

# Internal Revenue bulletin

Bulletin No. 2015–7  
February 17, 2015

## 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.

### EXEMPT ORGANIZATIONS

#### **Announcement 2015–5, page 602.**

Revocation of IRC 501(c)(3) Organizations for failure to meet the code section requirements. Contributions made to the organizations by individual donors are no longer deductible under IRC 170(b)(1)(A).

#### **Rev. Proc. 2015–17, page 599.**

This revenue procedure supersedes Revenue Procedure 2012–11, 2012–7 I.R.B. 368, and sets forth procedures for issuing determination letters and rulings on the exempt status of qualified nonprofit health insurance issuers (QNHIs) described in § 501(c)(29) of the Internal Revenue Code (Code).

#### **T.D. 9709, page 593.**

These final regulations authorize the IRS to prescribe the procedures by which certain entities may apply to the IRS for recognition of exemption from Federal income tax. These regulations affect qualified nonprofit health insurance issuers, participating in the Consumer Operated and Oriented Plan program established by the Centers for Medicare and Medicaid Services, that seek exemption from federal income tax under the Internal Revenue Code.

### ADMINISTRATIVE

#### **Rev. Proc. 2015–16, page 596.**

This revenue procedure updates Rev. Proc. 2014–15, 2014–5 I.R.B. 456, and identifies circumstances under which the disclosure on a taxpayer's income tax return with respect to an item or position is adequate for the purpose of reducing the understatement of income tax under section 6662(d) of the Internal Revenue Code (relating to the substantial understatement aspect of the accuracy-related penalty), and for the purpose of avoiding the tax return preparer penalty under section 6694(a) (relating to understatements due to unreasonable positions) with respect to income tax returns.

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

26 CFR 1.501(c)(29)-1: Authorization to prescribe application procedures for tax exempt status.

## DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Part 1

### T.D. 9709

#### Application for Recognition as a 501(c)(29) Organization

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations and removal of temporary regulations.

SUMMARY: This document contains final regulations authorizing the IRS to prescribe the procedures by which certain entities may apply to the IRS for recognition of exemption from Federal income tax. These regulations affect qualified nonprofit health insurance issuers participating in the Consumer Operated and Oriented Plan program established by the Centers for Medicare and Medicaid Services that seek exemption from federal income tax under the Internal Revenue Code.

DATES: *Effective date:* These regulations are effective on January 29, 2015.

*Applicability date:* For date of applicability, see § 1.501(c)(29)-1(c).

FOR FURTHER INFORMATION CONTACT: Martin Schäffer, (202) 317-5800 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

Section 501(c)(29) of the Internal Revenue Code (Code) provides requirements for tax exemption under section 501(a) for qualified nonprofit health insurance issuers (QNHII). Section 501(c)(29) was added to the Code by section 1322(h)(1) of the Patient Protection and Affordable Care Act, Public Law 111-148 (March 23, 2010) (Affordable Care Act).

Section 1322 of the Affordable Care Act directs the Centers for Medicare and Medicaid Services (CMS) to establish the Consumer Operated and Oriented Plan (CO-OP) program. The purpose of the CO-OP program is to foster the creation of member-governed QNHII that will operate with a strong consumer focus and offer qualified health plans in the individual and small group markets. CMS provides loans and repayable grants (collectively, loans) to organizations applying to become QNHII to help cover start-up costs and meet any solvency requirements in States in which the organization is licensed to issue qualified health plans. For each loan, CMS issues a Notice of Award and Loan Agreement to the QNHII. The appropriate officer of the QNHII or of the QNHII's board of directors must sign and return the loan agreement to CMS. On December 13, 2011, CMS issued final regulations implementing the CO-OP program at 76 FR 77392.

The CMS final regulations define a QNHII as an entity that, within specified time frames, satisfies or can reasonably be expected to satisfy the standards in section 1322(c) of the Affordable Care Act and in the CMS final regulations. The entity will constitute a QNHII until such time as CMS determines the entity does not satisfy or cannot reasonably be expected to satisfy these standards. Section 1322(c) of the Affordable Care Act imposes a number of requirements, including that a QNHII be organized as a nonprofit member corporation under State law and that substantially all its activities consist of the issuance of qualified health plans in the individual and small group markets in each State in which it is licensed to issue such plans.

Section 501(c)(29)(A) of the Code provides that a QNHII (within the meaning of section 1322(c) of the Affordable Care Act) which has received a loan or grant under the CO-OP program may be recognized as exempt from taxation under section 501(a), but only for periods for which the organization is in compliance with the requirements of section 1322 of the Affordable Care Act and any loan or grant

agreement with the Secretary of Health and Human Services. Section 501(c)(29)(B) provides that a QNHII will not qualify for tax-exemption unless it meets four additional requirements. First, the QNHII must give notice to the Secretary of the Treasury, in such manner as the Secretary may by regulations prescribe, that it is applying for recognition of exemption as an organization described in section 501(c)(29). Second, no part of the QNHII's net earnings may inure to the benefit of any private shareholder or individual, except to the extent permitted by section 1322(c)(4) of the Affordable Care Act (which requires that any profits be used to lower premiums, to improve benefits, or for other programs intended to improve the quality of health care delivered to the organization's members). Third, no substantial part of the QNHII's activities may consist of carrying on propaganda, or otherwise attempting, to influence legislation. Finally, the QNHII may not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office. As required by section 1322(b)(2)(C)(iii) of the Affordable Care Act, CMS must notify the IRS of any determination of a failure to comply with the CO-OP program standards, including any loan agreement, that may affect a QNHII's tax-exempt status under section 501(c)(29) of the Code.

Section 6033 requires a QNHII to file an annual information return. Section 6033(m), added to the Code by section 1322(h)(2) of the Affordable Care Act, further requires a QNHII to provide additional information on the amount of reserves required by each state in which the QNHII is licensed to issue qualified health plans and the amount of reserves on hand. These requirements are met by filing a Form 990 for each tax year in which the QNHII claims tax-exempt status, including tax years prior to receipt of a determination letter from the IRS recognizing its tax-exempt status. See Notice 2011-23, § 8, 2011-13 IRB 588, as well as Instructions for Form 990-EZ, "Short Form Re-

turn of Organization Exempt from Income Tax.”

On February 7, 2012, temporary regulations (TD 9574) authorizing the IRS to prescribe the procedures by which certain entities may apply to the IRS for recognition of exemption from Federal income tax were published in the **Federal Register** (77 FR 6005). On the same date, and under the authority of the temporary regulations, the IRS issued Rev. Proc. 2012–11, 2012–7 IRB 368, providing instructions on how an organization should apply for recognition of exemption as an organization described in section 501(c)(29). The IRS intends to reissue Rev. Proc. 2012–11 (with a 2015 designation) under the authority of the final regulations.

A notice of proposed rulemaking (REG–135071–11) cross-referencing the temporary regulations was also published in the **Federal Register** on February 7, 2012 (77 FR 6027). No public hearing was requested or held. Two comments responding to the notice of proposed rulemaking were received and are available at [www.regulations.gov](http://www.regulations.gov) (Docket Number IRS–2012–0007). After consideration of the two comments, the proposed regulations are adopted without revision, and the corresponding temporary regulations are removed.

### **Summary of Comments and Explanation of Provisions**

Section 501(c)(29)(B)(i) of the Code provides that a QNHII which has received a loan through the CO-OP program established under the Affordable Care Act by the Centers for Medicare and Medicaid Services may be recognized as exempt from taxation under section 501(a) only if, among other things, the QNHII gives notice to the IRS, in such manner as the Secretary may by regulations prescribe, that it is applying for recognition as an organization described in section 501(c)(29). These final regulations provide that the Commissioner has the authority to prescribe the application procedures that a QNHII seeking such recognition must follow. These final regulations expressly authorize the Commissioner to recognize a QNHII as exempt effective as of a date prior to the date of its application, provided that the application is submitted in the manner and within the time prescribed by the Commissioner and

that the QNHII’s prior purposes and activities were consistent with the requirements for exempt status under section 501(c)(29).

Neither of the comments received addressed the proposed rule authorizing the IRS to prescribe the procedures by which certain entities may apply for recognition of exemption from Federal income tax as organizations described in section 501(c)(29). One commenter suggested that the final rule clarify that the failure of a QNHII to meet the requirements of state insurance laws may be grounds for the denial or revocation of the entity’s tax-exempt status. In addition, the commenter suggested that the application for a section 501(c)(29) determination letter, as described in Rev. Proc. 2012–11, should include an affirmation by the entity seeking an exemption that it meets all applicable state requirements for a qualified health insurer, including solvency and licensing standards.

The final regulations do not incorporate these suggestions. Section 501(c)(29)(A) provides for recognition of a QNHII that has received a loan or grant under the CO-OP program for periods for which the organization is in compliance with the requirements of the Affordable Care Act and of any CO-OP program loan or grant. An entity that CMS has determined qualifies as a QNHII remains a QNHII until CMS determines that it does not satisfy or cannot reasonably be expected to satisfy the standards in section 1322(c) of the Affordable Care Act and the CMS final regulations. CMS must notify the IRS if a QNHII fails to comply with the CO-OP program standards, including any loan agreement. If CMS determines that an organization no longer qualifies as a QNHII, it will lose its tax-exempt status under section 501(c)(29) of the Code. Because the commenter’s suggestions relate to an organization’s qualification as a QNHII, rather than to the requirements for a QNHII to be recognized as tax-exempt, these suggestions were not adopted.

Another commenter recommended that the final rule make it clear that all state and federal laws and regulations that currently apply to 501(c) organizations – including those related to transparency, reporting, and the treatment of assets upon dissolution – apply also to organizations

recognized under section 501(c)(29), noting particularly the requirement to file a Form 990, “Return of Organization Exempt From Income Tax,” and related documents on an annual basis. The commenter further recommended that the final rule specifically address aspects of the Affordable Care Act that are not within the jurisdiction of the Treasury Department.

The final regulations do not incorporate these suggestions. With respect to the Code, different requirements apply to different types of organizations described in section 501(c). Section 501(c)(29)(B) sets forth the conditions that a QNHII must satisfy for exemption from Federal income tax. Section 6033 and the regulations thereunder generally requires all organizations exempt from taxation under section 501(a), including QNHIIs exempt under section 501(c)(29), to file Form 990, unless an organization qualifies for an exception from the filing requirement. With respect to section 1322 of Affordable Care Act, CMS issued final regulations in December 2011 implementing the CO-OP program and providing the basic standards that an organization must meet to be a QNHII and participate in the program. Those requirements are outside the jurisdiction of the Treasury Department. For these reasons no additional regulatory guidance is needed.

### **Special Analyses**

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866, as supplemented by Executive Order 13563. Therefore, a regulatory assessment is not required. It has been determined, also, that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply, and because no collection of information is imposed on small entities, the provisions of the Regulatory Flexibility Act (5 U.S.C. chapter 6) do not apply. Pursuant to section 7805(f) of the Code, the NPRM preceding this regulation was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

## Drafting Information

The principal author of these regulations is Martin Schäffer of the Office of Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities), although other persons in the IRS and the Treasury Department participated in their development.

\* \* \* \* \*

## Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

### PART 1—INCOME TAXES

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

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

Section 1.501(c)(29)-1 also issued under 26 U.S.C. 501(c)(29)(B)(i). \* \* \*

Par. 2. Section 1.501(c)(29)-1 is added to read as follows:

### § 1.501(c)(29)-1 CO-OP Health Insurance Issuers.

(a) *Organizations must notify the Commissioner that they are applying for recognition of section 501(c)(29) status.* An organization will not be treated as described in section 501(c)(29) unless the organization has given notice to the Commissioner that it is applying for recognition as an organization described in section 501(c)(29) in the manner prescribed by the Commissioner in published guidance.

(b) *Effective date of recognition of section 501(c)(29) status.* An organization may be recognized as an organization described in section 501(c)(29) as of a date prior to the date of the notice required by paragraph (a) of this section if the notice is given in the manner and within the time prescribed by the Commissioner and the organization's purposes and activities prior to giving such notice were consistent with the requirements for exempt status under section 501(c)(29). However, an organization

may not be recognized as an organization described in section 501(c)(29) before the later of its formation or March 23, 2010.

(c) *Effective/applicability date.* Paragraphs (a) and (b) of this section are applicable beginning February 7, 2012.

### § 1.501(c)(29)-1T [Removed]

Par. 3. Section 1.501(c)(29)-1T is removed.

John Dalrymple  
*Deputy Commissioner for  
Services and Enforcement.*

Approved: January 22, 2015

Mark J. Mazur  
*Assistant Secretary of the Treasury.*

(Filed by the Office of the Federal Register on January 26, 2015; 4:15 pm, and published in the issue of the Federal Register for January 29, 2015, 80 F.R. 4791)

## Part III. Administrative, Procedural, and Miscellaneous

26 CFR 601.105: Examination of returns and claims for refund, credit or abatement; determination of correct tax liability.

(Also: Part I, §§ 6662, 6694, 1.6662-4, 1.6694-2)

### Adequate Disclosure Revenue Procedure Renewal

#### Rev. Proc. 2015-16

##### SECTION 1. PURPOSE

This revenue procedure updates Rev. Proc. 2014-15, 2014-5 I.R.B. 456, and identifies circumstances under which the disclosure on a taxpayer's income tax return with respect to an item or position is adequate for the purpose of reducing the understatement of income tax under section 6662(d) of the Internal Revenue Code (relating to the substantial understatement aspect of the accuracy-related penalty), and for the purpose of avoiding the tax return preparer penalty under section 6694(a) (relating to understatements due to unreasonable positions) with respect to income tax returns. This revenue procedure does not apply with respect to any other penalty provisions (including but not limited to the disregard provisions of the section 6662(b)(1) accuracy-related penalty, the section 6662(b)(6) accuracy-related penalty and the section 6662(i) increased accuracy-related penalty in the case of nondisclosed noneconomic substance transactions, and the section 6662(j) increased accuracy-related penalty in the case of undisclosed foreign financial asset understatements). If this revenue procedure does not include an item, disclosure is adequate with respect to that item only if made on a properly completed Form 8275 or 8275-R, as appropriate, attached to the return for the year or to a qualified amended return. *See* Treas. Reg. § 1.6664-2(c) for information about qualified amended returns.

This revenue procedure applies to any income-tax return filed on 2014 tax forms for a taxable year beginning in 2014, and to any income-tax return filed in 2015 on 2014 tax forms for short taxable years beginning in 2015.

##### SECTION 2. CHANGES FROM REV. PROC. 2014-15

Editorial changes have been made throughout this revenue procedure. No substantive changes have been made. For instance, Section 1 of the revenue procedure was revised to include a non-exclusive list of examples of provisions to which this revenue procedure does not apply. This language was included in the revenue procedure in prior years, but was removed last year to make the section more concise. Because of questions regarding this change, the language is being reinserted into this year's revenue procedure. Reinsertion of this language is editorial only and is intended to increase clarity.

##### SECTION 3. BACKGROUND

.01 If section 6662 applies to any portion of an underpayment of tax required to be shown on a return, an amount equal to 20 percent of the portion of the underpayment is added to the tax. The penalty rate increases to 40 percent in the case of gross valuation misstatements under section 6662(h), nondisclosed noneconomic substance transactions under section 6662(i), or undisclosed foreign financial asset understatements under section 6662(j). Section 6662(b)(2) applies to the portion of an underpayment of tax that is attributable to a substantial understatement of income tax.

.02 There is a substantial understatement of income tax if the amount of the understatement exceeds the greater of 10 percent of the amount of tax required to be shown on the return for the taxable year or \$5,000. Section 6662(d)(1). Section 6662(d)(1)(B) provides a special rule for corporations. A corporation (other than an S corporation or a personal holding company) has a substantial understatement of income tax if the amount of the understatement exceeds the lesser of (i) 10 percent of the tax required to be shown on the return for a taxable year (or, if greater, \$10,000) or (ii) \$10,000,000. An understatement is the excess of the amount of tax required to be shown on the return for the taxable year over the amount of the tax that is shown on the return reduced by any rebate. Section 6662(d)(2).

.03 In the case of an item not attributable to a tax shelter, if the taxpayer has a reasonable basis for the tax treatment of the item, the amount of the understatement is reduced by the portion of the understatement attributable to the item with respect to which the relevant facts affecting the item's tax treatment are adequately disclosed in the return or in a statement attached to the return. Section 6662(d)(2)(B)(ii).

.04 Section 6694(a) imposes a penalty on a tax return preparer who prepares a return or claim for refund reflecting an understatement of liability due to an "unreasonable position" if the tax return preparer knew (or reasonably should have known) of the position. A position (other than a position with respect to a tax shelter or a reportable transaction to which section 6662A applies) is generally treated as unreasonable unless (i) there is or was substantial authority for the position, or (ii) the position was properly disclosed in accordance with section 6662(d)(2)(B)(ii)(I) and had a reasonable basis. If the position is with respect to a tax shelter (as defined in section 6662(d)(2)(C)(ii)) or a reportable transaction to which section 6662A applies, the position is treated as unreasonable unless it is reasonable to believe that the position would more likely than not be sustained on the merits. *See* Notice 2009-5, 2009-3 I.R.B. 309 (January 21, 2009) for interim penalty compliance rules for tax shelter transactions.

.05 In general, this revenue procedure provides guidance for determining when disclosure by return is adequate for purposes of section 6662(d)(2)(B)(ii) and section 6694(a)(2)(B). For purposes of this revenue procedure, the taxpayer must furnish all required information in accordance with the applicable forms and instructions, and the money amounts entered on these forms must be verifiable.

.06 Fiscal and short tax year returns. (a) In general. This revenue procedure may apply to a return for a fiscal tax year that begins in 2014 and ends in 2015. This revenue procedure may also apply to a short year return for a period beginning in 2015 if the return is to be filed before the 2015 forms are available. (Note that individuals are generally not put in this posi-

tion, as the only situation in which a short year arises is when filing a decedent's final return for a fractional part of a year, which is due the fifteenth day of the fourth month following the close of the 12-month period that began with the first day of such fractional part of the year (after the 2015 form is available). See Treas. Reg. § 1.6072-1(b). In the case of fiscal year and short year returns, the taxpayer must take into account any tax law changes that are effective for tax years beginning after December 31, 2014, even though these changes are not reflected on the form.

.07 Tax law changes effective after December 31, 2014. This document does not take into account the effect of tax law changes effective for tax years beginning after December 31, 2014. If a line referenced in this revenue procedure is affected by such a change and requires additional reporting, a taxpayer may have to file Form 8275, *Disclosure Statement*, or Form 8275-R, *Regulation Disclosure Statement*, until the Service prescribes criteria for complying with the requirement.

.08 A complete and accurate disclosure of a tax position on the appropriate year's Schedule UTP, *Uncertain Tax Position Statement*, will be treated as if the corporation filed a Form 8275 or Form 8275-R regarding the tax position. The filing of a Form 8275 or Form 8275-R, however, will not be treated as if the corporation filed a Schedule UTP.

## SECTION 4. PROCEDURE

### .01 General

(1) Additional disclosure of facts relevant to, or positions taken with respect to, issues involving any of the items set forth below is unnecessary for purposes of reducing any understatement of income tax under section 6662(d) (except as otherwise provided in section 4.02(3) concerning Schedules M-1 and M-3), provided that the forms and attachments are completed in a clear manner and in accordance with their instructions.

(2) The money amounts entered on the forms must be verifiable, and the information on the return must be disclosed in the manner described below. For purposes of this revenue procedure, a number is verifiable if, on audit, the taxpayer can prove

the origin of the amount (even if that number is not ultimately accepted by the Internal Revenue Service) and the taxpayer can show good faith in entering that number on the applicable form.

(3) The disclosure of an amount as provided in section 4.02 below is not adequate when the understatement arises from a transaction between related parties. If an entry may present a legal issue or controversy because of a related-party transaction, then that transaction and the relationship must be disclosed on a Form 8275 or Form 8275-R.

(4) When the amount of an item is shown on a line that does not have a preprinted description identifying that item (such as on an unnamed line under an "Other Expense" category), the taxpayer must clearly identify the item by including the description on that line. For example, to disclose a bad debt for a sole proprietorship, the words "bad debt" must be written or typed on the line of Schedule C that shows the amount of the bad debt. Also, for Schedule M-3 (Form 1120), Part II, line 25, Other income (loss) items with differences, or Part III, line 37, Other expense/deduction items with differences, the entry must provide descriptive language; for example, "Cost of non-compete agreement deductible not capitalizable." If space limitations on a form do not allow for an adequate description, the description must be continued on an attachment.

(5) Although a taxpayer may literally meet the disclosure requirements of this revenue procedure, the disclosure will have no effect for purposes of the section 6662 accuracy-related penalty if the item or position on the return: (1) does not have a reasonable basis as defined in Treas. Reg. § 1.6662-3(b)(3); (2) is attributable to a tax shelter item as defined in section 6662(d)(2); or (3) is not properly substantiated or the taxpayer failed to keep adequate books and records with respect to the item or position.

(6) Disclosure also will have no effect for purposes of the section 6694(a) penalty as applicable to tax return preparers if the position is with respect to a tax shelter (as defined in section 6662(d)(2)(C)(ii)) or a reportable transaction to which section 6662A applies.

### .02 Items

(1) Form 1040, Schedule A, *Itemized Deductions*:

(a) Medical and Dental Expenses: Complete lines 1 through 4, supplying all required information.

(b) Taxes: Complete lines 5 through 9, supplying all required information. Line 8 must list each type of tax and the amount paid.

(c) Interest Expenses: Complete lines 10 through 15, supplying all required information. This section 4.02(1)(c) does not apply to (i) amounts disallowed under section 163(d) unless Form 4952, *Investment Interest Expense Deduction*, is completed, or (ii) amounts disallowed under section 265.

(d) Contributions: Complete lines 16 through 19, supplying all required information. Enter the amount of the contribution reduced by the value of any substantial benefit (goods or services) provided by the donee organization in consideration, in whole or in part, for the contribution. Entering the contribution's value, unreduced by the value of the benefit received, will not constitute adequate disclosure. If a contribution of \$250 or more is made, this section will not apply unless a contemporaneous written acknowledgment, as required by section 170(f)(8), is obtained from the donee organization. If a contribution of cash of less than \$250 is made, this section will not apply unless a bank record or written communication from the donee organization, as required by section 170(f)(17), is obtained. If a contribution of property other than cash is made and the amount claimed as a deduction exceeds \$500, attach a properly completed Form 8283, *Noncash Charitable Contributions*, to the return. In addition to the Form 8283, if a contribution of a qualified motor vehicle, boat, or airplane has a value of more than \$500, this section will not apply unless a contemporaneous written acknowledgment, as required by section 170(f)(12), is obtained from the donee organization and attached to the return. An acknowledgment under section 170(f)(8) is not required if an acknowledgment under section 170(f)(12) is required.

(e) Casualty and Theft Losses: Complete Form 4684, *Casualties and Thefts*,

and attach to the return. Each item or article for which a casualty or theft loss is claimed must be listed on Form 4684.

(2) Certain Trade or Business Expenses (including, for purposes of this section, the following six expenses as they relate to the rental of property):

(a) Casualty and Theft Losses: The procedure outlined in section 4.02(1)(e) must be followed.

(b) Legal Expenses: The amount claimed must be stated. This section does not apply, however, to amounts properly characterized as capital expenditures, personal expenses, or non-deductible lobbying or political expenditures, including amounts that are required to be (or that are) amortized over a period of years.

(c) Specific Bad Debt Charge-off: The amount written off must be stated.

(d) Reasonableness of Officers' Compensation: Form 1125-E, *Compensation of Officers*, must be completed when required by its instructions. The time devoted to business must be expressed as a percentage as opposed to "part" or "as needed." This section does not apply to "golden parachute" payments, as defined under section 280G. This section will not apply to the extent that remuneration paid or incurred exceeds the employee-remuneration deduction limitations under section 162(m), if applicable.

(e) Repair Expenses: The amount claimed must be stated. This section does not apply, however, to any amount properly characterized as capital expenditures or personal expenses.

(f) Taxes (other than foreign taxes): The amount claimed must be stated.

(3) Differences in book and income tax reporting.

For Schedule M-1 and all Schedules M-3, including those listed in (a)-(f) below, the information provided must reasonably apprise the Service of the potential controversy concerning the tax treatment of the item. If the information provided does not so apprise the Service, a Form 8275 or Form 8275-R must be used to adequately disclose the item (*see* Part II of the instructions for those forms).

Note: An item reported on a line with a pre-printed description, shown on an attached schedule or "itemized" on Schedule M-1, may represent the aggregate amount of

several transactions producing that item (*i.e.*, a group of similar items, such as amounts paid or incurred for supplies by a taxpayer engaged in business). In some instances, a potentially controversial item may involve a portion of the aggregate amount disclosed on the schedule. The Service will not be reasonably apprised of a potential controversy by the aggregate amount disclosed. In these instances, the taxpayer must use Form 8275 or Form 8275-R regarding that portion of the item.

Combining unlike items, whether on Schedule M-1 or Schedule M-3 (or on an attachment when directed by the instructions), will not constitute an adequate disclosure.

Additionally, for taxpayers that file the Schedule M-3 (Form 1120), Schedule B, *Additional Information for Schedule M-3 Filers*, must also be completed. For taxpayers that file the Schedule M-3 (Form 1065), Schedule C, *Additional Information for Schedule M-3 Filers*, must also be completed. When required, these Schedules are necessary to constitute adequate disclosure.

(a) Form 1065. Schedule M-3 (Form 1065), *Net Income (Loss) Reconciliation for Certain Partnerships*: Column (a), *Income (Loss) per Income Statement*, of Part II (reconciliation of income (loss) items) and Column (a), *Expense per Income Statement*, of Part III (reconciliation of expense/deduction items); Column (b), *Temporary Difference*, and Column (c), *Permanent Difference*, of Part II (reconciliation of income (loss) items) and Part III (reconciliation of expense/deduction items); and Column (d), *Income (Loss) per Tax Return*, of Part II (reconciliation of income (loss) items) and Column (d), *Deduction per Tax Return*, of Part III (reconciliation of expense/deduction items).

(b) Form 1120. (i) Schedule M-1, *Reconciliation of Income (Loss) per Books With Income per Return*.

(ii) Schedule M-3 (Form 1120), *Net Income (Loss) Reconciliation for Corporations with Total Assets of \$10 Million or More*: Column (a), *Income (Loss) per Income Statement*, of Part II (reconciliation of income (loss) items) and Column (a), *Expense per Income Statement*, of Part III (reconciliation of expense/deduction

items); Column (b), *Temporary Difference*, and Column (c), *Permanent Difference*, of Part II (reconciliation of income (loss) items) and Part III (reconciliation of expense/deduction items) and Column (d), *Income (Loss) per Tax Return*, of Part II (reconciliation of income (loss) items); and Column (d), *Deduction per Tax Return*, of Part III (reconciliation of expense/deduction items).

(c) Form 1120-L. Schedule M-3 (Form 1120-L), *Net Income (Loss) Reconciliation for U.S. Life Insurance Companies With Total Assets of \$10 Million or More*: Column (a), *Income (Loss) per Income Statement*, of Part II (reconciliation of income (loss) items) and Column (a), *Expense per Income Statement*, of Part III (reconciliation of expense/deduction items); Column (b), *Temporary Difference*, and Column (c), *Permanent Difference*, of Part II (reconciliation of income (loss) items) and Part III (reconciliation of expense/deduction items); and Column (d), *Income (Loss) per Tax Return*, of Part II (reconciliation of income (loss) items) and Column (d), *Deduction per Tax Return*, of Part III (reconciliation of expense/deduction items).

(d) Form 1120-PC. Schedule M-3 (Form 1120-PC), *Net Income (Loss) Reconciliation for U.S. Property and Casualty Insurance Companies With Total Assets of \$10 Million or More*: Column (a), *Income (Loss) per Income Statement*, of Part II (reconciliation of income (loss) items) and Column (a), *Expense per Income Statement*, of Part III (reconciliation of expense/deduction items); Column (b), *Temporary Difference*, and Column (c), *Permanent Difference*, of Part II (reconciliation of income (loss) items) and Part III (reconciliation of expense/deduction items); and Column (d), *Income (Loss) per Tax Return*, of Part II (reconciliation of income (loss) items) and Column (d), *Deduction per Tax Return*, of Part III (reconciliation of expense/deduction items).

(e) Form 1120-S. Schedule M-3 (Form 1120-S), *Net Income (Loss) Reconciliation for S Corporations With Total Assets of \$10 Million or More*: Column (a), *Income (Loss) per Income Statement*, of Part II (reconciliation of income (loss) items) and Column (a), *Expense per Income Statement*, of Part III (reconciliation of expense/deduction items); Column (b),

*Temporary Difference*, and Column (c), *Permanent Difference*, of Part II (reconciliation of income (loss) items) and Part III (reconciliation of expense/deduction items); and Column (d), *Income (Loss) per Tax Return*, of Part II (reconciliation of income (loss) items) and Column (d), *Deduction per Tax Return*, of Part III (reconciliation of expense/deduction items).

(f) Form 1120-F, Schedule M-3 (Form 1120-F), *Net Income (Loss) Reconciliation for Foreign Corporations With Total Assets of \$10 Million or More*: Column (b), *Temporary Difference*, Column (c), *Permanent Difference*, and Column (d), *Other Permanent Differences for Allocations to Non-ECI and ECI*, of Part II (reconciliation of income (loss) items) and Part III (reconciliation of expense/deduction items).

(4) Foreign Tax Items:

(a) International Boycott Transactions: Transactions disclosed on Form 5713, *International Boycott Report*; Schedule A, *International Boycott Factor (Section 999(c)(1))*; Schedule B, *Specifically Attributable Taxes and Income (Section 999(c)(2))*; and Schedule C, *Tax Effect of the International Boycott Provisions*, must be completed when required by their instructions.

(b) Treaty-Based Return Position: Transactions and amounts under section 6114 or section 7701(b) as disclosed on Form 8833, *Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b)*, must be completed when required by its instructions.

(5) Other:

(a) Moving Expenses: Complete Form 3903, *Moving Expenses*, and attach to the return.

(b) Employee Business Expenses: Complete Form 2106, *Employee Business Expenses*, or Form 2106-EZ, *Unreimbursed Employee Business Expenses*, and attach to the return. This section does not apply to club dues or to travel expenses for any non-employee accompanying the taxpayer on the trip.

(c) Fuels Credit: Complete Form 4136, *Credit for Federal Tax Paid on Fuels*, and attach to the return.

(d) Investment Credit: Complete Form 3468, *Investment Credit*, and attach to the return.

## SECTION 5. EFFECTIVE DATE

This revenue procedure applies to any income-tax return filed on a 2014 tax form for a taxable year beginning in 2014 and to any income-tax return filed on a 2014 tax form in 2015 for a short taxable year beginning in 2015.

## SECTION 6. DRAFTING INFORMATION

The principal author of this revenue procedure is Larry Pounders of the Office of Associate Chief Counsel (Procedure & Administration). For further information regarding this revenue procedure, contact Branch 1 of Procedure and Administration at (202) 317-6845 (not a toll free number).

# Rev. Proc. 2015-17

## SECTION 1. PURPOSE

This revenue procedure supersedes Revenue Procedure 2012-11, 2012-7 I.R.B. 368, and sets forth procedures for issuing determination letters and rulings on the exempt status of qualified nonprofit health insurance issuers (QNHII) described in § 501(c)(29) of the Internal Revenue Code (Code).

## SECTION 2. BACKGROUND

Section 501(c)(29) of the Code provides requirements for tax-exemption under § 501(a) for QNHII. Section 501(c)(29) was added to the Code by § 1322(h)(1) of the Patient Protection and Affordable Care Act, Public Law 111-148 (March 23, 2010) (Affordable Care Act).

Section 1322 of the Affordable Care Act directs the Centers for Medicare and Medicaid Services (CMS) to establish the Consumer Operated and Oriented Plan program (CO-OP program). The purpose of the CO-OP program is to foster the creation of member-governed QNHII that will operate with a strong consumer focus and offer qualified health plans in the individual and small group markets. CMS will provide loans and repayable grants (collectively loans) to organizations applying to become QNHII to help cover start-up costs and meet any solvency requirements in States in which the organizations are licensed to issue quali-

fied health plans. A Funding Opportunity Announcement for the CO-OP program (CFDA Number 93.545), published by CMS on July 28, 2011 (and amended on September 16, 2011), provides that for each loan, the appropriate CMS official will issue a Notice of Award and Loan Agreement to the QNHII. In addition, the Chief Executive Officer of the QNHII, or an officer of the QNHII's Board of Directors, must sign and return the Loan Agreement to CMS. On December 13, 2011, CMS issued final regulations implementing the CO-OP program at 76 FR 77392.

The CMS final regulations define a QNHII as an entity that, within specified time frames, satisfies or can reasonably be expected to satisfy the standards in § 1322(c) of the Affordable Care Act and in the CMS final regulations. The entity will constitute a QNHII until such time as CMS determines that the entity does not satisfy or cannot reasonably be expected to satisfy these standards.

Section 501(c)(29)(A) provides that a QNHII (within the meaning of § 1322(c) of the Affordable Care Act) which has received a loan or grant under the CO-OP program may be recognized as exempt from taxation under § 501(a), but only for periods for which the organization is in compliance with the requirements of § 1322 of the Affordable Care Act and of any loan agreement with the Secretary of Health and Human Services. Section 501(c)(29)(B) provides that a QNHII will not qualify for tax-exemption unless it meets four additional requirements, the first of which is that the organization must give notice to the Secretary of the Treasury, in such manner as the Secretary may by regulations prescribe, that it is applying for recognition of exemption as an organization described in § 501(c)(29).

On February 7, 2012, the Treasury Department and the IRS issued temporary regulations at 77 FR 6005 authorizing the IRS to prescribe the procedures by which QNHII may apply to the IRS for recognition of exemption from Federal income tax. The temporary regulations also authorized the IRS to recognize a QNHII as exempt effective as of the later of the date of the QNHII's formation or March 23, 2010 (the date of enactment of the Affordable Care Act), provided that the application was submitted in the manner and

within the time prescribed by the IRS and the QNHII's prior purposes and activities were consistent with the requirements for exempt status under § 501(c)(29). On the same date, the Treasury Department and the IRS issued Revenue Procedure 2012-11 under the authority of the temporary regulations, setting forth procedures for issuing determination letters and rulings on the exempt status of QNHII's described in § 501(c)(29). Final regulations were issued on January 29, 2015, at 80 FR 4791 that adopted the rules contained in the temporary regulations without change. This revenue procedure is issued under the authority of the final regulations to replace Rev. Proc. 2012-11.

### SECTION 3. RELATED REVENUE PROCEDURES

QNHII's seeking recognition of exemption under § 501(c)(29) should follow this revenue procedure and, to the extent not inconsistent with this revenue procedure, Rev. Proc. 2015-9, 2015-2 I.R.B. 249, or its successor revenue procedure. User fees for requests for a determination letter or ruling are set forth in Rev. Proc. 2015-8, 2015-1 I.R.B. 235, or its successor revenue procedure.

### SECTION 4. WHAT ARE THE PROCEDURES FOR REQUESTING RECOGNITION OF EXEMPT STATUS UNDER § 501(c)(29)

.01 Letter application.

A QNHII seeking recognition of exemption under § 501(c)(29) must submit a letter application (rather than a form) with Form 8718, User Fee for Exempt Organization Determination Letter Request, and include the appropriate user fee. For more information on the user fee, see Rev. Proc. 2015-8, 2015-1 I.R.B. 235, or its successor revenue procedure. The request should be mailed to:

Internal Revenue Service  
P.O. Box 12192  
Covington, KY 41012-0192

To file using a private delivery service, deliver to:

201 West Rivercenter Blvd.  
Attn: Extracting Stop 312  
Covington, KY 41011

For any questions concerning the preparation or submission of a letter application, call the Customer Service number 1-877-829-5500.

.02 Requirements for a substantially completed letter application.

A QNHII seeking recognition of exemption under § 501(c)(29) must comply with the requirements for a substantially completed letter application set forth in this section rather than the requirements set forth in § 3.08 of Rev. Proc. 2015-9, 2015-2 I.R.B. 249, or its successor revenue procedure.

A substantially completed letter application for recognition of exemption under § 501(c)(29) must be signed by an authorized individual and must be accompanied by the following declaration: "Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and, to the best of my knowledge and belief, the request contains all the relevant facts relating to the request, and such facts are true, correct, and complete."

A substantially completed letter application also must include:

(1) the QNHII's Employer Identification Number (EIN).

(2) a statement of receipts and expenditures and a balance sheet for the current year and the three preceding years (or the years the QNHII was in existence, if less than four years). If the QNHII has not yet commenced operations, or has not completed one accounting period, a substantially completed application generally must include a proposed budget for two full accounting periods and a current statement of assets and liabilities.

(3) a detailed narrative statement of the QNHII's past and proposed activities and a narrative description of the QNHII's actual and anticipated receipts and contemplated expenditures.

(4) a copy of the QNHII's organizing or enabling document that has been filed with and certified by an appropriate official of a State authority (e.g., stamped "Filed" and dated by the Secretary of State). Alternatively, if the QNHII is not required to file its organizing or enabling documents with a State authority, the organization may submit a copy of the organizing or enabling document that meets

the requirements of a "conformed copy" as outlined in Rev. Proc. 68-14, 1968-1 C.B. 768.

(5) a current copy of the QNHII's by-laws, if applicable, or any similar governing documents.

(6) a copy of both the Notice of Award issued by CMS and the fully executed Loan Agreement with CMS.

(7) the following representations regarding the QNHII:

- Except to the extent allowed by § 1322(c)(4) of the Patient Protection and Affordable Care Act, no part of its net earnings inures to the benefit of any private shareholder or individual, or has so inured since the later of the date of formation or March 23, 2010;
- No substantial part of its activities constitutes, or has constituted since the later of the date of formation or March 23, 2010, carrying on propaganda, or otherwise attempting, to influence legislation; and
- It does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office, nor has it so participated or intervened since the later of the date of formation or March 23, 2010.

(8) a subject line or other indicator on the first page of the request in bold, underlined, and/or all capitals font indicating "SECTION 501(c)(29) CO-OP HEALTH INSURANCE ISSUER."

(9) the correct user fee and Form 8718.

### SECTION 5. EFFECT OF DETERMINATION LETTER OR RULING RECOGNIZING EXEMPTION

A determination letter or ruling recognizing exemption under § 501(c)(29) is usually effective as of the later of the date of the QNHII's formation or March 23, 2010 (the date of enactment of the Affordable Care Act) if:

- The QNHII's purposes and activities prior to the date of issuance of the determination letter or ruling were consistent with the requirements for exemption; and
- The QNHII submits a substantially completed letter application within 15

months of the date of its fully executed Loan Agreement with CMS.

If the Service requires the QNHII to alter its activities or make substantive amendments to its enabling instrument, exemption will be recognized effective as of the date specified in the determination letter or ruling. If the Service requires the QNHII to make a nonsubstantive amendment, exemption will ordinarily be recognized as of the later of the date of the QNHII's formation or March 23, 2010.

If a QNHII does not submit a substantially completed letter application within 15 months of the date of its fully executed Loan Agreement with CMS, it may not

qualify for exempt status before the postmark date of the letter application.

#### **SECTION 6. EFFECT ON OTHER DOCUMENTS**

Rev. Proc. 2012-11, 2012-7 I.R.B. 368, is superseded. Sections 2.02(2) and 11.01 of Rev. Proc. 2015-9 are modified with respect to letter applications for recognition of exemption as an organization described in § 501(c)(29).

#### **SECTION 7. EFFECTIVE DATE**

This revenue procedure is effective February 2, 2015.

#### **SECTION 8. PAPERWORK REDUCTION ACT**

The collection of information for a letter application under § 4.01 of this revenue procedure has been approved under OMB control number 1545-2080. See Rev. Proc. 2015-9, 2015-2 I.R.B. 249, § 15.

#### **DRAFTING INFORMATION**

The principal author of this Revenue Procedure is Mike Repass of the Office of the Associate Chief Counsel (Tax Exempt & Government Entities). For further information regarding this revenue procedure, contact Mr. Repass at 202-317-4086 (not a toll-free number).

## Part IV. Items of General Interest

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

#### Announcement 2015-5

##### Table of Contents

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

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

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on February 17, 2015 and would end on the date the court first determines the organization is not described in section 170(c)(2) as more particularly set for in section 7428(c)(1). For individual contributors, the maximum deduction protected is \$1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

NAME OF ORGANIZATION	Effective Date of Revocation	LOCATION
Bastrop Teen Court Inc.	January 1, 2012	Bastrop, TX
Keren Chavivim	March 1, 2008	Brooklyn, NY
American Association of Historic Preservation	December 21, 2006	Akron, OH
Healthy Options for Kansas Communities (HOP), Inc.	January 1, 2012	Wichita, KS
Alternate Life Paths Program Inc.	July 1, 2010	Atlanta, GA
Maine Medical Marijuana Patients Center	January 1, 2010	Portland, ME
William Boone Educational Foundation Inc.	January 1, 2010	Healdsburg, CA
Tern Ministries	January 1, 2011	Federal Way, WA
Purple Heart Veterans Foundation	January 1, 2011	Tonganoxie, KS

# 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>**

Bulletin 2015–1 through 2015–7

### **Announcements:**

2015-2, 2015-3 I.R.B. 324  
2015-3, 2015-3 I.R.B. 328  
2015-4, 2015-5 I.R.B. 565  
2015-5, 2015-7 I.R.B. 602

### **Proposed Regulations:**

REG-109187-11, 2015-2 I.R.B. 277  
REG-132751-14, 2015-2 I.R.B. 279  
REG-145878-14, 2015-2 I.R.B. 290  
REG-153656-3, 2015-5 I.R.B. 566

### **Notices:**

2015-1, 2015-2 I.R.B. 249  
2015-2, 2015-4 I.R.B. 334  
2015-3, 2015-6 I.R.B. 583  
2015-4, 2015-5 I.R.B. 407  
2015-5, 2015-5 I.R.B. 408  
2015-6, 2015-5 I.R.B. 412  
2015-7, 2015-6 I.R.B. 585  
2015-8, 2015-6 I.R.B. 589  
2015-9, 2015-6 I.R.B. 590

### **Revenue Procedures:**

2015-1, 2015-1 I.R.B. 1  
2015-2, 2015-1 I.R.B. 105  
2015-3, 2015-1 I.R.B. 129  
2015-4, 2015-1 I.R.B. 144  
2015-5, 2015-1 I.R.B. 186  
2015-6, 2015-1 I.R.B. 194  
2015-7, 2015-1 I.R.B. 231  
2015-8, 2015-1 I.R.B. 235  
2015-9, 2015-2 I.R.B. 249  
2015-10, 2015-2 I.R.B. 261  
2015-12, 2015-2 I.R.B. 265  
2015-13, 2015-5 I.R.B. 419  
2015-14, 2015-5 I.R.B. 450  
2015-15, 2015-5 I.R.B. 564  
2015-16, 2015-7 I.R.B. 596  
2015-17, 2015-7 I.R.B. 599

### **Revenue Rulings:**

2015-1, 2015-4 I.R.B. 331  
2015-2, 2015-3 I.R.B. 321  
2015-3, 2015-6 I.R.B. 580

### **Treasury Decisions:**

9707, 2015-2 I.R.B. 247  
9708, 2015-5 I.R.B. 337  
9709, 2015-7 I.R.B. 593

<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.

## **Finding List of Current Actions on Previously Published Items<sup>1</sup> Revenue Procedures—Continued:**

Bulletin 2015–1 through 2015–7

### **Announcements:**

#### **2010-3**

Amplified by  
Ann. 2015-3, 2015-3 I.R.B. 328

### **Revenue Procedures:**

#### **2014-01**

Superseded by  
Rev. Proc. 2015-01, 2015-01 I.R.B. 1

#### **2014-02**

Superseded by  
Rev. Proc. 2015-02, 2015-01 I.R.B. 105

#### **2014-03**

Superseded by  
Rev. Proc. 2015-03, 2015-01 I.R.B. 129

#### **2014-04**

Superseded by  
Rev. Proc. 2015-04, 2015-01 I.R.B. 144

#### **2014-05**

Superseded by  
Rev. Proc. 2015-05, 2015-01 I.R.B. 186

#### **2014-06**

Superseded by  
Rev. Proc. 2015-06, 2015-01 I.R.B. 194

#### **2014-07**

Superseded by  
Rev. Proc. 2015-07, 2015-01 I.R.B. 231

#### **2014-08**

Superseded by  
Rev. Proc. 2015-08, 2015-01 I.R.B. 235

#### **2014-10**

Superseded by  
Rev. Proc. 2015-10, 2015-2 I.R.B. 261

#### **2003-63**

Superseded by  
Rev. Proc. 2015-12, 2015-2 I.R.B. 265

#### **2011-14**

Modified by  
Rev. Proc. 2015-12, 2015-2 I.R.B. 265

#### **2011-14**

Modified by  
Rev. Proc. 2015-13, 2015-5 I.R.B. 419

#### **2011-14**

Amplified by  
Rev. Proc. 2015-13, 2015-5 I.R.B. 419

#### **2011-14**

Clarified by  
Rev. Proc. 2015-13, 2015-5 I.R.B. 419

#### **1997-27**

Clarified by  
Rev. Proc. 2015-13, 2015-5 I.R.B. 419

#### **1997-27**

Modified by  
Rev. Proc. 2015-13, 2015-5 I.R.B. 419

#### **2012-11**

Superseded by  
Rev. Proc. 2015-17, 2015-7 I.R.B. 599

#### **2015-9**

Modified by  
Rev. Proc. 2015-17, 2015-7 I.R.B. 599

### **Revenue Rulings:**

#### **92-19**

Supplemented by  
Rev. Rul. 2015-02, 2015-3 I.R.B. 321

<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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