corrected statement.
- (6) Access period.
- (7) Paper statements after withdrawal of consent.
  - (g) Effective/applicability date.

Par. 3. Section 1.36B-5 is revised to read as follows:

#### §1.36B-5 Information reporting by Exchanges.

(a) *In general.* An Exchange must report to the Internal Revenue Service (IRS) information required by section 36B(f)(3) and this section relating to the qualified health plans in which individuals enroll.

(b) *Information required to be reported—(1) Information reported annually.* An Exchange must report to the Internal Revenue Service on or before January 31 of the year following the calendar year of coverage the following information for each qualified health plan in which an individual or a member of the individual's family enrolls through the Exchange—

(i) The name, address, and taxpayer identification number (TIN), or date of birth if a TIN is not available, of an individual enrolling, or enrolling a family member, in coverage and approved for advance credit payments (taxpayer), and the name and TIN of the individual's spouse, if applicable;

(ii) The name, address, and TIN, or date of birth if a TIN is not available, of an adult enrolling in coverage or enrolling one or more members of a family in coverage and either not requesting or not approved

for advance credit payments (responsible adult);

(iii) The name and TIN, or date of birth if a TIN is not available, and dates of coverage for each individual covered under the plan;

(iv) The monthly premium for the applicable benchmark plan used to compute advance credit payments;

(v) For a responsible adult, the premium for the applicable benchmark plan that would apply to the individuals enrolled in a qualified health plan;

(vi) The monthly premium for the plan or plans in which a taxpayer, responsible adult, or family member enrolls, without reduction for advance credit payments, including the amount of premiums for a stand-alone dental plan allocated to pediatric dental benefits;

(vii) The amount of the advance credit payments made on a taxpayer's behalf each month;

(viii) The name of the qualified health plan issuer and the issuer's employer identification number (EIN);

(ix) The qualified health plan policy number;

(x) The Exchange's unique identifier; and

(xi) Any other information specified by forms or instructions or in published guidance, see §601.601(d) of this chapter.

(2) *Information reported monthly.* For each calendar month, an Exchange must report to the Internal Revenue Service, on or before the fifteenth day following each month of coverage, the information described in paragraph (b)(1) of this section and the following information—

(i) Whether the individuals enrolled in the qualified health plan are the taxpayer's dependents;

(ii) Information on employment (to the extent this information is provided to the Exchange) consisting of—

(A) The name, address, and EIN of each employer of the taxpayer, taxpayer's spouse, and each individual covered by the qualified health plan or plans; and

(B) An indication of whether an employer offered minimum essential coverage, and, if so, the amount of the employee's required contribution for self-only coverage and the Exchange's determination of whether the employer coverage was affordable and provided minimum value;

(iii) The unique number that identifies the specific account of the taxpayer or responsible individual to enable data association from month to month;

(iv) The name and TIN, or date of birth if a TIN is not available, of each individual for whom the Exchange has granted an exemption from coverage under section 5000A(e) and the related regulations, the months for which the exemption is in effect, and the exemption certificate number; and

(v) Any other information specified by forms or instructions or in published guidance, see §601.601(d) of this chapter.

(c) *Alternative to reporting applicable benchmark plan.* An Exchange satisfies the requirement in paragraph (b)(1)(v) of this section if, on or before January 1 of each year after 2014, the Exchange provides a reasonable method that any individual may use to determine the premium for the applicable benchmark plan that applies to the individual's coverage family for the prior calendar year for purposes of determining the individual's premium tax credit.

(d) *Electronic filing.* An Exchange must submit the reports to the IRS required under this section in electronic format. The information reported monthly will be submitted to the IRS through the Department of Health and Human Services.

(e) *Annual statement to be furnished to taxpayer—(1) In general.* An Exchange must furnish to each taxpayer or responsible adult who enrolled, or whose family member enrolled, in a qualified health plan through the Exchange a written statement showing—

(i) The name and address of the taxpayer or responsible adult; and

(ii) The information described in paragraph (b)(1) of this section for the previous calendar year.

(2) *Form of the statement.* A statement required under this paragraph (e) may be made by furnishing to the taxpayer or responsible adult identified in the annual report a copy of the report filed with the IRS or on a substitute statement. A substitute statement must include the information required to be shown on the report filed with the IRS and must comply with requirements in published guidance (see §601.601(d)(2) of this chapter) relating to substitute statements. An IRS truncated taxpayer identifying number may be used

as the identifying number for an individual in lieu of the identifying number appearing on the corresponding information report filed with the IRS.

(3) *Time and manner for furnishing statements.* An Exchange must furnish the statements required under this paragraph (e) on or before January 31 of the year following the calendar year of coverage. If mailed, the statement must be sent to the taxpayer's or responsible person's last known permanent address or, if no permanent address is known, to the taxpayer's or responsible person's temporary address. An Exchange may furnish the statement electronically in accordance with paragraph (f) of this section.

(f) *Electronic furnishing of statements—(1) In general.* An Exchange required to furnish a statement under paragraph (e) of this section may furnish the statement to the taxpayer or responsible adult (recipient) in an electronic format in lieu of a paper format. An Exchange that meets the requirements of paragraphs (f)(2) through (f)(7) of this section is treated as furnishing the statement in a timely manner.

(2) *Consent—(i) In general.* A recipient must have affirmatively consented to receive the statement in an electronic format. The consent may be made electronically in any manner that reasonably demonstrates that the recipient is able to access the statement in the electronic format in which it will be furnished. Alternatively, the consent may be made in a paper document that is confirmed electronically.

(ii) *Withdrawal of consent.* An Exchange may provide that the withdrawal of consent takes effect either on the date the Exchange receives it or on another date no more than 60 days later. The Exchange may provide that a request by the recipient for a paper statement will be treated as a withdrawal of consent to receive the statement in an electronic format. If the Exchange furnishes a statement after the withdrawal of consent takes effect, the recipient has not consented to receive the statement in electronic format.

(iii) *Change in hardware or software requirements.* If a change in the hardware or software required to access the statement creates a material risk that a recipient will not be able to access a statement, an Exchange must, prior to changing the

hardware or software, notify the recipient. The notice must describe the revised hardware and software required to access the statement and inform the recipient that a new consent to receive the statement in the revised electronic format must be provided to the Exchange. After implementing the revised hardware and software, the Exchange must obtain a new consent or confirmation of consent from the recipient to receive the statement electronically.

(iv) *Examples.* The following examples illustrate the rules of this paragraph (f)(2):

*Example 1.* Furnisher F sends Recipient R a letter stating that R may consent to receive the statement required under section 36B electronically on a web site instead of in a paper format. The letter contains instructions explaining how to consent to receive the statement electronically by accessing the web site, downloading and completing the consent document, and e-mailing the completed consent to F. The consent document posted on the web site uses the same electronic format that F will use for the electronically furnished statement. R reads the instructions and submits the consent in the manner provided in the instructions. R has consented to receive the statement required under section 36B electronically in the manner described in paragraph (f)(2)(i) of this section.

*Example 2.* Furnisher F sends Recipient R an e-mail stating that R may consent to receive the statement required under section 36B electronically instead of in a paper format. The e-mail contains an attachment instructing R how to consent to receive the statement required under section 36B electronically. The e-mail attachment uses the same electronic format that F will use for the electronically furnished statement. R opens the attachment, reads the instructions, and submits the consent in the manner provided in the instructions. R has consented to receive the statement required under section 36B electronically in the manner described in paragraph (f)(2)(i) of this section.

*Example 3.* Furnisher F posts a notice on its web site stating that Recipient R may receive the statement required under section 36B electronically instead of in a paper format. The web site contains instructions on how R may access a secure web page and consent to receive the statements electronically. R accesses the secure web page and follows the instructions for giving consent. R has consented to receive the statement required under section 36B electronically in the manner described in paragraph (f)(2)(i) of this section.

(3) *Required disclosures—(i) In general.* Prior to, or at the time of, an individual's consent, an Exchange must provide to the individual a clear and conspicuous disclosure statement containing each of the disclosures described in paragraphs (f)(3)(ii) through (viii) of this section.

(ii) *Paper statement.* An Exchange must inform the recipient that the statement will be furnished on paper if the

recipient does not consent to receive it electronically.

(iii) *Scope and duration of consent.* An Exchange must inform the recipient of the scope and duration of the consent. For example, the Exchange must inform the recipient whether the consent applies to each statement required to be furnished after the consent is given until it is withdrawn or only to the first statement required to be furnished following the consent.

(iv) *Post-consent request for a paper statement.* An Exchange must inform the recipient of any procedure for obtaining a paper copy of the recipient's statement after giving the consent described in paragraph (f)(2)(i) of this section and whether a request for a paper statement will be treated as a withdrawal of consent.

(v) *Withdrawal of consent.* An Exchange must inform the recipient that—

(A) The recipient may withdraw consent by writing (electronically or on paper) to the person or department whose name, mailing address, telephone number, and e-mail address is provided in the disclosure statement;

(B) An Exchange will confirm the withdrawal and the date on which it takes effect in writing (either electronically or on paper); and

(C) A withdrawal of consent does not apply to a statement that was furnished electronically in the manner described in this paragraph (f) before the date on which the withdrawal of consent takes effect.

(vi) *Notice of termination.* An Exchange must inform the recipient of the conditions under which the Exchange will cease furnishing statements electronically to the recipient.

(vii) *Updating information.* An Exchange must inform the recipient of the procedures for updating the information needed to contact the recipient and notify the recipient of any change in the Exchange's contact information.

(viii) *Hardware and software requirements.* An Exchange must provide the recipient with a description of the hardware and software required to access, print, and retain the statement, and the date when the statement will no longer be available on the web site. The Exchange must advise the recipient that the statement may be required to be printed and attached to a Federal, State, or local income tax return.

(4) *Format.* The electronic version of the statement must contain all required information and comply with applicable published guidance (see §601.601(d) of this chapter) relating to substitute statements to recipients.

(5) *Notice—(i) In general.* If a statement is furnished on a web site, the Exchange must notify the recipient. The notice may be delivered by mail, electronic mail, or in person. The notice must provide instructions on how to access and print the statement and include the following statement in capital letters, "IMPORTANT TAX RETURN DOCUMENT AVAILABLE." If the notice is provided by electronic mail, this statement must be on the subject line of the electronic mail.

(ii) *Undeliverable electronic address.* If an electronic notice described in paragraph (f)(5)(i) of this section is returned as undeliverable, and the Exchange cannot obtain the correct electronic address from the Exchange's records or from the recipient, the Exchange must furnish the notice by mail or in person within 30 days after the electronic notice is returned.

(iii) *Corrected statement.* An Exchange must furnish a corrected statement to the recipient electronically if the original statement was furnished electronically. If the original statement was furnished through a web site posting, the Exchange must notify the recipient that it has posted the corrected statement on the web site in the manner described in paragraph (f)(5)(i) of this section within 30 days of the post-

ing. The corrected statement or the notice must be furnished by mail or in person if—

(A) An electronic notice of the web site posting of an original statement or the corrected statement was returned as undeliverable; and

(B) The recipient has not provided a new e-mail address.

(6) *Access period.* Statements furnished on a web site must be retained on the web site through October 15 of the year following the calendar year to which the statements relate (or the first business day after October 15, if October 15 falls on a Saturday, Sunday, or legal holiday). The furnisher must maintain access to corrected statements that are posted on the web site through October 15 of the year following the calendar year to which the statements relate (or the first business day after October 15, if October 15 falls on a Saturday, Sunday, or legal holiday) or the date 90 days after the corrected forms are posted, whichever is later.

(7) *Paper statements after withdrawal of consent.* An Exchange must furnish a paper statement if a recipient withdraws consent to receive a statement electronically and the withdrawal takes effect before the statement is furnished. A paper statement furnished under this paragraph (f)(7) after the statement due date is timely if furnished within 30 days after the date the Exchange receives the withdrawal of consent.

(g) *Effective/applicability date.* This section applies for taxable years ending after December 31, 2013.

Beth Tucker,  
Deputy Commissioner for  
Operations Support.

(Filed by the Office of the Federal Register on June 28, 2013, 4:15 p.m., and published in the issue of the Federal Register for July 2, 2013, 78 F.R. 39644)

# 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 2013–1 through 2013–26 is in Internal Revenue Bulletin 2013–26, dated June 24, 2013.

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<sup>1</sup> A cumulative list of current actions on previously published items in Internal Revenue Bulletins 2013–1 through 2013–26 is in Internal Revenue Bulletin 2013–26, dated June 24, 2013.

# Internal Revenue Service

## Washington, DC 20224

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## INTERNAL REVENUE BULLETIN

The Introduction at the beginning of this issue describes the purpose and content of this publication. The weekly Internal Revenue Bulletins are available at [www.irs.gov/irb/](http://www.irs.gov/irb/).

## CUMULATIVE BULLETINS

The contents of the weekly Bulletins were consolidated semiannually into permanent, indexed, Cumulative Bulletins through the 2008-2 edition.

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## 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](http://www.irs.gov)) or write to the IRS Bulletin Unit, SE:W:CAR:MP:P:SPA, Washington, DC 20224.

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