

# Internal Revenue bulletin

Bulletin No. 2015-4  
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## 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. 2015-1, page 331.**

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 January 2015.

#### **Notice 2015-2, page 334.**

This notice provides a special administrative procedure that allows employers that treated transit benefits in excess of \$130 per month per employee as wages in 2014 and have not yet filed their fourth quarter Form 941 for 2014 to make necessary corrections on their fourth quarter Form 941.

### EMPLOYMENT TAX

#### **Notice 2015-2, page 334.**

This notice provides a special administrative procedure that allows employers that treated transit benefits in excess of \$130 per month per employee as wages in 2014 and have not yet filed their fourth quarter Form 941 for 2014 to make necessary corrections on their fourth quarter Form 941.

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 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.

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# 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 January 2015. See Rev. Rul. 2015–1, page 331.

## Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of January 2015. See Rev. Rul. 2015–1, page 331.

## 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 January 2015. See Rev. Rul. 2015–1, page 331.

## Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of January 2015. See Rev. Rul. 2015–1, page 331.

## 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 January 2015. See Rev. Rul. 2015–1, page 331.

## 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 January 2015. See Rev. Rul. 2015–1, page 331.

## 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 January 2015. See Rev. Rul. 2015–1, page 331.

## 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 January 2015. See Rev. Rul. 2015–1, page 331.

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

Federal short-term, mid-term, and long-term rates are set forth for the month of January 2015. See Rev. Rul. 2015–1, page 331.

## 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 January 2015. See Rev. Rul. 2015–1, page 331.

## 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 January 2015. See Rev. Rul. 2015–1, page 331.

## 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. 2015–1

This revenue ruling provides various prescribed rates for federal income tax purposes for January 2015 (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%. 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. Finally, Table 6 contains the deemed rate of return for transfers made during calendar year 2015 to pooled income funds described in section 642(c)(5) that have been in existence for less than 3 taxable years immediately preceding the taxable year in which the transfer was made.

REV. RUL. 2015-1 TABLE 1  
Applicable Federal Rates (AFR) for January 2015

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
		<i>Short-term</i>		
AFR	.41%	.41%	.41%	.41%
110% AFR	.45%	.45%	.45%	.45%
120% AFR	.49%	.49%	.49%	.49%
130% AFR	.53%	.53%	.53%	.53%
		<i>Mid-term</i>		
AFR	1.75%	1.74%	1.74%	1.73%
110% AFR	1.92%	1.91%	1.91%	1.90%
120% AFR	2.10%	2.09%	2.08%	2.08%
130% AFR	2.27%	2.26%	2.25%	2.25%
150% AFR	2.63%	2.61%	2.60%	2.60%
175% AFR	3.07%	3.05%	3.04%	3.03%
		<i>Long-term</i>		
AFR	2.67%	2.65%	2.64%	2.64%
110% AFR	2.94%	2.92%	2.91%	2.90%
120% AFR	3.21%	3.18%	3.17%	3.16%
130% AFR	3.48%	3.45%	3.44%	3.43%

REV. RUL. 2015-1 TABLE 2  
Adjusted AFR for January 2015

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	.41%	.41%	.41%	.41%
Mid-term adjusted AFR	1.36%	1.36%	1.36%	1.36%
Long-term adjusted AFR	2.67%	2.65%	2.64%	2.64%

REV. RUL. 2015-1 TABLE 3  
Rates Under Section 382 for January 2015

Adjusted federal long-term rate for the current month	2.67%
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.)	2.80%

REV. RUL. 2015-1 TABLE 4  
Appropriate Percentages Under Section 42(b)(1) for January 2015

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	7.51%
Appropriate percentage for the 30% present value low-income housing credit	3.22%

REV. RUL. 2015-1 TABLE 5  
Rate Under Section 7520 for January 2015

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%

REV. RUL. 2015-1 TABLE 6  
Deemed Rate for Transfers to New Pooled Income Funds During 2015

Deemed rate of return for transfers during 2015 to pooled income funds that have been in existence for less than 3 taxable years

1.2%

**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 January 2015. See Rev. Rul. 2015-1, page 331.

**Section 7520.—Valuation Tables**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of January 2015. See Rev. Rul. 2015-1, page 331.

**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 January 2015. See Rev. Rul. 2015-1, page 331.

## Part III. Administrative, Procedural, and Miscellaneous

### Application of Retroactive Increase in Excludable Transit Benefits

#### Notice 2015-2

##### PURPOSE

This notice provides guidance related to the enactment of section 103 of the Tax Increase Prevention Act of 2014 (TIPA), Pub. L. 113-295, which increased the monthly transit benefit exclusion under § 132(f)(2)(A) of the Internal Revenue Code from \$130 per participating employee to \$250 per participating employee for the period of January 1, 2014, through December 31, 2014. To address employers' questions regarding the retroactive application of the increased exclusion for 2014 and to reduce filing and reporting burdens, the Internal Revenue Service (Service) is clarifying how the increase applies for 2014 and providing a special administrative procedure for employers to use in filing Form 941, Employer's QUARTERLY Federal Tax Return, for the fourth quarter of 2014 to reflect changes in the excludable amount for transit benefits provided in all quarters of 2014 and in filing Forms W-2, Wage and Tax Statement.

##### BACKGROUND

Section 132(a)(5) provides that any fringe benefit that is a qualified transportation fringe is excluded from gross income. Section 132(f)(1) provides in relevant part that the term "qualified transportation fringe" includes (when provided by an employer to an employee): (1) transportation in a commuter highway vehicle between home and work, (2) any transit pass, or (3) qualified parking. Under § 132(f)(3), cash reimbursements by employers for transit passes constitute a qualified transportation fringe only if a voucher or similar item which may be exchanged only for a transit pass is not readily available for direct distribution by the employer to the employee. Section 1.132-9(b) of the Income Tax Regulations provides guidance on the exclusion for qualified transportation fringes. See § 1.132-9(b) Q/A 16(b)(4) for the meaning of the term "readily available." See also Rev. Rul.

2014-32, 2014-50 I.R.B. 917, for guidance on the use of smartcards, debit or credit cards, or other electronic media to provide qualified transportation fringe benefits to employees.

Section 132(f)(2) provides that the amount of fringe benefits which is provided by an employer to any employee and which may be excluded from gross income under § 132(a)(5) shall not exceed \$100 per month in the case of the aggregate of transportation in a commuter highway vehicle and any transit pass, and \$175 in the case of qualified parking. These amounts are adjusted annually for inflation under § 132(f)(6). Prior to enactment of TIPA, the adjusted maximum monthly excludable amount for 2014 for the aggregate of transportation in a commuter highway vehicle and any transit pass was \$130 and the adjusted maximum monthly excludable amount for qualified parking was \$250. See section 3.16 of Rev. Proc. 2013-35, 2013-47 I.R.B. 357. TIPA amended § 132(f)(2) to increase the maximum monthly excludable amount for the aggregate of employer-provided commuter highway vehicle transportation and transit pass benefits to an amount equal to the maximum monthly excludable amount for qualified parking. The amendment is effective retroactively beginning on January 1, 2014, and extends through December 31, 2014.

Amounts that are excluded from gross income under § 132 are also excluded from Federal Insurance Contributions Act (FICA) taxes (social security and Medicare, including Additional Medicare Tax) and Federal income tax withholding. Sections 3121(a)(20) and 3401(a)(19).

Generally, corrections of overpayments of FICA tax are made after an error has been ascertained using the adjustment process under § 6413 or using the refund claim process under § 6402. An error is ascertained when the employer has sufficient knowledge of the error to be able to correct it.

Under §§ 31.6413(a)-1(a) and 31.6413(a)-2(b) of the Employment Tax Regulations, before making an adjustment of an overpayment of FICA tax, an employer generally must repay or reimburse its employee in the amount of the over-

collection prior to the expiration of the period of limitations on credit or refund, and, for FICA tax overcollected in a prior year (other than Additional Medicare Tax), must also secure the employee's written statement confirming that the employee has not made any previous claims (or the claims were rejected) and will not make any future claims for refund or credit of the amount of the overcollected FICA tax. An employer repays the employee by direct payment to the employee; an employer reimburses an employee by applying the amount of the overcollection against the employee FICA tax which attaches to wages paid by the employer to the employee. Sections 31.6413(a)-1(a)(2)(ii) and 31.6413(a)-2(a)(1) provide that withheld Additional Medicare Tax can only be repaid or reimbursed and subsequently adjusted during the same calendar year in which is it withheld. Similarly, § 31.6413(a)-1(b) provides that employers cannot adjust overpayments of withheld income tax after the end of the calendar year. Rather, the withheld Additional Medicare Tax and the withheld income tax are applied against the taxes shown on the employee's individual income tax return (for example, Form 1040, U.S. Individual Income Tax Return) and any excess will be refunded to the employee.

Section 31.6402(a)-2 provides rules under which a refund claim for an overpayment of FICA tax (other than Additional Medicare Tax) may be made. Pursuant to § 31.6402(a)-2(a), an employer has a duty to assure that its employee's rights to recover overcollected taxes are protected by repaying or reimbursing overcollected amounts. Alternatively, an employer may obtain the employee's consent to the filing of the refund claim. Under § 31.6402(a)-2(a)(iii), no refund to the employer is permitted with regard to Additional Medicare Tax which the employer deducted or withheld from the employee. Similarly, under §§ 6414 and 31.6414-1, no refund to the employer is allowed for the overpayment of withheld income tax which the employer deducted or withheld from an employee.

To make employment tax corrections for overpayments (that is, to make adjustments or to claim refunds), an employer

uses the “X” form that corresponds to the return being corrected. Thus, an employer corrects overreported taxes on a previously filed Form 941 by filing Form 941–X, Adjusted Employer’s QUARTERLY Federal Tax Return or Claim for Refund. A separate X form must be filed for each taxable period.

#### APPLICATION OF RETROACTIVE INCREASE TO TRANSIT BENEFITS PROVIDED IN 2014

For purposes of the remaining discussion, “transit benefits” refers to the aggregate benefit of transportation in a commuter highway vehicle and transit passes that meet the requirements of § 132 and the applicable regulations. Pursuant to the change made by TIPA, which was retroactive to January 1, 2014, transit benefits provided during 2014 by an employer to an employee in excess of \$130 (the former maximum monthly excludable amount) up to \$250 (the amended maximum monthly excludable amount) are excluded from the employee’s gross income and wages. These excess amounts are referred to as “excess transit benefits” in this notice. The exclusion applies whether the employer provided the transit benefits in 2014 out of its own funds or whether the transit benefits were provided during 2014 through compensation reduction arrangements as permitted by §§ 132(f)(4) and 1.132–9(b) Q/A 11–15.

Neither § 132 nor the change made by TIPA mandates that employers provide additional transit benefits to their employees for 2014. With regard to transit benefits provided pursuant to compensation reduction arrangements, §1.132–9(b) Q/A 13 provides that, each month, the amount of the compensation reduction may not exceed the combined applicable statutory monthly limit for transportation in a commuter highway vehicle and transit passes. Section 1.132–9(b) Q/A 14(b) provides that the compensation reduction election must be made before the employee is able to receive the cash or other taxable amount at the employee’s discretion. Accordingly, employees may not retroactively increase their compensation reduction for 2014 to take advantage of the increase in the excludable amount for transit benefits in 2014. In addition, employees may not reduce their compensa-

tion by more than \$130 per month in 2015 (the applicable statutory monthly limit for 2015) in order to receive any permissible reimbursement for transit benefits incurred in 2014.

Furthermore, TIPA did not change the other requirements of § 132, including the limitation on providing cash reimbursements for transit passes when transit passes are readily available for direct distribution by the employer to the employee.

#### SPECIAL ADMINISTRATIVE PROCEDURE FOR EMPLOYERS WHO DESIRE TO MAKE ADJUSTMENTS FOR 2014 ON THE FORM 941 FILED FOR THE FOURTH QUARTER OF 2014

Employers who originally reported excess transit benefits as includible in gross income and wages and withheld income taxes and FICA taxes would normally be required to file Form 941–X for each quarter to make corrections.

Due to the timing of the statutory change and the due dates for Forms 941 for the fourth quarter of 2014 and Forms W–2, and in order to reduce administrative burden, the Service is providing a special administrative procedure for employers that treated excess transit benefits as wages and that have not yet filed their fourth quarter Form 941 for 2014. Employers who desire to use this special administrative procedure must repay or reimburse their employees for the overcollected FICA tax (including any Additional Medicare Tax) on the excess transit benefits for all four quarters of 2014 on or before filing the fourth quarter Form 941. The employer, in reporting amounts on its fourth quarter Form 941, may reduce the fourth quarter Wages, tips and compensation reported on line 2, Taxable social security wages reported on line 5a, Taxable Medicare wages and tips reported on line 5c, and Taxable wages & tips subject to Additional Medicare Tax withholding reported on line 5d by the excess transit benefits for all four quarters of 2014. By taking advantage of this special administrative procedure, employers will avoid having to file Forms 941–X, and will also avoid having to file Forms W–2c as discussed below.

This procedure can only be used to the extent that employers have repaid or re-

imbursed their employees for the employee share of FICA tax (including any Additional Medicare Tax) attributable to the excess transit benefits. Under this special administrative procedure, employers may only correct the employer share of FICA tax if the employees’ share of FICA tax has been repaid or reimbursed to the employees. Employers using this special procedure do not need to obtain written statements from their employees confirming, for each employee, that the employee did not make a claim (or if the employee did make a claim, the claim was rejected) and will not make a claim for refund of FICA tax overcollected in a prior year.

The repayment or reimbursement of overwithheld social security tax and the corresponding reduction for wages reported on Form 941, line 5a, Taxable social security wages, must take into account that refunds or credits of social security tax are limited to the amount paid on that portion of the excess transit benefits that, when added to other wages for the year, did not exceed the social security wage base for 2014 (\$117,000).

To ensure that use of this special administrative procedure does not result in a mismatch between the total taxes reported on Form 941, line 10, Total taxes after adjustments, and the Total liability for the quarter reported on Form 941, Line 14 (for a monthly schedule depositor) or Schedule B (Form 941) (for a semiweekly schedule depositor), an employer should use the following procedure. The employer should reduce the last liability of the quarter reported (that is, Month 3 on line 14 or the last liability entry on Schedule B) by the amount of the tax reduction due to use of the special administrative procedure. If the amount of the tax reduction exceeds the last liability of the quarter reported on line 14 or Schedule B, the employer should apply the amount of the tax reduction to reduce previous liabilities in reverse order until the amount of the tax reduction is completely used. Note that negative numbers must not be entered on Line 14 or Schedule B.

The same procedures are available to filers of other employment tax returns reporting FICA taxes (for example, the related Spanish-language return or return for U.S. possessions) and to filers of em-

ployment tax returns reporting taxes under the Railroad Retirement Tax Act.

**NORMAL PROCEDURES FOR EMPLOYERS WHO HAVE FILED FOURTH QUARTER FORM 941 OR HAVE NOT REPAYED OR REIMBURSED EMPLOYEES PRIOR TO FILING FOURTH QUARTER FORM 941**

Employers that have already filed the fourth quarter Form 941 must use Form 941-X and normal procedures to make an adjustment or claim a refund for any quarter in 2014 with regard to the overpayment of tax on the excess transit benefits after repaying or reimbursing the employees or, for claims for refund, securing consents from their employees. Similarly, to the extent employers have not repaid or reimbursed their employees who received excess transit benefits in 2014 prior to filing the fourth quarter Form 941, the employers must use Form 941-X to make an adjustment or claim for refund with respect to the excess transit benefits provided to those employees and must follow the normal procedures.

Under the normal procedures, the employer must obtain the required statements under §§ 31.6413(a)-1 or 31.6402(a)-2 (subject to the exception for making reasonable efforts). Furthermore, the employer may not repay or reimburse, make an adjustment with respect to, or seek a refund of Additional Medicare Tax or in-

come tax deducted or withheld from the employee in 2014.

**EMPLOYER INSTRUCTIONS FOR FORM W-2**

Employers that paid excess transit benefits and have not furnished 2014 Forms W-2 to their employees must take into account the increased exclusion for transit benefits in calculating the amount of wages reported in box 1, Wages, tips, other compensation; box 3, Social security wages; and box 5, Medicare wages and tips. Employers that have repaid or reimbursed their employees for the overcollected FICA taxes prior to furnishing Form W-2 (whether they utilized the special administrative procedure or the normal procedures) must reduce the amounts of withheld tax reported in box 4, Social security tax withheld, and box 6, Medicare tax withheld, by the amounts of the repayments or reimbursements. Note that under the normal procedures, the amount reported in box 6, Medicare tax withheld, will not be reduced with regard to any Additional Medicare Tax withheld on the excess transit benefits because no repayment or reimbursement of such amount is permitted after the end of 2014.

In all cases, employers must report in box 2, Federal income tax withheld, the amount of income tax actually withheld during 2014. The additional income tax withholding will be applied against the taxes shown on the employee's individual

income tax return (Form 1040, U.S. Individual Income Tax Return).

Employers that repaid or reimbursed their employees for the overcollected FICA taxes after furnishing Forms W-2 to their employees but before filing Forms W-2 with the Social Security Administration (SSA) must check the "Void" box at the top of each incorrect Form W-2 (Copy A). The employer must prepare new Forms W-2 with the correct information, and send these new Forms W-2 (Copy A) to the SSA. The employers must write "CORRECTED" on the employees' new copies (B, C, and 2) and furnish them to the employees. See the 2014 General Instructions for Forms W-2 and W-3.

Employers that have already filed 2014 Forms W-2 with SSA must file Forms W-2c, Corrected Wage and Tax Statement, to take into account the increased exclusion for transit benefits and to reflect any repayments or reimbursements of the withheld FICA tax and must furnish copies of Form W-2c to the employees.

**DRAFTING INFORMATION**

The principal author of this notice is Jean M. Casey of the Office of Division Counsel/Associate Chief Counsel (Tax Exempt & Government Entities). For further information regarding this notice contact Ms. Casey on (202) 317-4774 (not a toll-free number).



# 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 List<sup>1</sup>**

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<sup>1</sup>A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2014–27 through 2014–52 is in Internal Revenue Bulletin 2014–52, dated December 28, 2014.

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<sup>1</sup>A cumulative list of current actions on previously published items in Internal Revenue Bulletins 2014–27 through 2014–52 is in Internal Revenue Bulletin 2014–52, dated December 28, 2014.

# **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/).

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