

# INTERNAL REVENUE BULLETIN



## HIGHLIGHTS OF THIS ISSUE

**Bulletin No. 2015-36**  
**September 7, 2015**

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. 2015-19, page 291.**

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 September 2015.

### **Announcement 2015-23, page 311.**

The Federal Reserve will not accept checks that are larger than \$99,999,999.00 and agencies have been directed to return these checks to the originator. Beginning January 1, 2016, IRS will begin returning checks for more than \$99,999,999.00 to the originator.

### **Rev. Proc. 2015-38, page 295.**

General Rules and Specifications for Substitute Form 941, Schedule B (Form 941), Schedule D (Form 941), and Schedule R (Form 941). This procedure provides general rules and specifications from the IRS for paper and computer-generated substitutes for Form 941, Schedule B (Form 941), Schedule D (Form 941), and Schedule R (Form 941). This procedure will be reproduced as the next revision of Publication 4436. Rev. Proc. 2014-57 is superseded.

### **Rev. Proc. 2015-42, page 310.**

Revenue Procedure 2015-42 provides domestic asset/liability percentages and domestic investment yields needed by foreign life insurance companies and foreign property and liability insurance companies to compute their minimum effectively connected net investment income under section 842(b) of the Internal Revenue Code for taxable years beginning after December 31, 2013.

### **Notice 2015-57, page 294.**

On July 31, 2015, the President of the United States signed H.R. 3236, Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (P.L. 114-41), into law. Section 2004 of H.R. 3236 enacted sections 1014(f) and 6035. For each statement required by section 6035 to be filed with the Internal Revenue Service (IRS) or furnished to a beneficiary before February 29, 2016, this notice delays until February 29, 2016, the due date for filing or furnishing that statement. This notice applies to executors of estates of decedents and to other persons who are required under section 6018(a) or (b) to file a return if that return is filed after July 31, 2015. This notice is effective as of August 21, 2015.

## EXEMPT ORGANIZATIONS

### **Announcement 2015-24, page 313.**

Serves notice to potential donors of organizations that have recently filed a timely declaratory judgment suit under section 7428 of the Code, challenging revocation of its status as an eligible donee under section 170(c)(2).

## ESTATE TAX

### **Announcement 2015-23, page 311.**

The Federal Reserve will not accept checks that are larger than \$99,999,999.00 and agencies have been directed to return these checks to the originator. Beginning January 1, 2016, IRS will begin returning checks for more than \$99,999,999.00 to the originator.

**(Continued on the next page)**

**Notice 2015–57, page 294.**

On July 31, 2015, the President of the United States signed H.R. 3236, Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (P.L. 114–41), into law. Section 2004 of H.R. 3236 enacted sections 1014(f) and 6035. For each statement required by section 6035 to be filed with the Internal Revenue Service (IRS) or furnished to a beneficiary before February 29, 2016, this notice delays until February 29, 2016, the due date for filing or furnishing that statement. This notice applies to executors of estates of decedents and to other persons who are required under section 6018(a) or (b) to file a return if that return is filed after July 31, 2015. This notice is effective as of August 21, 2015.

**GIFT TAX****Announcement 2015–23, page 311.**

The Federal Reserve will not accept checks that are larger than \$99,999,999.00 and agencies have been directed to return these checks to the originator. Beginning January 1, 2016, IRS will begin returning checks for more than \$99,999,999.00 to the originator.

**Notice 2015–57, page 294.**

On July 31, 2015, the President of the United States signed H.R. 3236, Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (P.L. 114–41), into law. Section 2004 of H.R. 3236 enacted sections 1014(f) and 6035. For each statement required by section 6035 to be filed with the Internal Revenue Service (IRS) or furnished to a beneficiary before February 29, 2016, this notice delays until February 29, 2016, the due date for filing or furnishing that statement. This notice applies to executors of estates of decedents and to other persons who are required under section 6018(a) or (b) to file a return if that return is filed after July 31, 2015. This notice is effective as of August 21, 2015.

**EMPLOYMENT TAX****Announcement 2015–23, page 311.**

The Federal Reserve will not accept checks that are larger than \$99,999,999.00 and agencies have been directed to return these checks to the originator. Beginning January 1, 2016, IRS will begin returning checks for more than \$99,999,999.00 to the originator.

**Rev. Proc. 2015–38, page 295.**

General Rules and Specifications for Substitute Form 941, Schedule B (Form 941), Schedule D (Form 941), and Schedule R (Form 941). This procedure provides general rules and

specifications from the IRS for paper and computer-generated substitutes for Form 941, Schedule B (Form 941), Schedule D (Form 941), and Schedule R (Form 941). This procedure will be reproduced as the next revision of Publication 4436. Rev. Proc. 2014–57 is superseded.

**SELF-EMPLOYMENT TAX****Announcement 2015–23, page 311.**

The Federal Reserve will not accept checks that are larger than \$99,999,999.00 and agencies have been directed to return these checks to the originator. Beginning January 1, 2016, IRS will begin returning checks for more than \$99,999,999.00 to the originator.

**EXCISE TAX****Announcement 2015–23, page 311.**

The Federal Reserve will not accept checks that are larger than \$99,999,999.00 and agencies have been directed to return these checks to the originator. Beginning January 1, 2016, IRS will begin returning checks for more than \$99,999,999.00 to the originator.

**ADMINISTRATIVE****Notice 2015–57, page 294.**

On July 31, 2015, the President of the United States signed H.R. 3236, Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 (P.L. 114–41), into law. Section 2004 of H.R. 3236 enacted sections 1014(f) and 6035. For each statement required by section 6035 to be filed with the Internal Revenue Service (IRS) or furnished to a beneficiary before February 29, 2016, this notice delays until February 29, 2016, the due date for filing or furnishing that statement. This notice applies to executors of estates of decedents and to other persons who are required under section 6018(a) or (b) to file a return if that return is filed after July 31, 2015. This notice is effective as of August 21, 2015.

# The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

## Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly.

It is the policy of the Service to publish in the Bulletin all substantive rulings necessary to promote a uniform application of the tax laws, including all rulings that supersede, revoke, modify, or amend any of those previously published in the Bulletin. All published rulings apply retroactively unless otherwise indicated. Procedures relating solely to matters of internal management are not published; however, statements of internal practices and procedures that affect the rights and duties of taxpayers are published.

Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. In those based on positions taken in rulings to taxpayers or technical advice to Service field offices, identifying details and information of a confidential nature are deleted to prevent unwarranted invasions of privacy and to comply with statutory requirements.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and procedures must be considered, and Service personnel and others concerned are cautioned

against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

### **Part I.—1986 Code.**

This part includes rulings and decisions based on provisions of the Internal Revenue Code of 1986.

### **Part II.—Treaties and Tax Legislation.**

This part is divided into two subparts as follows: Subpart A, Tax Conventions and Other Related Items, and Subpart B, Legislation and Related Committee Reports.

### **Part III.—Administrative, Procedural, and Miscellaneous.**

To the extent practicable, pertinent cross references to these subjects are contained in the other Parts and Subparts. Also included in this part are Bank Secrecy Act Administrative Rulings. Bank Secrecy Act Administrative Rulings are issued by the Department of the Treasury's Office of the Assistant Secretary (Enforcement).

### **Part IV.—Items of General Interest.**

This part includes notices of proposed rulemakings, disbarment and suspension lists, and announcements.

The last Bulletin for each month includes a cumulative index for the matters published during the preceding months. These monthly indexes are cumulated on a semiannual basis, and are published in the last Bulletin of each semiannual period.

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

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

## Section 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. 2015-19

This revenue ruling provides various prescribed rates for federal income tax

purposes for September 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, 2015, shall not be less than 9%. Finally, Table 5 contains the federal rate for determining the present value of an annuity, an interest for life or for a term of years, or a remainder or a reversionary interest for purposes of section 7520.

REV. RUL. 2015-19 TABLE 1

Applicable Federal Rates (AFR) for September 2015

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
AFR	.54%	.54%	.54%	.54%
110% AFR	.59%	.59%	.59%	.59%
120% AFR	.65%	.65%	.65%	.65%
130% AFR	.70%	.70%	.70%	.70%
<i>Mid-term</i>				
AFR	1.77%	1.76%	1.76%	1.75%
110% AFR	1.95%	1.94%	1.94%	1.93%
120% AFR	2.12%	2.11%	2.10%	2.10%
130% AFR	2.30%	2.29%	2.28%	2.28%
150% AFR	2.66%	2.64%	2.63%	2.63%
175% AFR	3.10%	3.08%	3.07%	3.06%
<i>Long-term</i>				
AFR	2.64%	2.62%	2.61%	2.61%
110% AFR	2.90%	2.88%	2.87%	2.86%
120% AFR	3.16%	3.14%	3.13%	3.12%
130% AFR	3.44%	3.41%	3.40%	3.39%

REV. RUL. 2015–19 TABLE 2  
Adjusted AFR for September 2015

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	.45%	.45%	.45%	.45%
Mid-term adjusted AFR	1.52%	1.51%	1.51%	1.51%
Long-term adjusted AFR	2.64%	2.62%	2.61%	2.61%

REV. RUL. 2015–19 TABLE 3  
Rates Under Section 382 for September 2015

Adjusted federal long-term rate for the current month	2.64%
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.)	2.82%

REV. RUL. 2015–19 TABLE 4  
Appropriate Percentages Under Section 42(b)(1) for September 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, 2015, 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. 2015–19 TABLE 5  
Rate Under Section 7520 for September 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%
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## 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 September 2015. See Rev. Rul. 2015–19, page 291.

## Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of September 2015. See Rev. Rul. 2015–19, page 291.

## 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 September 2015. See Rev. Rul. 2015–19, page 291.

## Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2015. See Rev. Rul. 2015–19, page 291.

## 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 September 2015. See Rev. Rul. 2015–19, page 291.

## 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 September 2015. See Rev. Rul. 2015–19, page 291.

## **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 September 2015. See Rev. Rul. 2015–19, page 291.

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## **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 September 2015. See Rev. Rul. 2015–19, page 291.

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

Federal short-term, mid-term, and long-term rates are set forth for the month of September 2015. See Rev. Rul. 2015–19, page 291.

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## **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 September 2015. See Rev. Rul. 2015–19, page 291.

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## **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 September 2015. See Rev. Rul. 2015–19, page 291.

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

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2015. See Rev. Rul. 2015–19, page 291.

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## **Section 7520.—Valuation Tables**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2015. See Rev. Rul. 2015–19, page 291.

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

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2015. See Rev. Rul. 2015–19, page 291.

## Part III. Administrative, Procedural, and Miscellaneous

### Due Dates for Compliance with § 2004 of H.R. 3236, Consistent Basis Reporting Between Estate and Person Acquiring Property from Decedent

#### Notice 2015-57

##### SECTION 1: PURPOSE

On July 31, 2015, the President of the United States signed H.R. 3236, *Surface Transportation and Veterans Health Care Choice Improvement Act of 2015* (P.L. 114-41), into law. Section 2004 of H.R. 3236 enacted sections 1014(f) and 6035. For each statement required by section 6035 to be filed with the Internal Revenue Service (IRS) or furnished to a beneficiary before February 29, 2016, this notice delays until February 29, 2016, the due date for filing or furnishing that statement. This notice applies to executors of the estates of decedents and to other persons who are required under section 6018(a) or (b) to file a return if that return is filed after July 31, 2015.

##### SECTION 2: BACKGROUND

Section 1014(f) provides rules requiring that the basis of certain property acquired from a decedent, as determined under section 1014, may not exceed the value of that property as finally determined for federal estate tax purposes, or if not finally determined, the value of that property as reported on a statement made under section 6035.

Section 6035 imposes new reporting requirements with regard to the value of property included in a decedent's gross estate for federal estate tax purposes.

Section 6035(a)(1) provides that the executor of any estate required to file a return under section 6018(a) must furnish, both to the Secretary and the person acquiring any interest in property included in the decedent's gross estate for federal estate tax purposes, a statement identify-

ing the value of each interest in such property as reported on such return and such other information with respect to such interest as the Secretary may prescribe.

Section 6035(a)(2) provides that each person required to file a return under section 6018(b) must furnish, both to the Secretary and each other person who holds a legal or beneficial interest in the property to which such return relates, a statement identifying the information described in section 6035(a)(1).

Section 6035(a)(3)(A) provides that each statement required to be furnished under section 6035(a)(1) or (a)(2) shall be furnished at such time as the Secretary may prescribe, but in no case at a time later than the earlier of (i) the date which is 30 days after the date on which the return under section 6018 was required to be filed (including extensions, if any) or (ii) the date which is 30 days after the date such return is filed.

Section 6035(b) authorizes the Secretary to prescribe such regulations as necessary to carry out section 6035. Section 7805(a) provides generally that the Secretary shall prescribe all needful rules and regulations for the enforcement of this title, including all rules and regulations as may be necessary by reason of any alteration of law in relation to internal revenue. Section 7805(b)(2) provides that regulations may apply retroactively if they are issued within 18 months of the date of the enactment of the statutory provision to which they relate.

Section 6081(a) provides that the Secretary may grant a reasonable extension of time for filing any return, declaration, statement, or other document required by this title or by regulations. Except in the case of taxpayers who are abroad, no such extension shall be for more than 6 months.

##### SECTION 3: GUIDANCE

For statements required under section 6035(a)(1) and (a)(2) to be filed with the IRS or furnished to a beneficiary before February 29, 2016, the due date under section 6035(a)(3) is delayed to February

29, 2016. This delay is to allow the Treasury Department and IRS to issue guidance implementing the reporting requirements of section 6035. Executors and other persons required to file or furnish a statement under section 6035(a)(1) or (a)(2) should not do so until the issuance of forms or further guidance by the Treasury Department and the IRS addressing the requirements of section 6035.

The Treasury Department and the IRS expect to issue additional guidance to assist taxpayers with complying with sections 1014(f) and 6035. The Treasury Department and the IRS invite comments. Submissions should be submitted to: CC: PA:LPD:PR (Notice 2015-57), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (Notice 2015-57), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC 20044, or sent electronically, via the following e-mail address: [Notice.comments@irs.counsel.treas.gov](mailto:Notice.comments@irs.counsel.treas.gov). Please include "Notice 2015-57" in the subject line of any electronic communication. All comments submitted will be available for public inspection and copying.

##### SECTION 4: EFFECTIVE DATE

This notice is effective on August 21, 2015. This notice applies to executors of the estates of decedents and to other persons who are required under section 6018(a) or (b) to file a return if that return is filed after July 31, 2015.

##### DRAFTING INFORMATION

The principal author of this notice is Theresa Melchiorre of the Office of the Associate Chief Counsel (Passthroughs & Special Industries). For further information regarding this notice contact Theresa Melchiorre at (202) 317-6859 (not a toll-free number).

**Note.** This revenue procedure will be reproduced as the next revision of IRS Publication 4436, General Rules and Specifications for Substitute Form 941, Schedule B (Form 941), Schedule D (Form 941), and Schedule R (Form 941).

26 CFR 601.602: Forms and instructions.

(Also Part 1, Sections 170, 220, 401(a), 403(a), 403(b), 408, 408A, 457(b) 529, 530, 853A, 1441, 6041, 6041A, 6042, 6043, 6044, 6045, 6047, 6049, 6050A, 6050B, 6050D, 6050E, 6050H, 6050J, 6050N, 6050P, 6050Q, 6050R, 6050S, 6050W, 1.401(a)(9), 1.408-5, 1.408-7, 1.408A-7, 1.1441-1 through 1.1441-5, 1.6041-1, 7.6041-1, 1.6042-2, 1.6042-4, 1.6044-2, 1.6044-5, 1.6045-1, 5f.6045-1, 1.6045-2, 1.6045-4, 1.6047-1, 1.6049-4, 1.6049-6, 1.6049-7, 1.6050A-1, 1.6050B-1, 1.6050D-1, 1.6050E-1, 1.6050H-1, 1.6050J-1, 1.6050J-1T, 1.6050N-1, 1.6050P-1, 1.6050W-1.)

## Rev. Proc. 2015-38

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#### Part 1

#### Section 1.1 – Purpose

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**.01** The purpose of this revenue procedure is to provide general rules and specifications from the IRS for paper and computer-generated substitutes for Form 941, Employer’s QUARTERLY Federal Tax Return; Schedule B (Form 941); Report of Tax Liability for Semiweekly Schedule Depositors (referred to in this revenue procedure as “Schedule B”); Schedule D (Form 941), Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations (referred to in this revenue procedure as “Schedule D”); and Schedule R (Form 941), Allocation Schedule for Aggregate Form 941 Filers (referred to in this revenue procedure as “Schedule R”).

**Note.** Substitute territorial forms (941-PR, Planilla para la Declaración Federal TRIMESTRAL del Patrono; 941-SS, Employer’s QUARTERLY Federal Tax Return (American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands); and Anexo B (Formulario 941-PR), Registro de la Obligación Contributiva para los Despositantes de Itinerario Bisesemanal) should also conform to the specifications outlined in this revenue procedure.

**.02** This revenue procedure provides information for substitute Form 941, Schedule B, Schedule D, and Schedule R. If you need more in-depth information on who must complete these forms and how to complete them, see the Instructions for Form 941, Instructions for Schedule B, Instructions for Schedule D, instructions included with Schedule R, and Pub. 15, Employer’s Tax Guide, or visit IRS.gov.

**Note.** Failure to produce acceptable substitutes of the forms and schedules listed in this revenue procedure may result in delays in processing and penalties.

**.03** Forms that completely follow the guidelines in this revenue procedure and are exact replicas of the official IRS forms do not need to be submitted to the IRS for specific approval. Substitute forms and schedules need to be scanned using IRS scanning equipment.

If you are uncertain of any specification and want clarification, do the following.

1. Submit a letter citing the specification.
2. State your understanding of the specification.
3. Enclose an example (if appropriate) of how the form would appear if produced using your understanding.
4. Be sure to include your name, complete address, phone number, and, if applicable, your email address with your correspondence. Send your request to *SCRIPS@irs.gov* or *substituteforms@irs.gov*, or use the following address.

Internal Revenue Service  
Attn: Substitute Forms Program  
SE:W:CAR:MP:P:TP  
5000 Ellin Road, C6-440  
Lanham, MD 20706

**Note.** Allow at least 30 days for the IRS to respond.

**.04** However, software developers and form producers should send a blank copy of their substitute Form 941 and Schedule B in Portable Document Format (PDF) to *SCRIPS@irs.gov*. The purpose is not specifically for approval but to assist the IRS in preparing to scan these forms. Submitters will only receive comments if a significant problem is discovered through this process. Submitters are not expected to delay marketing their forms in order to receive feedback. Submitters must not include any “live” taxpayer data on any substitute form submitted for review.

**.05** The following six-digit form ID codes are used on Form 941 and the schedules for Form 941.

- **Official paper forms:** 950114 (Form 941, page 1); 950214 (Form 941, page 2); 960311 (Schedule B); 950413 (Schedule R, page 1); 950513 (Schedule R, page 2); and 950613 (Schedule R, page 3).
- **Substitute 6x10 grids:** 970114 (Form 941, page 1); 970214 (Form 941, page 2); 970311 (Schedule B); 970413 (Schedule R, page 1); 970513 (Schedule R, page 2); and 970613 (Schedule R, page 3).

Generally, the last two digits of the form ID code represent the last year in which the IRS made major formatting changes to the layout of the form.

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## Section 1.2 – What’s New

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**.01 Future Developments.** For the latest information about developments related to Form 941 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/form941*.

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## Section 1.3 – General Requirements for Reproducing IRS Official Form 941, Schedule B, Schedule D, and Schedule R

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**.01** Submit substitute Form 941, Schedule B, Schedule D, and Schedule R to the IRS for specifications review. Substitute Form 941, Schedule B, Schedule D, and Schedule R that **completely conform** to the specifications contained in this revenue procedure do not require prior approval from the IRS, but should be submitted to *SCRIPS@irs.gov* to ensure that they conform to IRS format and scanning specifications.

**.02** Print the form on standard 8.5 inches wide by 11-inch paper.

**.03** Use white paper that meets generally accepted weight, color, and quality standards (minimum 20 lb. white bond paper).

**Note.** Reclaimed fiber in any percentage is permitted provided that the requirements of this standard are met.

**.04** The IRS prefers printing Form 941 on both sides of a single sheet of paper, but it is acceptable to print on one side of each of two separate sheets of paper.

**.05** Make the substitute paper form as identical to the official form as possible.

**.06** Print the substitute form using nonreflective black (not blue or other-colored) ink. Printing in an ink color other than black may reduce readability in the scanning process. This may result in figures being too faint to be recognizable.

**.07** Use typefaces that are substantially identical in size and shape to the official form and use rules and shading (if used) that are substantially identical to those on the official form. Use font size as large as possible within the fields.

**.08** Print the six-digit form ID code (if one exists on the official form) in the upper right-hand corner of each form using nonreflective black, carbon-based, 12-point. The use of non-OCR-A font may reduce readability for scanning. Use the official form to develop your substitute form.

**Note.** Maintain as much white space as possible around the form ID code. Do not allow character strings to print adjacent to the code.

The year digits represent the last year in which the IRS made major formatting changes to the layout of the form. Therefore, the last two digits may not be the same as the current tax year. For tax year 2015, print “950114” on Form 941, page 1; “950214” on Form 941, page 2; “960311” on Schedule B; “950413” on Schedule R, page 1; “950513” on Schedule R, page 2; and “950613” on Schedule R, page 3. See *Section 1.4* for information on form ID codes for software-generated forms.

**.09** Print the OMB number in the same location as on the official form. Be sure to include the OMB number on Form 941, Schedule B, Schedule D, and Schedule R.

**.10** Print all entry boxes and checkboxes exactly as shown (**location and size**) on the official forms.

**Note.** Instead of a four-sided checkbox for the entry, just the bottom line of the box can be used as long as the location and size remain the same.

**.11** Print “For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher.” at the bottom of page 1 of Form 941.

**.12** Print “For Paperwork Reduction Act Notice, see separate instructions.” at the bottom of Schedule B and Schedule D. Print “For Paperwork Reduction Act Notice, see the instructions.” at the bottom of Schedule R.

**.13 Do not** print the form catalog number (“Cat. No.”) at the bottom of the forms or instructions. Instead, print your IRS-issued three letter substitute form source code in place of the catalog number on the left at the bottom of page 1 of Form 941, Schedule B, Schedule D, and Schedule R.

**Note.** You can obtain a three-letter substitute form source code by requesting it by email at [substituteforms@irs.gov](mailto:substituteforms@irs.gov). Please enter “Substitute Forms” on the subject line.

**.14 Do not** print the Government Printing Office (GPO) symbol at the bottom of the forms or instructions.

---

## Section 1.4 – Reproducing Form 941, Schedule B, Schedule D, and Schedule R for Software-Generated Paper Forms

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**.01** You may use the PDF files to develop the layout for your forms. Draft forms found at [www.irs.gov/app/picklist/list/draftTaxForms.html](http://www.irs.gov/app/picklist/list/draftTaxForms.html) can be used to develop interim formats until the forms are finalized. When forms become finalized, they are posted and can be found at [www.irs.gov/app/picklist/list/formsPublications.html](http://www.irs.gov/app/picklist/list/formsPublications.html). You may use 6x10 grid formats to develop software versions of Form 941, Schedule B, Schedule D, and Schedule R. Please follow the specifications exactly to develop the fields.

**.02** If you are developing software using the 6x10 grid, you may make the following modifications.

- “970114” for Form 941, page 1; “970214” for Form 941, page 2; “970311” for Schedule B; “970413” for Schedule R, page 1; “970513” for Schedule R, page 2; and “970613” for Schedule R, page 3, as the form ID codes.

**Note.** Maintain as much white space as possible around the form ID code. Do not allow character strings to print adjacent to the code.

- Place all 6x10 grid boxes and entry spaces in the same field locations as indicated on the official forms.
- Use single lines for “Employer Identification Number (EIN)” and other entry areas in the entity section of Form 941, page 1; Schedule B; and Schedule R, pages 1 and 2.
- Reverse type is not needed as shown on the official form.
- **Do not** pre-print decimal points in the data boxes. However, where the amounts are required, the amounts should be printed with decimal points and place holders for cents.
- Delete the pre-printed formatting in any “date” boxes.
- Use a single box for “Personal Identification Number (PIN)” on Form 941.
- You may delete all shading when using the 6x10 grid format.

**.03** If producing both the form and the data or the form only, print your three-letter source code at the bottom of Form 941, page 1; Schedule B; Schedule D; or Schedule R, page 1. See *Section 1.3.13*.

**.04** If producing only the data on the form, print your four-digit software industry vendor code on Form 941. The four-digit vendor code preceded by four zeros and a slash (0000/9876) must be pre-printed. If you have a valid vendor code issued to you through the National Association of Computerized Tax Processors (NACTP), you should use that code. If you do not have a valid vendor code, contact the NATCP via email at [president@natcp.org](mailto:president@natcp.org) for information on these codes.

**.05** Print “For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher.” at the bottom of Form 941, page 1.

**.06** Print “For Paperwork Reduction Act Notice, see separate instructions.” at the bottom of Schedule B and Schedule D.

**.07** Print “For Paperwork Reduction Act Notice, see the instructions.” at the bottom of Schedule R, page 1.

**.08** Be sure to print the OMB number in the same location as on the official forms on substitute Form 941, Schedule B, Schedule D, and Schedule R.

**.09 Do not** print the form catalog number (“Cat. No.”) at the bottom of the forms or instructions.

**.10 Do not** print the Government Printing Office (GPO) symbol at the bottom of the forms or instructions.

**.11** To ensure accurate scanning and processing, enter data on Form 941, Schedule B, Schedule D, and Schedule R as follows.

- Display/print the name and EIN on all pages and attachments in the proper associated fields.
- Use 12-point (minimum 10-point) Courier font (where possible).
- Omit dollar signs, but use commas when showing amounts.
- Except for Form 941, lines 1 and 2, leave blank any data field with a value of zero.
- Enter negative amounts with a minus sign. For example, report “–10.59” instead of “(10.59).”

**Note.** The IRS prefers that you use a minus sign for negative amounts instead of parentheses or some other means. However, if your software only allows for parentheses in reporting negative amounts, you may use them.

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### Section 1.5 – Specific Instructions for Schedule D

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**.01** To properly file and to reduce delays and contact from the IRS, Schedule D must be produced as closely as possible to the official form.

**.02** Use Schedule D to explain why you have certain discrepancies. See the Instructions for Schedule D for more information. In many cases, the information on Schedule D helps the IRS resolve discrepancies without contacting you.

**.03** If a substitute Schedule D is not submitted in similar format to the official IRS schedule, the substitutes may be returned, you may be contacted by the IRS, delays in processing may occur, and you may be subject to penalties.

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### Section 1.6 – Specific Instructions for Schedule R

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**.01** To properly file and to reduce delays and contact from the IRS, Schedule R must be produced as closely as possible to the official form.

**Note. Do not** present the information in spreadsheet or similar format. We may not be able to properly process nonconforming documents with an excessive number of entries. Complete as many Continuation Sheets for Schedule R (Schedule R, page 2) as necessary. If Continuation Sheets are not used or they vary in form from the official form, processing may be delayed and you may be subject to penalties.

**.02** Use Schedule R to allocate the aggregate information reported on Form 941 to each client. If you have more than 15 clients, complete as many Continuation Sheets for Schedule R as necessary. Attach Schedule R, including any Continuation Sheets, to your aggregate Form 941 and file it with your return. Enter your business information carefully.

Make sure all information exactly matches the information shown on the aggregate Form 941. Compare the total of each column on Schedule R, line 19 (including your information on line 18), to the amounts reported on the aggregate Form 941. For each column total of Schedule R, the relevant line from Form 941 is noted in the column heading. If the totals on Schedule R, line 19, do not match the totals on Form 941, there is an error that must be corrected before submitting Form 941 and Schedule R.

**.03 Do:**

- Develop and submit only conforming Schedules R.
- Follow the format and fields exactly as on the official Schedule R.
- Maintain the same number of entry lines on the substitute Schedule R as on the official form.

**.04 Do not:**

- Add or delete entry lines.
- Submit spreadsheets, database printouts, or similar formatted documents instead of using the Schedule R format to report data.
- Reduce or expand font size to add or delete extra data or lines.

**.05** If substitute Schedules R and Continuation Sheets for Schedule R are not submitted in similar format to the official schedule, the substitutes may be returned, you may be contacted by the IRS, delays in processing may occur, and you may be subject to penalties.

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**Section 1.7 – OMB Requirements for Substitute Forms**

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**.01** The Paperwork Reduction Act (the Act) of 1995 (Public Law 104–13) requires the following.

- The Office of Management and Budget (OMB) approves all IRS tax forms that are subject to the Act.
- Each IRS form contains the OMB approval number, if assigned. The official OMB numbers may be found on the official IRS-printed forms.
- Each IRS form (or its instructions) states:
  1. Why the IRS needs the information,
  2. How it will be used, and
  3. Whether or not the information is required to be furnished to the IRS.

**.02** This information must be provided to any users of official or substitute IRS forms or instructions.

**.03** The OMB requirements for substitute IRS forms are the following.

- Any substitute form or substitute statement to a recipient must show the OMB number as it appears on the official form.
- For Form 941, Schedule B, Schedule D, and Schedule R, the OMB number (1545-0029) must appear exactly as shown on the official form.
- For Form 941, Schedule B, Schedule D, and Schedule R, the OMB number must use one of the following formats.
  1. OMB No. 1545–0029 (preferred).
  2. OMB # 1545–0029 (acceptable).

**.04** If no instructions are provided to users of your forms, you must furnish to them the exact text of the Privacy Act and Paperwork Reduction Act Notice.

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## Section 1.8 – Order Forms and Instructions

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.01 You can order forms and instructions at [www.irs.gov/orderforms](http://www.irs.gov/orderforms).

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## Section 1.9 – Effect on Other Documents

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.01 Revenue Procedure 2014–57, 2014–45 I.R.B., dated November 3, 2014, is superseded.

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## Section 1.10 – Helpful Information

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.01 Please follow the specifications and guidelines to produce substitute Form 941, Schedule B, Schedule D, and Schedule R.

.02 These forms are subject to review and possible changes as required. Therefore, employers are cautioned against overstocking supplies of privately printed substitutes.

.03 Here is a review of references that were listed throughout this document.

- Form 941, Employer’s QUARTERLY Federal Tax Return.
- Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors (referred to in this revenue procedure as “Schedule B”).
- Schedule D (Form 941), Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations (referred to in this revenue procedure as “Schedule D”).
- Schedule R (Form 941), Allocation Schedule for Aggregate Form 941 Filers (referred to in this revenue procedure as “Schedule R”).
- Substitute territorial forms (941–PR, 941–SS, and Anexo B (Formulario 941–PR)).
- Instructions for Form 941.
- Instructions for Schedule B (Form 941).
- Pub. 15, Employer’s Tax Guide.
- [SCRIPS@irs.gov](mailto:SCRIPS@irs.gov) for submissions.
- [Substituteforms@irs.gov](mailto:Substituteforms@irs.gov) for questions.
- For questions:

Internal Revenue Service  
Attn: Substitute Forms Program  
SE:W:CAR:MP:P:TP  
5000 Ellin Road, C6-440  
Lanham, MD 20706

- [www.irs.gov/app/picklist/list/draftTaxForms.html](http://www.irs.gov/app/picklist/list/draftTaxForms.html) for draft forms.
  - [www.irs.gov/app/picklist/list/formsPublications.html](http://www.irs.gov/app/picklist/list/formsPublications.html) for final forms.
- 

## Section 1.11 – Exhibits

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Name (not your trade name)

Employer identification number (EIN)

Part 2: Tell us about your deposit schedule and tax liability for this quarter.

If you are unsure about whether you are a monthly schedule depositor or a semiweekly schedule depositor, see Pub. 15 (Circular E), section 11.

14 Check one: Line 10 on this return is less than \$2,500 or line 10 on the return for the prior quarter was less than \$2,500, and you did not incur a \$100,000 next-day deposit obligation during the current quarter. If line 10 for the prior quarter was less than \$2,500 but line 10 on this return is \$100,000 or more, you must provide a record of your federal tax liability. If you are a monthly schedule depositor, complete the deposit schedule below; if you are a semiweekly schedule depositor, attach Schedule B (Form 941). Go to Part 3.

You were a monthly schedule depositor for the entire quarter. Enter your tax liability for each month and total liability for the quarter, then go to Part 3.

Tax liability: Month 1, Month 2, Month 3

Total liability for quarter Total must equal line 10.

You were a semiweekly schedule depositor for any part of this quarter. Complete Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and attach it to Form 941.

Part 3: Tell us about your business. If a question does NOT apply to your business, leave it blank.

15 If your business has closed or you stopped paying wages . . . . . Check here, and enter the final date you paid wages

16 If you are a seasonal employer and you do not have to file a return for every quarter of the year . . . . . Check here.

Part 4: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.

Yes. Designee's name and phone number. Select a 5-digit Personal Identification Number (PIN) to use when talking to the IRS. No.

Part 5: Sign here. You MUST complete both pages of Form 941 and SIGN it.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign your name here. Print your name here. Print your title here. Date. Best daytime phone.

Paid Preparer Use Only

Check if you are self-employed

Preparer's name, Preparer's signature, Firm's name (or yours if self-employed), Address, City, State, PTIN, Date, EIN, Phone, ZIP code.

**Form 941-V,  
Payment Voucher**

▼ **Detach Here and Mail With Your Payment and Form 941.** ▼

<p>Form <b>941-V</b> Department of the Treasury Internal Revenue Service</p>	<p><b>Payment Voucher</b></p> <p>▶ Do not staple this voucher or your payment to Form 941.</p>	<p>OMB No. 1545-0029</p> <p style="font-size: 2em; font-weight: bold;">2015</p>				
<p><b>1</b> Enter your employer identification number (EIN).</p>	<p><b>2</b> <b>Enter the amount of your payment. ▶</b> Make your check or money order payable to "United States Treasury"</p> <table style="width: 100%; border: none;"> <tr> <td style="border: none; width: 80%;"></td> <td style="border: none; width: 10%; text-align: center;">Dollars</td> <td style="border: none; width: 10%; text-align: center;">Cents</td> </tr> </table>		Dollars	Cents		
	Dollars	Cents				
<p><b>3</b> Tax Period</p> <table style="width: 100%; border: none;"> <tr> <td style="border: none; width: 50%; text-align: center;"> <input type="radio"/> 1st Quarter 3.45"         </td> <td style="border: none; width: 50%; text-align: center;"> <input type="radio"/> 3rd Quarter         </td> </tr> <tr> <td style="border: none; text-align: center;"> <input type="radio"/> 2nd Quarter         </td> <td style="border: none; text-align: center;"> <input type="radio"/> 4th Quarter         </td> </tr> </table>	<input type="radio"/> 1st Quarter 3.45"	<input type="radio"/> 3rd Quarter	<input type="radio"/> 2nd Quarter	<input type="radio"/> 4th Quarter	<p><b>4</b> Enter your business name (individual name if sole proprietor).</p> <p>Enter your address.</p> <p>Enter your city, state, and ZIP code or your city, foreign country name, foreign province/county, and foreign postal code.</p>	
<input type="radio"/> 1st Quarter 3.45"	<input type="radio"/> 3rd Quarter					
<input type="radio"/> 2nd Quarter	<input type="radio"/> 4th Quarter					

7.50"







Department of the Treasury — Internal Revenue Service 5.00"

**Employer identification number (EIN)** 3.30"  
 Name as shown on Form 941 3.90"

**Report for calendar year:**  
 Check the quarter (same as Form 941):  
 1: January, February, March 2.40"  
 2: April, May, June  
 3: July, August, September 2.10"  
 4: October, November, December

Read the instructions before you complete Schedule R (Form 941). Type or print within the boxes.  
 Complete a separate line for the amounts allocated to each of your clients.

(a) Client's Employer identification number (EIN)	(b) Wages, tips, and other compensation allocated to the listed client EIN from Form 941, line 2	(c) Federal income tax withheld from wages, tips, and other compensation allocated to the listed client EIN from Form 941, line 3	(d) Total social security and Medicare taxes allocated to the listed client EIN from Form 941, line 5e	(e) Section 3121(q) Notice and Demand- Tax due on unreported tips allocated to the listed client EIN from Form 941, line 5f	(f) Total taxes after adjustments allocated to the listed client EIN from Form 941, line 10	(g) Total deposits from Form 941, line 11, plus any payments made with the return allocated to the listed client EIN
1	.25"	.	.	.	.	.
2	.	.	.	.	.	.
3	.	.	.	.	.	.
4		1.10"	1.10"	1.10"	1.10"	.
5	.	.	.	.	.	.
6	.	.	.	.	.	.
7	.	.	.	.	.	.
8	.	.	.	7.50"	.	.
9	.	.	.	.	.	.
10	.	.	.	.	.	.
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12	.	.	.	.	.	.
13	.	.	.	.	.	.
14	.	.	.	.	.	.
15	.	.	.	.	.	.
16	Subtotals for clients. Add all amounts on lines 1 through 15		.50"	.	.	.
17	Enter the combined subtotal from line 26 of all Continuation Sheets for Schedule R (Form 941)		.83"	.	.	.
18	Enter Form 941 amounts for your employees		.50"	.	.	.
19	Totals. Add lines 16, 17, and 18. The column totals must match the related lines on the aggregate Form 941.		.83"	.	.	.

# Continuation Sheet for Schedule R (Form 941)

(Rev. January 2014)

**Report for calendar year:**

\_\_\_\_\_

Check the quarter (same as Form 941):

- 1: January, February, March
- 2: April, May, June
- 3: July, August, September
- 4: October, November, December

Employer identification number (EIN) 5.00"

Name as shown on Form 941 3.90"

3.30"

(a) Client's Employer identification number (EIN)	(b) Wages, tips, and other compensation allocated to the listed client EIN from Form 941, line 2	(c) Federal income tax withheld from wages, tips, and other compensation allocated to the listed client EIN from Form 941, line 3	(d) Total social security and Medicare taxes allocated to the listed client EIN from Form 941, line 5e	(e) Section 3121(q) Notice and Demand- Tax due on unreported tips allocated to the listed client EIN from Form 941, line 5f	(f) Total taxes after adjustments allocated to the listed client EIN from Form 941, line 10	(g) Total deposits from Form 941, line 11, plus any payments made with the return allocated to the listed client EIN
1	.	.	.	.	.	.
2	.	.	.	.	.	.
3	.	.	.	.	.	.
4	.	.	.	.	.	.
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22	.	.	.	.	.	.
23	.	.	.	.	.	.
24	.	.	.	.	.	.
25	.	.	.	.	.	.
26	Subtotals for clients. Add lines 1 through 25. Include the subtotals from line 26 on line 17 of Schedule R (Form 941).	.	.	.	.	.

## Rev. Proc. 2015-42

### SECTION 1. PURPOSE

This revenue procedure provides the domestic asset/liability percentages and domestic investment yields needed by foreign life insurance companies and foreign property and liability insurance companies to compute their minimum effectively connected net investment income under section 842(b) of the Internal Revenue Code for taxable years beginning after December 31, 2013. Instructions are provided for computing foreign insurance companies' liabilities for the estimated tax and installment payments of estimated tax for taxable years beginning after December 31, 2013. For more specific guidance regarding the computation of the amount of net investment income to be included by a foreign insurance company on its U.S. income tax return, see Notice 89-96, 1989-2 C.B. 417. For the domestic asset/liability percentage and domestic investment yield, as well as instructions for computing foreign insurance companies' liabilities for estimated tax and installment payments of estimated tax for taxable years beginning after December 31, 2012, see Rev. Proc. 2014-53, 2014-19 I.R.B. 573.

### SECTION 2. CHANGES

DOMESTIC ASSET/LIABILITY PERCENTAGES FOR 2014. The Secretary determines the domestic asset/liability

percentage separately for life insurance companies and property and liability insurance companies. For the first taxable year beginning after December 31, 2013, the relevant domestic asset/liability percentages are:

[120.4] percent for foreign life insurance companies, and

[193.3] percent for foreign property and liability insurance companies.

.02 DOMESTIC INVESTMENT YIELDS FOR 2014. The Secretary is required to prescribe separate domestic investment yields for foreign life insurance companies and for foreign property and liability insurance companies. For the first taxable year beginning after December 31, 2013, the relevant domestic investment yields are:

[4.6] percent for foreign life insurance companies, and

[3.9] percent for foreign property and liability insurance companies.

.03 SOURCE OF DATA FOR 2014. The section 842(b) percentages to be used for the 2014 tax year are based on tax return data following the same methodology used for the 2013 year.

### SECTION 3. APPLICATION-ESTIMATED TAXES

To compute estimated tax and the installment payments of estimated tax due for taxable years beginning after December 31, 2013, a foreign insurance company must compute its estimated tax payments by adding to its income other than net investment income the greater of (i) its net investment income as determined under section 842(b)(5), that is actually ef-

fectively connected with the conduct of a trade or business within the United States for the relevant period, or (ii) the minimum effectively connected net investment income under section 842(b) that would result from using the most recently available domestic asset/liability percentage and domestic investment yield. Thus, for installment payments due after the publication of this revenue procedure, the domestic asset/liability percentages and the domestic investment yields provided in this revenue procedure must be used to compute the minimum effectively connected net investment income. However, if the due date of an installment is less than 20 days after the date this revenue procedure is published in the Internal Revenue Bulletin, the asset/liability percentages and domestic investment yields provided in Rev. Proc. 2014-53 may be used to compute the minimum effectively connected net investment income for such installment. For further guidance in computing estimated tax, see Notice 89-96.

### SECTION 4. EFFECTIVE DATE

This revenue procedure is effective for taxable years beginning after December 31, 2013.

### SECTION 5. DRAFTING INFORMATION

The principal author of this revenue procedure is Sheila Ramaswamy of the Office of Associate Chief Counsel (International). For further information regarding this revenue procedure contact Sheila Ramaswamy at (202) 317-6938 (not a toll free number).

# Part IV. Items of General Interest

Announcement 2015-23

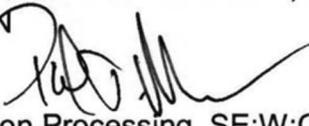


DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
ATLANTA, GA 30308

WAGE AND INVESTMENT DIVISION

**JUN 09 2015**

MEMORANDUM FOR DIRECTOR CUSTOMER ASSISTANCE, RELATIONSHIPS  
AND EDUCATION

FROM: Paul J. Mamo   
Director, Submission Processing SE:W:CAS:SP

SUBJECT: Request for Assistance

All federal agencies were recently reminded by the Bureau of Fiscal Service (see the attached memorandum dated May 4, 2015), that Federal Reserve banks should not accept any checks over the amount of \$99,999,999.00. Effective January 1, 2016, any checks received over that amount will be rejected.

This tax season the IRS deposited 14 checks over the amount the Federal Reserve banks can process; each of these checks had to be processed manually. Effective January 1, 2016, the IRS will not accept any payment greater than \$99,999,999.00. Two or more checks will be required, or we recommend that the taxpayers use Fed Wire to make their payments.

It is important that taxpayers as well as enrolled agents who represent our taxpayers receive this information in as many media forms as possible between now and December 31, 2015. Any assistance you can provide will be greatly appreciated.

If you have any questions, please contact me at (859) 669-5552, or a member of your staff may contact Monica Washington, Chief, Accounting Services Section, at (859) 669-5537.

Attachment



DEPARTMENT OF THE TREASURY  
BUREAU OF THE FISCAL SERVICE  
WASHINGTON, DC 20227

MAY 04 2015

Dear Sir or Madam:

The Bureau of Fiscal Service (Fiscal Service) of the U.S. Department of the Treasury has noticed over the past year an increase in submissions of large dollar checks by Federal agencies to the Treasury General Accounts (TGAs) that are over the amount of \$99,999,999.00. This recent activity has prompted some attention to Fiscal Service's existing policy on large dollar checks.

For the purpose of educational efforts, Fiscal Service reminds agencies about the policy on large dollar checks in the Treasury Financial Manual (TFM), Volume 1, Part 5, Section 2060-Reporting Large Deposits, which states that "agencies must not accept any check written for more than \$99,999,999.99, as the Federal Reserve banks will not process checks over that amount." Additionally, the Federal Reserve Banks give specific guidance related to large dollar check amounts, with which Fiscal Service is aligned. The Federal Reserve Banks Operating Circular 3, "Collection of Cash Items and Returned Checks," Section 3.2, states that the Federal Reserve Banks do not handle any items over the \$99,999,999.00.

More importantly, since no check processing equipment can handle amounts over a million dollars, these large dollar items are handled entirely manually. With manual processing, the risks of fraudulent activity, processing errors, and uncollectible funds are more likely when checks over these amounts are accepted by TGA depositories. In addition, the large check items may become lost or mis-shipped, stolen, and require special handling procedures by the TGA banks. Fiscal Service understands that these policies may impact agencies' internal policies. Where necessary, Federal agencies should implement policies that align with the above mentioned policies on large dollar check amounts to avoid check processing delays, which may result in customer late fees and penalties.

Effective January 1, 2016, TGA depositories will no longer accept checks over \$99,999,999.00 for TGA services. The TGA depositories will be instructed to reject any deposit in OTCnet which contains a large dollar check in the amount of one hundred million or more. The large dollar check will be returned to the Federal agency that attempted to deposit it.

Should you have any further questions regarding this policy, please feel free to contact me at 202-874-5202 or Ava Singleton, who can be reached on 202-874-9986.

Sincerely,

A handwritten signature in black ink, appearing to read "David M. Metler".

David M. Metler, Director  
Over the Counter Division  
A/C Revenue Collections Division

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

### Announcement 2015–24

This announcement serves notice to potential donors that the organization listed below has recently filed a timely declaratory judgment suit under section 7428 of the Code, challenging revocation

of its status as an eligible donee under section 170(c)(2).

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

In the case of individual contributors, the maximum amount of contributions protected during this period is limited to \$1,000.00, with a husband and wife being

treated as one contributor. This protection is not extended to any individual who was responsible, in whole or in part, for the acts or omissions of the organization that were the basis for the revocation. This protection also applies (but without limitation as to amount) to organizations described in section 170(c)(2) which are exempt from tax under section 501(a). If the organization ultimately prevails in its declaratory judgment suit, deductibility of contributions would be subject to the normal limitations set forth under section 170.

Name of Organization	Date Suit Filed	Effective Date of Revocation	Location
Foundation for Harmony and Happiness	07/13/2015	02/01/1999	Santa Barbara, CA

# 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.

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## **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/*.

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