

Internal Revenue bulletin

Bulletin No. 2014-15
April 7, 2014

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

REG-163195-05, page 930.

This document contains proposed regulations that will remove regulations relating to information reporting and backup withholding for the Qualified Payment Card Agent (QPCA) Program. Comments and requests for a public hearing must be received by June 23, 2014.

Rev. Rul. 2014-12, page 923.

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 April 2014.

Notice 2014-18, page 926.

Notice to invite public comments to the Department of Treasury and Internal Revenue Service on recommendations for items that should be included on the 2014-2015 Guidance Priority List. Please submit recommendations by May 1, 2014.

Rev. Proc. 2014-25, page 927.

Guidance is provided to individuals who fail to meet the eligibility requirements of section 911(d)(1) of the Internal Revenue Code because adverse conditions in a foreign country preclude the individual from meeting those requirements. A current list of countries for tax year 2013 and the dates those countries are subject to the section 911(d)(4) waiver is provided.

EMPLOYEE PLANS

REG-108641-14, page 928.

This document solicits comments from the public on provider nondiscrimination prohibited under section 2706 of the Public Health Service Act. Comments must be submitted on or before June 10, 2014.

Finding Lists begin on page ii.
Index for July through April begins on page iv.

The IRS Mission

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

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 April 2014. See Rev. Rul. 2014–12, page 923.

Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of April 2014. See Rev. Rul. 2014–12, page 923.

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 April 2014. See Rev. Rul. 2014–12, page 923.

Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of April 2014. See Rev. Rul. 2014–12, page 923.

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 April 2014. See Rev. Rul. 2014–12, page 923.

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 April 2014. See Rev. Rul. 2014–12, page 923.

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 April 2014. See Rev. Rul. 2014–12, page 923.

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 April 2014. See Rev. Rul. 2014–12, page 923.

Section 642.—Special Rules for Credits and Deductions

Federal short-term, mid-term, and long-term rates are set forth for the month of April 2014. See Rev. Rul. 2014–12, page 923.

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 April 2014. See Rev. Rul. 2014–12, page 923.

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 April 2014. See Rev. Rul. 2014–12, page 923.

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.)

Rev. Rul. 2014–12

This revenue ruling provides various prescribed rates for federal income tax purposes for April 2014 (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. 2014-12 TABLE 1
Applicable Federal Rates (AFR) for April 2014

	<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	1.81%	1.80%	1.80%	1.79%
110% AFR	1.99%	1.98%	1.98%	1.97%
120% AFR	2.17%	2.16%	2.15%	2.15%
130% AFR	2.35%	2.34%	2.33%	2.33%
150% AFR	2.72%	2.70%	2.69%	2.68%
175% AFR	3.17%	3.15%	3.14%	3.13%
		<i>Long-term</i>		
AFR	3.32%	3.29%	3.28%	3.27%
110% AFR	3.65%	3.62%	3.60%	3.59%
120% AFR	3.99%	3.95%	3.93%	3.92%
130% AFR	4.33%	4.28%	4.26%	4.24%

REV. RUL. 2014-12 TABLE 2
Adjusted AFR for April 2014

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	.26%	.26%	.26%	.26%
Mid-term adjusted AFR	1.35%	1.35%	1.35%	1.35%
Long-term adjusted AFR	3.32%	3.29%	3.28%	3.27%

REV. RUL. 2014-12 TABLE 3
Rates Under Section 382 for April 2014

Adjusted federal long-term rate for the current month	3.32%
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.)	3.56%

REV. RUL. 2014-12 TABLE 4
Appropriate Percentages Under Section 42(b)(1) for April 2014

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	7.59%
Appropriate percentage for the 30% present value low-income housing credit	3.25%

REV. RUL. 2014–12 TABLE 5

Rate Under Section 7520 for April 2014

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	2.2%
---	------

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 April 2014. See Rev. Rul. 2014–12, page 923.

Section 7520.—Valuation Tables

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of April 2014. See Rev. Rul. 2014–12, page 923.

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 April 2014. See Rev. Rul. 2014–12, page 923.

Part III. Administrative, Procedural, and Miscellaneous

Public Comment Invited on Recommendations for 2014–2015 Priority Guidance Plan

Notice 2014–18

The Department of Treasury and Internal Revenue Service (Service) invite public comment on recommendations for items that should be included on the 2014–2015 Priority Guidance Plan.

The Treasury Department's Office of Tax Policy and the Service use the Priority Guidance Plan each year to identify and prioritize the tax issues that should be addressed through regulations, revenue rulings, revenue procedures, notices, and other published administrative guidance. The 2014–2015 Priority Guidance Plan will identify guidance projects that the Treasury Department and the Service intend to work on actively as priorities during the period from July 1, 2014, through June 30, 2015. The Treasury Department and the Service recognize the importance of public input to formulate a Priority Guidance Plan that focuses resources on guidance items that are most important to taxpayers and tax administration. Published guidance plays an important role in increasing voluntary compliance by helping to clarify ambiguous areas of the tax law. The published guidance process is most successful if the Treasury Department and the Service have the benefit of the experience and knowledge of taxpayers and practitioners who must apply the rules implementing the internal revenue laws.

As is the case whenever significant legislation is enacted, the Treasury Department and the Service have continued to dedicate substantial resources during the current plan year to published guidance projects necessary to implement the provisions of the multitude of tax Acts that have been enacted over the past several years including, but not limited to, the Hiring Incentives to Restore Employment Act, Pub. L. No. 111–147, 124 Stat. 71, which was enacted on March 18, 2010; the Patient Protection and Affordable Care Act, Pub. L. No. 111–148, 124 Stat.

119, which was enacted on March 23, 2010; the Health Care and Education Reconciliation Act, Pub. L. 111–152, 124 Stat. 1029, which was enacted on March 30, 2010; the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, Pub. L. No. 111–312, 124 Stat. 3296, which was enacted on December 17, 2010; and the American Taxpayer Relief Act of 2012, Pub. L. No. 112–240, 126 Stat. 2313, which was enacted on January 2, 2013. The Treasury Department and the Service will continue to evaluate the priority of each guidance project in light of the above-mentioned tax legislation and other developments occurring during the 2014–2015 plan year.

In reviewing recommendations and selecting projects for inclusion on the 2014–2015 Priority Guidance Plan, the Treasury Department and the Service will consider the following:

1. Whether the recommended guidance resolves significant issues relevant to many taxpayers;
2. Whether the recommended guidance promotes sound tax administration;
3. Whether the recommended guidance can be drafted in a manner that will enable taxpayers to easily understand and apply the guidance;
4. Whether the recommended guidance involves regulations that are outmoded, ineffective, insufficient, or excessively burdensome and that should be modified, streamlined, expanded, or repealed;
5. Whether the Service can administer the recommended guidance on a uniform basis; and
6. Whether the recommended guidance reduces controversy and lessens the burden on taxpayers or the Service.

Please submit recommendations by May 1, 2014, for possible inclusion on the original 2014–2015 Priority Guidance Plan. Taxpayers may, however, submit recommendations for guidance at any time during the year. The Treasury Department and the Service may update the 2014–2015 Priority Guidance Plan periodically to reflect additional guidance that the Treasury Department and the Service

intend to publish during the plan year. The periodic updates allow the Treasury Department and the Service to respond to the need for additional guidance that may arise during the plan year.

Taxpayers are not required to submit recommendations for guidance in any particular format. Taxpayers should, however, briefly describe the recommended guidance and explain the need for the guidance. In addition, taxpayers may include an analysis of how the issue should be resolved. It would be helpful if taxpayers suggesting more than one guidance project prioritize the projects by order of importance. If a large number of projects are being suggested, it would be helpful if the projects were grouped in terms of high, medium, or low priority. Requests for guidance in the form of petitions for rulemaking will be considered with other recommendations for guidance in accordance with the considerations described in this notice.

Taxpayers may mail comments to:

Internal Revenue Service
Attn: CC:PA:LPD:PR (Notice 2014–18)
Room 5203
P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044

or hand deliver comments Monday through Friday between the hours of 8 a.m. and 4 p.m. to:

Courier's Desk
Internal Revenue Service
Attn: CC:PA:LPD:PR (Notice 2014–18)
1111 Constitution Avenue, N.W.
Washington, D.C. 20224

Alternatively, taxpayers may submit comments electronically via the Federal eRulemaking Portal at www.regulations.gov (type IRS–2014–0011 in the search field on the regulations.gov homepage to find this notice and submit comments). All recommendations for guidance submitted by the public in response to this notice will be available for public inspection and copying in their entirety.

For further information regarding this notice, contact Matthew D. Lucey of the Office of Associate Chief Counsel (Proce-

dures and Administration) at (202) 317-3400 (not a toll-free number).

26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.
(Also: Part I, § 911, 1.911-1.)

Rev. Proc. 2014-25

SECTION 1. PURPOSE

.01 This revenue procedure provides information to any individual who failed to meet the eligibility requirements of section 911(d)(1) of the Internal Revenue Code because adverse conditions in a foreign country precluded the individual from meeting those requirements for taxable year 2013.

.02 This revenue procedure lists the countries for which the eligibility requirements of section 911(d)(1) are waived for taxable year 2013.

SECTION 2. BACKGROUND

.01 Sections 911(a) and (c)(4) of the Code allow a “qualified individual,” as defined in section 911(d) to exempt from taxation the individual’s foreign earned income and the housing cost amount.

.02 Section 911(d)(1) of the Code defines the term “qualified individual” as an individual whose tax home is in a foreign country and who is (A) a citizen of the United States and establishes to the satisfaction of the Secretary of the Treasury that the individual has been a *bona fide* resident of a foreign country or countries for an uninterrupted period that includes an entire taxable year, or (B) a citizen or resident of the United States who, during

any period of 12 consecutive months, is present in a foreign country or countries during at least 330 full days.

.03 Section 911(d)(4) of the Code provides an exception to the eligibility requirements of section 911(d)(1). An individual will be treated as a qualified individual with respect to a period in which the individual was a *bona fide* resident of, or was present in, a foreign country, if the individual left the country during a period for which the Secretary of the Treasury, after consultation with the Secretary of State, determines that individuals were required to leave because of war, civil unrest, or similar adverse conditions that precluded the normal conduct of business. An individual must establish that but for those conditions the individual could reasonably have been expected to meet the eligibility requirements.

.04 For 2013, the Secretary of the Treasury, in consultation with the Secretary of State, has determined that war, civil unrest, or similar adverse conditions precluded the normal conduct of business in the following countries beginning on the specified date:

<i>Date of Departure</i>	
<i>Country</i>	<i>On or after</i>
Egypt	July 3, 2013
Lebanon	September 5, 2013
Pakistan	August 9, 2013
Yemen	August 6, 2013

Accordingly, for purposes of section 911 of the Code, an individual who left one of the foregoing countries on or after the specified departure date during 2013 shall be treated as a qualified individual with respect to the period during which that individual was present in, or was a

bona fide resident of, such foreign country, if the individual establishes a reasonable expectation of meeting the requirements of section 911(d) but for those conditions.

.06 To qualify for relief under section 911(d)(4) of the Code, an individual must have established residency, or have been physically present, in the foreign country on or prior to the date that the Secretary of the Treasury determines that individuals were required to leave the foreign country. Individuals who establish residency, or are first physically present, in the foreign country after the date that the Secretary prescribes shall not be treated as qualified individuals under section 911(d)(4) of the Code. For example, individuals who are first physically present or establish residency in the Egypt after July 3, 2013, are not eligible to qualify for the exception provided in section 911(d)(4) of the Code for taxable year 2013.

SECTION 3. INQUIRIES

A taxpayer who needs assistance on how to claim this exclusion, or on how to file an amended return, should contact a local IRS Office or, for a taxpayer residing or traveling outside the United States, the nearest overseas IRS office.

SECTION 4. DRAFTING INFORMATION

The principal author of this revenue procedure is Kate Y. Hwa of the Office of Associate Chief Counsel (International). For further information regarding this revenue procedure contact Kate Y. Hwa on (202) 317-6934 (not a toll free number).

Part IV. Items of General Interest

Request for Information

Request for Information Regarding Provider Non-Discrimination

REG-108641-14

AGENCIES: Internal Revenue Service, Department of the Treasury; Employee Benefits Security Administration, Department of Labor; Centers for Medicare & Medicaid Services, Department of Health and Human Services.

ACTION: Request for information.

SUMMARY: This document is a request for information regarding provider non-discrimination. The Departments of Labor, Health and Human Services (HHS), and the Treasury (collectively, the Departments) invite public comments via this request for information.

DATES: Comments must be submitted on or before June 10, 2014.

ADDRESSES: Written comments may be submitted to HHS. Any comment that is submitted will be shared with the other Departments. Please do not submit duplicates. All comments will be made available to the public. Warning: Please do not include any personally identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly disclosed. All comments are posted on the Internet exactly as received and can be retrieved by most Internet search engines. No deletions, modifications, or redactions will be made to the comments received, as they are public records. Comments may be submitted anonymously.

You may submit comments in one of four ways (please choose only one of the ways listed):

1. *Electronically.* You may submit electronic comments on this regulation to <http://www.regulations.gov>. Follow the “Submit a comment” instructions.

2. *By regular mail.* You may mail written comments to the following address ONLY:

Centers for Medicare & Medicaid Services,
Department of Health and Human Services,
Attention: CMS-9942-NC,
P.O. Box 8016,
Baltimore, MD 21244-8016.

Please allow sufficient time for mailed comments to be received before the close of the comment period.

3. *By express or overnight mail.* You may send written comments to the following address ONLY:

Centers for Medicare & Medicaid Services,
Department of Health and Human Services,
Attention: CMS-9942-NC,
Mail Stop C4-26-05,
7500 Security Boulevard,
Baltimore, MD 21244-1850.

4. *By hand or courier.* Alternatively, you may deliver (by hand or courier) your written comments ONLY to the following addresses prior to the close of the comment period:

a. For delivery in Washington, DC—

Centers for Medicare & Medicaid Services,
Department of Health and Human Services,
Room 445-G, Hubert H. Humphrey Building,
200 Independence Avenue, SW.,
Washington, DC 20201

(Because access to the interior of the Hubert H. Humphrey Building is not readily available to persons without Federal government identification, commenters are encouraged to leave their comments in the CMS drop slots located in the main lobby of the building. A stamp-in clock is available for persons wishing to retain a proof of filing by stamping in and retaining an extra copy of the comments being filed.)

b. For delivery in Baltimore, MD—

Centers for Medicare & Medicaid Services,
Department of Health and Human Services,
7500 Security Boulevard,
Baltimore, MD 21244-1850.

If you intend to deliver your comments to the Baltimore address, call telephone number (410) 786-7195 in advance to schedule your arrival with one of our staff members.

Comments erroneously mailed to the addresses indicated as appropriate for hand or courier delivery may be delayed and received after the comment period.

For information on viewing public comments, see the beginning of the “SUPPLEMENTARY INFORMATION” section.

FOR FURTHER INFORMATION

CONTACT: Beth Baum or Amy Turner, Employee Benefits Security Administration, Department of Labor, at (202) 693-8335; Karen Levin, Internal Revenue Service, Department of the Treasury, at (202) 317-6846; Cam Moultrie Clemmons, Centers for Medicare & Medicaid Services (CMS), Department of Health and Human Services, at (410)786-1565.

Customer Service Information: Individuals interested in obtaining information from the Department of Labor concerning employment-based health coverage laws may call the EBSA Toll-Free Hotline at 1-866-444-EBSA (3272) or visit the Department of Labor’s Web site (<http://www.dol.gov/ebsa>). In addition, information from HHS on private health insurance for consumers can be found on the CMS Web site (www.cciio.cms.gov), and information on health reform can be found at <http://www.HealthCare.gov>.

SUPPLEMENTARY INFORMATION:

I. Background

Section 2706(a) of the Public Health Service Act (PHS Act)¹, as added by section 1201 of the Affordable Care Act, states that a “group health plan and a health insurance issuer offering group or individual health insurance coverage shall not discriminate with respect to participation under the plan or coverage against any health care provider who is acting within the scope of that provider’s license or certification under applicable state

¹PHS Act section 2706(a) also is incorporated into section 715(a)(1) of the Employee Retiree Income Security Act (ERISA) and section 9815(a)(1) of the Internal Revenue Code (the Code). Accordingly, the Departments have concurrent jurisdiction over the implementation of PHS Act section 2706(a).

law.” Section 2706(a) of the PHS Act does not require “that a group health plan or health insurance issuer contract with any health care provider willing to abide by the terms and conditions for participation established by the plan or issuer,” and nothing in section 2706(a) of the PHS Act prevents “a group health plan, a health insurance issuer, or the Secretary from establishing varying reimbursement rates based on quality or performance measures.”

On April 29, 2013, the Departments issued a Frequently Asked Question (FAQ),² that states that section 2706(a) of the PHS Act is applicable to non-grandfathered group health plans and health insurance issuers offering group or individual coverage for plan years (in the individual market, policy years) beginning on or after January 1, 2014 and stated that until further guidance is issued, plans and issuers are expected to implement the requirements of section 2706(a) of the PHS Act using a good faith, reasonable interpretation of the law. The FAQ states that, for this purpose, to the extent an item or service is a covered benefit under the plan or coverage, and consistent with reasonable medical management techniques specified under the plan with respect to the frequency, method, treatment or setting for an item or service, a plan or issuer shall not discriminate based on a provider’s license or certification, to the extent the provider is acting within the scope of the provider’s license or certification under applicable state law. The FAQ also states that section 2706(a) of the PHS Act does not require plans or issuers to accept all types of providers into a network and also does not govern provider reimbursement rates, which may be subject to quality, performance, or market standards and considerations.

The Senate Committee on Appropriations Report dated July 11, 2013 (to accompany S. 1284)³ states that section 2706 of the PHS Act “prohibits certain types of health plans and issuers from discriminating against any healthcare pro-

vider who is acting within the scope of that provider’s license or certification under applicable State law, when determining networks of care eligible for reimbursement. The goal of this provision is to ensure that patients have the right to access covered health services from the full range of providers licensed and certified in their State. The Committee is therefore concerned that the FAQ document issued by HHS, DOL and the Department of Treasury on April 29, 2013, advises insurers that this nondiscrimination provision allows them to exclude from participation whole categories of providers operating under a State license or certification. In addition, the FAQ advises insurers that section 2706 allows discrimination in the reimbursement rates based on broad ‘market considerations’ rather than the more limited exception cited in the law for performance and quality measures. Section 2706 was intended to prohibit exactly these types of discrimination. The Committee believes that insurers should be made aware of their obligation under section 2706 before their health plans begin operating in 2014. The Committee directs HHS to work DOL and the Department of Treasury to correct the FAQ to reflect the law and congressional intent within 30 days of enactment of this act.”⁴

II. Solicitation of Comments

Pursuant to this report, the Departments are requesting comments on all aspects of the interpretation of section 2706(a) of the PHS Act. This includes but is not limited to comments on access, costs, other federal and state laws, and feasibility.

Signed at Washington, DC this 6th day of March, 2014.

Victoria A. Judson,
*Division Counsel/ Associate Chief Counsel,
Tax Exempt and Government Entities,
Internal Revenue Service,
Department of the Treasury.*

Signed at Washington, DC this 6th day of March, 2014.

George H. Bostick,
*Benefits Tax Counsel,
Department of the Treasury.*

Signed this 5th day of March, 2014.

Phyllis C. Borzi
*Assistant Secretary,
Employee Benefits Security
Administration,
Department of Labor.*

Dated: March 6, 2014

Marilyn Tavenner,
*Administrator,
Centers for Medicare & Medicaid Services.*

Dated: March 6, 2014

Kathleen Sebelius,
*Secretary,
Department of Health and Human Services.*

²See FAQs about Affordable Care Act Implementation Part XV, available at <http://www.dol.gov/ebsa/faqs/faq-aca15.html> and http://www.cms.gov/CCHIO/Resources/Fact-Sheets-and-FAQs/aca_implementation_faqs15.html.

³S. Rep. No. 113–71, at 126 (2013).

⁴S. Rep. No. 113–71, at 126 (2013). Additionally, in Title I of the report, regarding the Department of Labor Employee Benefits Security Administration, the Committee “directs the Department to work with HHS and the Department of the Treasury to revise their joint FAQ regarding section 2706 of the ACA, as explained in the HHS title of this report.” S. Rep. No. 113–71, at 27 (2013).

Withdrawal of Notice of Proposed Rulemaking and Notice of Proposed Rulemaking

Removal of the Qualified Payment Card Agent Program

REG-163195-05

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Withdrawal of notice of proposed rulemaking and notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations that will remove regulations relating to information reporting and backup withholding for the Qualified Payment Card Agent (QPCA) Program. This document also amends regulations to remove references to the QPCA Program and withdraws proposed regulations relating to the QPCA Program. Enactment of the payment card and third party network reporting requirements in the Housing Assistance Tax Act of 2008 made the QPCA Program obsolete. Because no payors have applied to be designated as a QPCA (and no payors have been designated as a QPCA), no taxpayers will be affected by these proposed regulations.

DATES: Comments and requests for a public hearing must be received by June 23, 2014.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-163195-05), room 5205, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8:00 a.m. and 4:00 p.m. to CC:PA:LPD:PR (REG-163195-05), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC 20224. Alternatively, taxpayers may submit comments electronically via the Federal eRulemaking Portal at www.regulations.gov (IRS REG-163195-05).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Michael Hara, (202) 317-5417; concerning the submission of comments and requests for a public hearing, Oluwafunmilayo Taylor, (202) 317-6901 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background and Explanation of Provisions

This document contains proposed regulations to remove deadwood provisions implementing the now obsolete QPCA Program. When finalized, the proposed regulations would remove § 31.3406(g)-1(f), § 301.6724-1(e) (1)(vi)(H), and § 301.6724-1(f)(5)(vii). In addition, the proposed regulations would amend § 301.6724-1(c)(6) to remove references to QPCAs. This document also withdraws proposed regulations (REG-163195-05) relating to the QPCA Program.

The QPCA Program was developed by the IRS to enhance the accuracy of section 6041 information reporting in transactions where a payment card, such as a credit card, is accepted as payment. Under the QPCA Program, a payment card organization may apply to be designated as a QPCA. For this purpose, a payment card organization is an entity that sets the standards and provides the mechanism, either directly or indirectly through members and affiliates, for effectuating payment between a purchaser and a merchant in a payment card transaction. See § 5.06 of Notice 2007-59, 2007-30 IRB 135 (July 23, 2007). Once designated, the QPCA may act on behalf of a payor/cardholder to solicit, collect, and validate the name and taxpayer identification number (TIN) of a payee/merchant, and provide that information to the payor/cardholder so that the payor/cardholder can meet its section 6041 reporting obligation, if any.

Enactment of section 6050W and changes to the regulations under section 6041 obsolete the QPCA Program by requiring payment card organizations, rather than payor/cardholders, to report payments made in payment card transactions to payees/merchants. See § 1.6041-1(a)(1)(iv) (eliminating duplicate reporting under section 6041 if the payment is

subject to reporting under section 6050W).

Section 6041(a) requires persons engaged in a trade or business and making payment in the course of such trade or business to another person of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable gains, profits, and income of \$600 or more in any one taxable year to file information returns with the IRS and to furnish information statements to payees. Among other items, the payor must include the payee's name and TIN on the information return and the information statement. Section 3406(a)(1) requires a payor to withhold on any reportable payment (as defined in section 3406(b)(1)) if: (1) the payee fails to furnish the payee's TIN to the payor as required; or (2) the Secretary notifies the payor that the TIN furnished by the payee is incorrect.

On January 31, 2003, temporary regulations relating to the IRS TIN Matching Program were published in the **Federal Register** (TD 9041) (68 FR 4922). Under the IRS TIN Matching Program, a participating payor may reduce name/TIN errors on information returns by contacting the IRS before filing to verify whether the name and TIN combination furnished by a payee matches IRS records. The 2003 temporary regulations permit a payor's authorized agent to participate in the IRS TIN Matching Program on behalf of the payor. Under the authority of these temporary regulations, the IRS issued Rev. Proc. 2003-9 (2003-1 CB 516 (February 24, 2003)) (see § 601.601(d)(2)(ii)(b) of this chapter) to allow all payors, as well as a payor's authorized agent, to participate in the IRS TIN Matching Program.

A notice of proposed rulemaking (REG-116641-01) cross-referencing the 2003 temporary regulations was also published in the **Federal Register** (68 FR 4970) for January 31, 2003. The notice of proposed rulemaking contained additional proposed rules relating to the information reporting and backup withholding requirements for payment card transactions effectuated through a QPCA.

On February 24, 2003, Notice 2003-13 (2003-1 CB 513 (February 24, 2003)) (see § 601.601(d)(2)(ii)(b) of this chapter) was published in the Internal Revenue

Bulletin, announcing a proposed revenue procedure that would establish a procedure for a payment card organization to request a determination that it is a QPCA.

On July 13, 2004, final regulations relating to the information reporting requirements, information reporting penalties, and backup withholding requirements for payment card transactions effectuated through a QPCA were published in the **Federal Register** (TD 9136) (69 FR 41938). The amendments implementing the QPCA Program were generally effective for payments made on or after January 1, 2005. The final regulations also made the temporary regulations implementing the TIN Matching Program permanent.

On August 2, 2004, Revenue Procedure 2004-42 (2004-2 CB 121 (August 2, 2004)) (see § 601.601(d)(2)(ii)(b) of this chapter) was published in the Internal Revenue Bulletin, setting forth procedures for a payment card organization to request a determination that it is a QPCA. Also on August 2, 2004, Revenue Procedure 2004-43 (2004-2 CB 124 (August 2, 2004)) (see § 601.601(d)(2)(ii)(b) of this chapter) was published in the Internal Revenue Bulletin, setting forth an optional procedure for payors who make payments in the course of their trade or business through payment cards to use Merchant Category Codes, or other similar codes to determine whether the payments are reportable under sections 6041 and 6041A.

On July 13, 2007, a notice of proposed rulemaking (REG-163195-05) proposing revisions to the QPCA Program allowing merchants to opt-out of the QPCA Program and permitting QPCA's to furnish certain payee notifications electronically was published in the **Federal Register** (72 FR 38534).

On July 23, 2007, Notice 2007-59 (2007-30 IRB 135 (July 23, 2007)) (see § 601.601(d)(2)(ii)(b) of this chapter) was published in the Internal Revenue Bulletin, which provided a proposed revenue procedure that would supersede Rev. Proc. 2004-42 to revise procedures for a payment card organization to request a determination that it is a QPCA.

On July 30, 2008, Congress enacted the Housing Assistance Tax Act of 2008, Public Law 110-289, which added sec-

tion 6050W to the Internal Revenue Code. Section 6050W requires payment settlement entities, including payment card organizations, to report payments made in settlement of payment card and third party network transactions. Regulations published under section 6050W and section 6041 provide, among other things, that payments required to be reported under section 6050W are not also required to be reported under section 6041. See § 1.6041-1(a)(1)(iv). Because payment card organizations now have a reporting obligation with respect to payment card transactions, there is no longer a need for payment card organizations to solicit, collect, and verify payee/merchant names/TINs for the payor/cardholder. Thus, enactment of section 6050W made the QPCA Program obsolete. Accordingly, the regulations under § 31.3406(g)-1(f), § 301.6724-1(e)(1)(vi)(H), and § 301.6724-1(f)(5)(vii) are proposed to be removed, § 301.6724-1(c)(6) of the regulations is proposed to be amended, and the proposed regulations published in the **Federal Register** on July 13, 2007, are being withdrawn. In addition, Revenue Procedure 2004-42, Revenue Procedure 2004-43, Notice 2003-13, Notice 2003-37, and Notice 2007-59 are obsolete. See § 601.601(d)(2)(ii)(b).

Effective Date

Sections 31.3406(g)-1(f), § 301.6724-1(e)(1)(vi)(H), and § 301.6724-1(f)(5)(vii) would be removed on the date these regulations are published as final regulations in the **Federal Register**. Amendments to § 301.6724-1(c)(6) would be effective on the date these regulations are published as final in the **Federal Register**.

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 also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. Because the regulations do not impose a collection of information 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 a 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 requested comments on all aspects of the proposed rules. All comments will be available at www.regulations.gov or upon request.

A public hearing will be scheduled if requested by any person who timely submits comments. If a public hearing is scheduled, notice of the date, time, and place for the hearing will be published in the **Federal Register**.

Effect on Other Documents

The following publications are obsolete as of the date these regulations are published as final regulations in the **Federal Register**: Notice 2003-13, (2003-1 CB 513); Notice 2003-37 (2003-1 CB 1121); Rev. Proc. 2004-42 (2004-2 CB 121); Rev. Proc. 2004-43 (2004-2 CB 124); and Notice 2007-59 (2007-30 IRB 135) (see § 601.601(d)(2)(ii)(b) of this chapter).

Withdrawal of Notice of Proposed Rulemaking

Accordingly, under the authority of 26 U.S.C. 7805, the notice of proposed rulemaking (REG-163195-05) that was published in the **Federal Register** on July 13, 2007 (72 FR 38534) is withdrawn.

Drafting Information

The principal author of these proposed regulations is Michael Hara of the Office of Associate Chief Counsel (Procedure and Administration).

List of Subjects

* * * * *
* * * * *

Proposed Amendments to the Regulations

Accordingly, 26 CFR parts 31 and 301 are proposed to be amended as follows:

PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT SOURCE

Paragraph 1. The authority citation for part 31 continues to read in part as follows:

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

§ 31.3406(g)–1 [Amended]

Par. 2. Section 31.3406(g)–1 is amended by removing paragraph (f).

PART 301—PROCEDURE AND ADMINISTRATION

Par. 3. The authority citation for part 301 continues to read in part as follows:

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

§ 301.6724–1 [Amended]

Par. 4. Section 301.6724–1 is amended by:

- a. Removing the language “or a qualified Payment Card Agent (QPCA) as de-

finied in § 31.3406(g)–1(f)(2)(v) of this chapter,” from the introductory text of paragraph (c)(6).

- b. Removing paragraphs (e)(1)(vi)(H) and (f)(5)(vii).

John Dalrymple
Deputy Commissioner for Services and Enforcement.

(Filed by the Office of the Federal Register on March 21, 2014, 8:45 a.m., and published in the issue of the Federal Register for March 24, 2014, 79 F.R. 15926)

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 sub-

stance 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 2014–1 through 2014–15

Announcements

2014-1, 2014-2 I.R.B. 393
2014-2, 2014-4 I.R.B. 448
2014-4, 2014-7 I.R.B. 523
2014-05, 2014-6 I.R.B. 507
2014-06, 2014-6 I.R.B. 508
2014-07, 2014-6 I.R.B. 508
2014-08, 2014-6 I.R.B. 508
2014-09, 2014-6 I.R.B. 508
2014-10, 2014-6 I.R.B. 508
2014-11, 2014-6 I.R.B. 508
2014-12, 2014-6 I.R.B. 509
2014-13, 2014-10 I.R.B. 620

Notices

2014-1, 2014-2 I.R.B. 270
2014-2, 2014-3 I.R.B. 407
2014-3, 2014-3 I.R.B. 408
2014-4, 2014-2 I.R.B. 274
2014-5, 2014-2 I.R.B. 276
2014-6, 2014-2 I.R.B. 279
2014-7, 2014-4 I.R.B. 445
2014-8, 2014-5 I.R.B. 452
2014-9, 2014-5 I.R.B. 455
2014-10, 2014-9 I.R.B. 605
2014-11, 2014-13 I.R.B. 880
2014-12, 2014-9 I.R.B. 606
2014-13, 2014-10 I.R.B. 616
2014-14, 2014-13 I.R.B. 881
2014-15, 2014-12 I.R.B. 661
2014-16, 2014-14 I.R.B. 920
2014-17, 2014-13 I.R.B. 881
2014-18, 2014-15 I.R.B. 926

Proposed Regulations

REG-154890-03, 2014-6 I.R.B. 504
REG-159420-04, 2014-2 I.R.B. 374
REG-144468-05, 2014-6 I.R.B. 474
REG-163195-05, 2014-15 I.R.B. 930
REG-119305-11, 2014-8 I.R.B. 524
REG-140974-11, 2014-3 I.R.B. 438
REG-121534-12, 2014-6 I.R.B. 473
REG-122706-12, 2014-11 I.R.B. 647
REG-134361-12, 2014-13 I.R.B. 895
REG-136984-12, 2014-2 I.R.B. 378
REG-113350-13, 2014-3 I.R.B. 440
REG-130967-13, 2014-13 I.R.B. 884
REG-141036-13, 2014-7 I.R.B. 516
REG-143172-13, 2014-2 I.R.B. 383
REG-108641-14, 2014-15 I.R.B. 928

Revenue Procedures

2014-1, 2014-1 I.R.B. 1
2014-2, 2014-1 I.R.B. 90
2014-3, 2014-1 I.R.B. 111
2014-4, 2014-1 I.R.B. 125
2014-5, 2014-1 I.R.B. 169
2014-6, 2014-1 I.R.B. 198
2014-7, 2014-1 I.R.B. 238
2014-8, 2014-1 I.R.B. 242
2014-9, 2014-2 I.R.B. 281
2014-10, 2014-2 I.R.B. 293
2014-11, 2014-3 I.R.B. 411
2014-12, 2014-3 I.R.B. 415
2014-13, 2014-3 I.R.B. 419
2014-14, 2014-2 I.R.B. 295
2014-15, 2014-5 I.R.B. 456
2014-16, 2014-9 I.R.B. 606
2014-17, 2014-12 I.R.B. 661
2014-18, 2014-7 I.R.B. 513
2014-19, 2014-10 I.R.B. 619
2014-20, 2014-9 I.R.B. 614
2014-21, 2014-11 I.R.B. 641
2014-22, 2014-11 I.R.B. 646
2014-23, 2014-12 I.R.B. 685
2014-24, 2014-13 I.R.B. 879
2014-25, 2014-15 I.R.B. 927

Revenue Rulings

2014-1, 2014-2 I.R.B. 263
2014-2, 2014-2 I.R.B. 255
2014-3, 2014-2 I.R.B. 259
2014-4, 2014-5 I.R.B. 449
2014-6, 2014-7 I.R.B. 510
2014-8, 2014-11 I.R.B. 624
2014-10, 2014-14 I.R.B. 906
2014-11, 2014-14 I.R.B. 906
2014-12, 2014-15 I.R.B. 923

Treasury Decisions

9649, 2014-2 I.R.B. 265
9650, 2014-3 I.R.B. 394
9651, 2014-4 I.R.B. 441
9652, 2014-12 I.R.B. 655
9653, 2014-6 I.R.B. 460
9654, 2014-6 I.R.B. 461
9655, 2014-9 I.R.B. 541
9656, 2014-11 I.R.B. 626
9657, 2014-13 I.R.B. 687
9658, 2014-13 I.R.B. 748
9659, 2014-12 I.R.B. 653
9660, 2014-13 I.R.B. 842
9661, 2014-13 I.R.B. 855

¹A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2013–27 through 2013–52 is in Internal Revenue Bulletin 2013–52, dated December 23, 2013.

Finding List of Current Actions on Previously Published Items¹

Bulletins 2014–1 through 2014–15

Announcements:

2007-44

Modified by
Ann. 2014-4, 2014-7 I.R.B. 523

2011-49

Modified by
Ann. 2014-4, 2014-7 I.R.B. 523

Notices:

2003-37

Obsoleted by
REG-163195-05 2014-15 I.R.B. 930

2006-109

Modified by
Notice 2014-4, 2014-2 I.R.B. 274

2007-59

Obsoleted by
REG-163195-05 2014-15 I.R.B. 930

2009-78

Superseded by
T.D. 9654 2014-6 I.R.B. 461

2013-13

Obsoleted by
REG-163195-05 2014-15 I.R.B. 930

2013-17

Amplified by
Notice 2014-1, 2014-2 I.R.B. 270

Revenue Procedures:

2003-49

Modified and superseded by
Rev. Proc. 2014-14, 2014-2 I.R.B. 295

2004-42

Obsoleted by
REG-163195-05 2014-15 I.R.B. 930

2004-43

Obsoleted by
REG-163195-05 2014-15 I.R.B. 930

2011-4

Modified by
Rev. Proc. 2014-17, 2014-12 I.R.B. 661

2011-14

Modified by
Rev. Proc. 2014-16, 2014-9 I.R.B. 606

Revenue Procedures—Continued:

2011-14

Clarified by
Rev. Proc. 2014-16, 2014-9 I.R.B. 606

2011-14

Modified by
Rev. Proc. 2014-17, 2014-12 I.R.B. 661

2011-44

Modified and Superseded by
Rev. Proc. 2014-11, 2014-3 I.R.B. 411

2011-49

Modified by
Rev. Proc. 2014-6, 2014-1 I.R.B. 198

2012-14

Modified by
Rev. Proc. 2014-17, 2014-12 I.R.B. 661

2012-19

Modified by
Rev. Proc. 2014-16, 2014-9 I.R.B. 606

2012-19

Superseded by
Rev. Proc. 2014-16, 2014-9 I.R.B. 606

2012-20

Modified by
Rev. Proc. 2014-17, 2014-12 I.R.B. 661

2012-20

Superseded by
Rev. Proc. 2014-17, 2014-12 I.R.B. 661

2013-1

Superseded by
Rev. Proc. 2014-1, 2014-1 I.R.B. 1

2013-2

Superseded by
Rev. Proc. 2014-2, 2014-1 I.R.B. 90

2013-3

Superseded by
Rev. Proc. 2014-3, 2014-1 I.R.B. 111

2013-4

Superseded by
Rev. Proc. 2014-4, 2014-1 I.R.B. 125

2013-5

Superseded by
Rev. Proc. 2014-5, 2014-1 I.R.B. 169

2013-6

Superseded by
Rev. Proc. 2014-6, 2014-1 I.R.B. 198

Revenue Procedures—Continued:

2013-7

Superseded by
Rev. Proc. 2014-7, 2014-1 I.R.B. 238

2013-8

Superseded by
Rev. Proc. 2014-8, 2014-1 I.R.B. 242

2013-9

Superseded by
Rev. Proc. 2014-9, 2014-2 I.R.B. 281

2013-10

Superseded by
Rev. Proc. 2014-10, 2014-2 I.R.B. 293

2013-24

Obsoleted by
Rev. Proc. 2014-23, 2014-12 I.R.B. 685

2013-27

Obsoleted by
Rev. Proc. 2014-23, 2014-12 I.R.B. 685

2013-32

Superseded in part by
Rev. Proc. 2014-1, 2014-1 I.R.B. 1, and
Rev. Proc. 2014-3, 2014-1 I.R.B. 111

2014-1

Amplified by
Rev. Proc. 2014-18, 2014-7 I.R.B. 513

2014-1 I.R.B. 111

Amplified by
Rev. Proc. 2014-24, 2014-13 I.R.B. 879

2014-3

Amplified by
Rev. Proc. 2014-18, 2014-7 I.R.B. 513

2014-3 I.R.B. 111

Amplified by
Rev. Proc. 2014-24, 2014-13 I.R.B. 879

2014-4

Modified by
Rev. Proc. 2014-19, 2014-10 I.R.B. 619

Proposed Regulations:

209054-87

A portion withdrawn by
REG-113350-13 2014-3 I.R.B. 440

Revenue Rulings:

2005-48 (2005-2 CB 259)

Obsoleted by
T.D. 9659 2014-12 I.R.B. 653

¹A cumulative list of current actions on previously published items in Internal Revenue Bulletins 2013–27 through 2013–52 is in Internal Revenue Bulletin 2013–52, dated December 23, 2013.

INDEX

Internal Revenue Bulletins 2014–1 through 2014–15

The abbreviation and number in parenthesis following the index entry refer to the specific item; numbers in roman and italic type following the parentheses refer to the Internal Revenue Bulletin in which the item may be found and the page number on which it appears.

Key to Abbreviations:

Ann	Announcement
CD	Court Decision
DO	Delegation Order
EO	Executive Order
PL	Public Law
PTE	Prohibited Transaction Exemption
RP	Revenue Procedure
RR	Revenue Ruling
SPR	Statement of Procedural Rules
TC	Tax Convention
TD	Treasury Decision
TDO	Treasury Department Order

ADMINISTRATIVE

Consolidated returns; failure to properly include subsidiary (RP 24) 13, 879

Extension of time to file estate tax return to elect portability of a deceased spousal unused exclusion amount under section 2010(c)(5)(A). (RP 18) 7, 513

Method change procedures for dispositions of tangible depreciable property (RP 17) 12, 661

Maximum Vehicle Values for which the special valuation rules of regulations section 1.61–21(d) and (e) may be used (Notice 11) 13, 880

Minimum essential coverage, information reporting (TD 9660) 13, 842

EMPLOYEE PLANS

Definition of a substantial risk of forfeiture (TD 9659) 12, 653

Domestic areas in which the Service will not issue letter rulings or determination letters (RP 3) 1, 111

Excepted benefits (REG–143172–13) 2, 383

Final rules to implement the 90-day waiting period limitation (TD 9656) 11, 626

Letter rulings:

And determination letters:

Areas which will not be issued from Associate Chief Counsel and Division counsel (TE/GE) (RP 3) 1, 111

Exemption application determination letter rulings under sections 501 and 521 (RP 9) 1, 281

And general information letters; procedures (RP 4) 1, 125

User fees, request for letter rulings (RP 8) 1, 242

Letter rulings and general information letters (RP 4) 1, 125

Letter rulings or determination letters (RP 1) 1, 1

EMPLOYEE PLANS—Cont.

Proposed rules to clarify length of reasonable and bona fide employment-based orientation period, consistent with the 90-day waiting period limitation (REG–122706–12) 11, 647

Qualification, determination letters (RP 6) 1, 198

Qualified plans:

Discrimination (Notice 5) 2, 276

Opinion letters (Ann 4) 7, 523

Determination Letters (RP 19) 10, 619

Qualified retirement plans covered compensation, permitted disparity (RR 3) 2, 259

Regulations:

26 CFR 54.9815–2708, amended; REG–122706–12) 11, 647

Removal of the Qualified Payment Card Agent Program (REG–163195–05) 15, 930

Request for Information Regarding Provider Non-Discrimination (REG–108641–14) 15, 928

Rulings and determination letters, user fees (RP 8) 1, 242

Technical advice memorandum or TAM (RP 2) 1, 90

Technical advice procedures (RP 5) 1, 169

Full funding limitations, weighted average interest rates, segment rates for:

January 2014 (Notice 8) 5, 452

Weighted average interest rates

Segment rates for February 2014 (Notice 13) 10, 616

Segment rates for March 2014 (Notice 16) 14, 920

EMPLOYMENT TAX

Domestic areas in which the Service will not issue letter rulings or determination letters (RP 3) 1, 111

Employment tax liability of agents authorized under section 3504 (TD 9649) 2, 265

Letter rulings or determination letters (RP 1) 1, 1

Regulations:

26 CFR 1.83–3 is revised; definition of a substantial risk of forfeiture (TD 9659) 12, 653

26 CFR 54.9815–2708, amended; REG–122706–12) 11, 647

26 CFR 54.9801–1, thru–6, amended; 26 CFR 54.9802–1, amended; 26 CFR 54.9815–2708, added; 26 CFR

54.9831–1, amended (TD 9656) 12, 626

Technical Advice Memorandum (TAM) (RP 2) 1, 90

ESTATE TAX

Domestic areas in which the Service will not issue letter rulings or determination letters (RP 3) 1, 111

Extension of time to file estate tax return to elect portability of a deceased spousal unused exclusion amount under section 2010(c)(5)(A) (RP 18) 7, 513

Letter rulings or determination letters (RP 1) 1, 1

Technical Advice Memorandum (TAM) (RP 2) 1, 90

EXCISE TAX

Domestic areas in which the Service will not issue letter rulings or determination letters (RP 3) 1, 111

EXCISE TAX—Cont.

Final rules to implement the 90-day waiting period limitation (TD 9656) 11, 626

Information reporting by applicable large employers on health insurance coverage offered under employer-sponsored plans (TD 9661) 13, 855

Interim guidance regarding supporting organizations (Notice 4) 2, 274

Letter rulings or determination letters (RP 1) 1, 1

Proposed rules to clarify length of reasonable and bona fide employment-based orientation period, consistent with the 90-day waiting period limitation (REG-122706-12) 11, 647

Regulations:

- 26 CFR 54.9815-2708, amended; (REG-122706-12) 11, 647
- 26 CFR 54.9801-1, thru-6, amended; 26 CFR 54.9802-1, amended; 26 CFR 54.9815-2708, added; 26 CFR 54.9831-1, amended (TD 9656) 12, 626

Technical Advice Memorandum (TAM) (RP 2) 1, 90

EXEMPT ORGANIZATIONS

Domestic areas in which the Service will not issue letter rulings or determination letters (RP 3) 1, 111

Form 990 Revenue Procedure update to revoke Revenue Procedure 79-6 (RP 22) 11, 646

Interim guidance regarding supporting organizations (Notice 4) 2, 274

Letter rulings:

- And determination letters:
 - Areas which will not be issued from Associate Chief Counsel and Division counsel (TE/GE) (RP 3) 1, 111
 - Exemption application determination letter rulings under sections 501 and 521 (RP 9) 1, 281
- And general information letters; procedures (RP 4) 1, 125
- User fees, request for letter rulings (RP 8) 1, 242

Letter rulings (RP 10) 2, 293; (RP 9) 2, 281

Letter rulings or determination letters (RP 1) 1, 1

Proposed procedures for charitable hospitals to correct and disclose failures to meet section 501(r) (Notice 3) 3, 408

Reliance on proposed regulations for tax-exempt hospitals (Notice 2) 3, 407

Rulings and determination letters, user fees (RP 8) 1, 242

Technical Advice Memorandum (TAM) (RP 2) 1, 90

Technical advice procedures (RP 5) 1, 169

INCOME TAX

Adequate disclosure revenue procedure (RP 15) 5, 456

Allocation of section 47 credits by a partnership to its partners (RP 12) 3, 415

Allocation of section 752 recourse liabilities among related parties (REG-136984-12) 2, 378

Amount of the life insurance reserves taken into account under § 807 of the Internal Revenue Code for variable contracts (RR 7) 9, 539

Areas in which rulings will not be issued; Associate Chief Counsel (International) (RP 7) 1, 238

INCOME TAX—Cont.

Basis in assets of tax exempt trusts (REG-154890-03) 6, 504

Bond premium carryforward (TD 9653) 6, 460

Cafeteria plans, FSA reimbursements, and HSA contribution limits for same-sex spouses (Notice 1) 2, 270

2014 Census Count (Notice 12) 9, 606

Contribution of built-in lost property to a partnership; mandatory basis adjustments in the event of a substantial built-in loss or substantial basis reduction; modification of basis allocation rules (REG-144468-05) 6, 474

Current refunding of Recovery Zone facility bonds (Notice 9) 5, 455

Declaratory judgement suits (Ann 5) 6, 507; (Ann 6) 6, 508; (Ann 7) 6, 508; (Ann 8) 6, 508; (Ann 9) 6, 508; (Ann 10) 6, 508; (Ann 12) 6, 509

Definition of a substantial risk of forfeiture (TD 9659) 12, 653

Definitions applicable to U.S. persons owning interests in passive foreign investment companies (REG-113350-13) 3, 440

Depreciation deduction, limitations on certain automobiles (RP 21) 11, 641

Determination of ownership in a passive foreign investment company; annual filing requirements for shareholders of passive foreign investment companies; filing requirements for constructive owners in certain foreign corporations (REG-140974-11) 3, 438; (TD 9650) 3, 394

Determining stock ownership for purposes of whether an entity is a surrogate foreign corporation (TD 9654) 6, 461; (REG-121534-12) 6, 473

Discharge of indebtedness secured by real property (RP 20) 9, 614

Disciplinary actions involving attorneys, certified public accountants, enrolled agents, and enrolled actuaries (Ann 13) 10, 620

Domestic areas in which the Service will not issue letter rulings or determination letters (RP 3) 1, 111

Equity-linked instruments and dividend equivalents (Notice 14) 13, 881

FATCA financial institution registration update (Ann 1) 2, 393

Final FFI agreement for participating FFI and reporting Model 2 FFI (RP 13) 3, 419

Foreign Earned Income Exclusion (RP 25) 15, 927

2014-2015 Guidance Priority List- Solicitation Notice (Notice 18) 15, 926

Guidance regarding reinstatement following auto revocation of tax-exempt status under section 6033(j) (RP 11) 3, 411

Income tax treatment of per capita payments made from funds held in trust by the Secretary of the Interior (Notice 17) 13, 881

Information reporting by foreign financial institutions and withholding on payments to foreign financial institutions and other foreign entities (REG-130967-13) 13, 884

Information reporting by foreign financial institutions and withholding on payments to foreign financial institutions and other foreign entities (TD 9657) 13, 687

Interest:

- Investment:
 - Federal short-term, mid-term, and long-term rates for:
 - January 2014 (RR 1) 2, 263
 - February 2014 (RR 6) 7, 510
 - March 2014 (RR 8) 11, 624
 - April 2014 (RR 12) 15, 923

INCOME TAX—Cont.

- Intra-group gross receipts (REG-159420-04) 2, 374
- Insurance tax, insurance companies, interest rate tables (RR 4) 5, 449
- Letter rulings or determination letters (RP 1) 1, 1
- Low-Income Housing Credit (Notice 15) 12, 661
- Maximum Vehicle Values for which the special valuation rules of regulations section 1.61-21(d) and (e) may be used (Notice 11) 13, 880
- Method change procedures for dispositions of tangible depreciable property (RP 17) 12, 661
- Minimum essential coverage, information reporting (TD 9660) 13, 842
- Principal residence, treatment of National Mortgage Settlement payments (RR 2) 2, 255
- Qualified census tracts (RP 14) 2, 295
- Regarding disguised sales, generally (REG-119305-11) 8, 524
- Regulations:
 - 26 CFR 1.83-3 is revised; definition of a substantial risk of forfeiture (TD 9659) 12, 653
 - 26 CFR 1.263A-0, thru-3, amended; 1.471-3 amended; (TD 9652) 12, 655
- Revocations, exempt organization (Ann 11) 6, 508
- Sales-bases royalties and vendor allowances (TD 9652) 12, 655
- Shared responsibility for employers regarding health coverage (TD 9655) 9, 541
- Shared responsibility payment for not maintaining minimum essential coverage (REG-141036-13) 7, 516
- Standard Industry Fare Level (SIFL) (RR 10) 14, 906
- Tangible property regulations method change guidance (RP 16) 9, 606
- Technical Advice Memorandum (TAM) (RP 2) 1, 90
- Transition relief for the tax credit for employee health insurance expenses of certain small employers (Notice 6) 2, 279
- Transition relief under section 5000A for certain individuals without minimum essential coverage (Notice 10) 9, 605
- Underpayment and overpayments, quarter beginning: April 1, 2014 (RR 11) 14, 906
- Withholding of tax on certain U.S. source income paid to foreign persons and revision of information reporting and backup withholding regulations (REG-134361-12) 13, 895
- Withholding of tax on certain U.S. source income paid to foreign persons and revision of information reporting and backup withholding regulations (TD 9658) 13, 748

Internal Revenue Service

Washington, DC 20224

Official Business
Penalty for Private Use, \$300

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/.

CUMULATIVE BULLETINS

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

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.

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:P:SPA, Washington, DC 20224.