

INTERNAL REVENUE BULLETIN



HIGHLIGHTS OF THIS ISSUE

Bulletin No. 2017-40
October 2, 2017

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. 2017-19, page 257.

Fringe benefits aircraft valuation formula. For purposes of section 1.61-21(g) of the Income Tax Regulations, relating to the rule for valuing non-commercial flights on employer-provided aircraft, the Standard Industry Fare Level (SIFL) cents-per-mile rates and terminal charge in effect for the second half of 2017 are set forth.

Notice 2017-51, page 260.

The Notice publishes Treasury's estimate of the annual average wellhead price per 1000 cubic feet for all domestic natural gas. This estimate is the "reference price" for purposes of the credit in § 45l. The Treasury Department estimate, for calendar year 2016, is \$2.43 per 1000 cubic feet, meaning the § 45l credit is \$0.060 per 1,000 cubic feet of qualified natural gas produced from marginal wells.

Notice 2017-52, page 262.

This notice provides that the IRS will not assert that cash payments an employer makes to § 170(c) organizations (in exchange for vacation, sick, or personal leave that its employees elect to forgo) constitute gross income or wages of the employees under certain circumstances relating to Hurricane or Tropical Storm Irma.

EMPLOYEE PLANS

Notice 2017-49, page 258.

This notice provides relief in connection with certain employee benefit plans because of damage caused by Hurricanes Harvey and Irma. The relief provided by this notice is in addition to any relief already provided by the IRS, EBSA, and PBGC to victims of Hurricanes Harvey and Irma.

Announcement 2017-13, page 271.

Announcement 2017-13 provides relief to victims of Hurricane Irma, which caused damage to Florida and other areas. It permits easier access to victims' funds held in workplace retirement plans and in IRAs, for the period beginning September 4, 2017, (for Florida) and ending January 31, 2018. The relief provided in the announcement is in addition to the relief already provided by the IRS pursuant to News Release IR-2017-150.

EXCISE TAX & EXEMPT ORGANIZATIONS

Rev. Proc. 2017-53, page 263.

This revenue procedure provides guidelines that qualified tax practitioners may use for preparing written advice on which a private foundation (or a sponsoring organization of a donor advised fund) ordinarily may rely in making a good faith determination that a grantee is a qualifying public charity. Rev. Proc. 92-94, 1992-2 C.B. 507, is modified and superseded.

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 61.—Gross Income Defined

26 CFR 1.61–21: Taxation of fringe benefits.

Rev. Rul. 2017–19

For purposes of the taxation of fringe benefits under section 61 of the Internal Revenue Code, section 1.61–21(g) of the

Income Tax Regulations provides a rule for valuing noncommercial flights on employer-provided aircraft. Section 1.61–21(g)(5) provides an aircraft valuation formula to determine the value of such flights. The value of a flight is determined under the base aircraft valuation formula (also known as the Standard Industry Fare Level formula or SIFL) by multiplying the SIFL cents-per-mile rates applicable for

the period during which the flight was taken by the appropriate aircraft multiple provided in section 1.61–21(g)(7) and then adding the applicable terminal charge. The SIFL cents-per-mile rates in the formula and the terminal charge are calculated by the Department of Transportation and are reviewed semi-annually.

The following chart sets forth the terminal charge and SIFL mileage rates:

<i>Period During Which the Flight Is Taken</i>	<i>Terminal Charge</i>	<i>SIFL Mileage Rates</i>
7/1/17 - 12/31/17	\$40.63	Up to 500 miles = \$.2222 per mile 501–1500 miles = \$.1694 per mile Over 1500 miles = \$.1629 per mile

DRAFTING INFORMATION

The principal author of this revenue ruling is Kathleen Edmondson of the Of-

fice of Associate Chief Counsel (Tax Exempt/Government Entities). For further information regarding this revenue ruling,

contact Ms. Edmondson at (202) 317-6798 (not a toll-free number).

Part III. Administrative, Procedural, and Miscellaneous

Hurricane Harvey and Hurricane Irma Disaster Relief

Notice 2017-49

I. PURPOSE

The Internal Revenue Service (IRS), the Department of Labor's Employee Benefits Security Administration (EBSA), and the Pension Benefit Guaranty Corporation (PBGC) are providing relief in connection with certain employee benefit plans because of damage caused by Hurricane Harvey and Hurricane Irma. The relief provided by this notice is in addition to any relief already provided by the IRS, EBSA, and PBGC to victims of Hurricanes Harvey and Irma. For additional information relating to disaster relief, see <https://www.irs.gov/newsroom/help-for-victims-of-hurricane-harvey> and <https://www.pbgc.gov/prac/other-guidance/dr/updates>.

II. BACKGROUND

A. Provisions Relating to Disaster Relief.

Under § 7508A(b) of the Internal Revenue Code (Code), in the case of a pension or other employee benefit plan, or any sponsor, administrator, participant, beneficiary, or other person with respect to such a plan affected by a federally declared disaster or a terroristic or military action, the Secretary of the Treasury may prescribe a period of up to 1 year that may be disregarded in determining the date by which any action is required or permitted to be completed. No plan is to be treated as failing to be operated in accordance with its terms solely because the plan disregards any period by reason of this relief. Sections 518 and 4002(i) of the Employee Retirement Income Security Act of 1974, Pub. L. No. 93-406, 88 Stat. 829 (1974), as amended (ERISA), authorize the provision of parallel relief under Titles I and IV of ERISA.

B. Funding-related Provisions for Single-employer Defined Benefit Plans.

Section 412(a) of the Code and section 302(a) of ERISA require that an employer

that sponsors a single-employer pension plan satisfy the minimum funding standard for a plan year. For most single-employer plans, the minimum funding standard is satisfied for a plan year if the employer contributes the minimum required contribution determined under § 430 of the Code and section 303 of ERISA (or, in the case of a money purchase plan, the contributions that are required under the terms of the plan) for the plan year. Section 430(j)(1) of the Code and section 303(j)(1) of ERISA provide that the due date for payment of the minimum required contribution for a plan year is 8-1/2 months after the close of the plan year.

Section 430(f) of the Code provides rules regarding a plan's maintenance of a prefunding balance and a funding standard carryover balance, including rules permitting the use of those balances to offset the minimum required contribution. Section 1.430(f)-1(f)(2) sets forth timing rules regarding elections with respect to a plan's prefunding balance and funding standard carryover balance.

Section 412(c) of the Code and section 302(c) of ERISA provide for waivers of the minimum funding requirements in the event of temporary substantial business hardship. In order for a plan other than a multiemployer plan to receive such a waiver, § 412(c)(5) of the Code and section 302(c)(5) of ERISA provide that an application for such a waiver must be submitted no later than the 15th day of the 3rd month beginning after the close of the plan year for which the waiver is sought.

Section 430(j)(3) of the Code and section 303(j)(3) of ERISA impose a higher rate of interest with respect to late quarterly installments for a plan with a funding shortfall for the prior plan year. Section 430(j)(4) of the Code and section 303(j)(4) of ERISA increase the quarterly installments to the amount needed to prevent a liquidity shortfall (as defined in those sections). For a plan year, the due dates for the required installments are the 15th day of the 4th plan month, the 15th day of the 7th plan month, the 15th day of the 10th plan month, and the 15th day after the end of the plan year.

Section 430(k) of the Code and section 303(k) of ERISA provide, for certain plans with a funding target attainment percentage of less than 100 percent for the plan year, that a lien arises in favor of the plan if the required installments or any other payment required under § 430 of the Code and section 303 of ERISA are not made to the plan before the due date for the required installment or other payment and if the aggregate unpaid balance of required installments and other payments exceeds \$1,000,000. If this lien arises, the plan sponsor is required to notify PBGC within 10 days of the failure.

Section 436 of the Code and section 206(g) of ERISA impose certain benefit restrictions that are applied based on a plan's adjusted funding target attainment percentage for the plan year. For this purpose, § 436(h)(2) of the Code and section 206(g)(7)(B) of ERISA provide that a plan's adjusted funding target attainment percentage for the plan year is conclusively presumed to be less than 60 percent from the first day of the 10th month of the plan year through the end of the plan year if no certification of the adjusted funding target attainment percentage for the plan year is made before the first day of the 10th month of the plan year. Section 436(h)(3) of the Code and section 206(g)(7)(C) of ERISA require, in certain cases in which no certification of the adjusted funding target attainment percentage for a plan year is made before the first day of the 4th month of the plan year, that the plan's adjusted funding target attainment percentage is presumed to be equal to 10 percentage points less than the adjusted funding target attainment percentage for the preceding plan year for a period beginning on the first day of the 4th month.

Section 101(j)(1) of ERISA provides that the plan administrator of a single-employer plan is required to provide written notice to participants and beneficiaries within 30 days after the date the plan has become subject to a benefit restriction under section 206(g)(1) of ERISA (under which the payment of certain unpredictable contingent event benefits is restricted) or section 206(g)(3) of ERISA (under which the payment of certain ac-

celerated benefit distributions is restricted). Section 101(j)(2) of ERISA provides that, for a single-employer plan under which benefit accruals are restricted under section 206(g)(4) of ERISA because the plan's adjusted funding target attainment percentage is less than 60 percent, the plan administrator is required to provide written notice to participants and beneficiaries within 30 days after the earlier of the plan's valuation date or the date the adjusted funding target attainment percentage is presumed to be less than 60 percent for the plan year pursuant to section 206(g)(7)(B) of ERISA.

Under PBGC's premium regulations, contribution receipts for a plan year (as described in section 303(g)(4) of ERISA) are included in the market value of assets as of the valuation date to the extent received by the plan by the date the premium is filed. See 29 CFR section 4006.4(c). In addition, reporting requirements under Title IV of ERISA arise from certain late contributions. See 29 CFR sections 4043.25 and 4043.81.

C. Funding-related Provisions for Multiemployer Defined Benefit Plans.

Section 432(b)(3)(A) of the Code and section 305(b)(3)(A) of ERISA provide special rules for certain multiemployer defined benefit plans. For a plan that is subject to those requirements, the plan actuary must make certain certifications each year regarding the plan's funded status. The deadline for these certifications for a plan year is the 90th day of the plan year. Under § 432(b)(3)(D) of the Code and section 305(b)(3)(D) of ERISA, in certain circumstances, the plan sponsor is required to provide notice regarding the plan's funded status to participants and beneficiaries, the bargaining parties, PBGC, the Secretary of Labor, and, if applicable, the Secretary of the Treasury. Section 432(c)(1) of the Code and section 305(c)(1) of ERISA require, for the first plan year that a multiemployer plan is in endangered status, that the plan sponsor adopt a funding improvement plan no later than 240 days following the required

date for the actuarial certification of endangered status. Section 432(e)(1) of the Code and section 305(e)(1) of ERISA require, for the first plan year that a multiemployer plan is in critical status, that the plan sponsor adopt a rehabilitation plan no later than 240 days following the required date for the actuarial certification of critical status.

III. RELIEF

A. Definition of Affected Plan and Initial Relief Date.

Pursuant to § 7508A(b) of the Code, the relief set forth in this section III applies to an Affected Plan. A plan is an Affected Plan if any of the following were located in the Affected Area¹: the principal place of business of the employer that maintains the plan (in the case of a plan covering employees of one employer, determined disregarding the rules of § 414(b) and (c) of the Code); the principal place of business of employers that employ more than 50 percent of the active participants covered by the plan (in the case of a plan covering employees of more than one employer, determined disregarding the rules of § 414(b) and (c)); the relevant office of the plan or the plan administrator; the relevant office of the primary record keeper serving the plan; or the office of the enrolled actuary or other advisor that previously had been retained by the plan or the employer to make funding determinations or certifications for which the due date falls between the date specified by the Federal Emergency Management Agency (FEMA) as the beginning of the incident period (for example, August 23, 2017, for Texas counties affected by Hurricane Harvey and September 4, 2017, for Florida counties affected by Hurricane Irma) and January 31, 2018. For purposes of the preceding sentence, the term "office" means the worksite of the relevant individuals and the location of any records necessary to determine the plan's funding requirements for the relevant period. In addition, for purposes of this notice, the date specified by FEMA as the beginning of the incident

period with respect to a plan is referred to as the Initial Relief Date for the plan.

B. Relief for Single-employer Defined Benefit Plans.

For any single-employer plan (other than a CSEC plan as defined in § 414(y)) that is an Affected Plan, if the date described in § 430(j)(1) or 430(j)(3) of the Code and section 303(j)(1) or 303(j)(3) of ERISA for making a contribution for a plan year falls within the period beginning on the Initial Relief Date and ending on January 31, 2018, then the date for making such a contribution is postponed to January 31, 2018.² If the date specified in § 1.430(f)-1(f)(2) for making an election relating to such a plan's prefunding balance or funding standard carryover balance falls within the period beginning on the Initial Relief Date and ending on January 31, 2018, then the date by which that election must be made is postponed to January 31, 2018. If the date described in § 436(h)(2) or 436(h)(3) of the Code and section 206(g)(7)(B) or 206(g)(7)(C) of ERISA for certification of the adjusted funded target attainment percentage falls within the period beginning on the Initial Relief Date and ending on January 31, 2018, then the date by which that certification must be made is postponed to January 31, 2018.

For any CSEC plan that is an Affected Plan, if the date described in § 433(c)(9) or § 433(f) of the Code and section 306(c)(9) or section 306(f) of ERISA for making a contribution for a plan year falls within the period beginning on the Initial Relief Date and ending on January 31, 2018, then the date for making such a contribution is postponed to January 31, 2018. For any such plan that is an Affected Plan, if the date described in § 433(j)(4) of the Code and section 306(j)(4) of ERISA by which the plan actuary must make the required certification falls within the period beginning on the Initial Relief Date and ending on January 31, 2018, then the date by which that certification must be made is postponed to January 31, 2018. If the deadline described

¹The Affected Area is defined as any of the Texas counties identified for individual assistance by FEMA because of Hurricane Harvey, any of the Florida counties identified for individual assistance by FEMA because of Hurricane Irma, and any other areas identified for individual assistance by FEMA because of Hurricane Harvey or Hurricane Irma (or Tropical Storm Harvey or Tropical Storm Irma). The areas identified for individual assistance by FEMA can be found on FEMA's website at <https://www.fema.gov/disasters>.

²This extension also applies to contributions that are due during this period to plans described in section 104 of the Pension Protection Act of 2006, Pub. L. No. 109-280, 120 Stat. 780 (2006).

in § 433(j)(3) of the Code and section 306(j)(3) of ERISA by which a plan sponsor of such an Affected Plan that is in funding restoration status must adopt a funding restoration plan falls within the period beginning on the Initial Relief Date and ending on January 31, 2018, then that deadline is postponed to January 31, 2018.

With respect to any single-employer plan that is an Affected Plan, if the deadline for furnishing a notice required under section 101(j)(1) or (2) of ERISA falls within the period beginning on the Initial Relief Date and ending on January 31, 2018, then the date by which that notice must be furnished is postponed to January 31, 2018.

The relief set forth in this section III.B applies under Title IV of ERISA for purposes of determining the timeliness of a contribution and whether that contribution is included in market value of assets. For example, for any plan for which this notice extends a due date described in § 430(j)(1) of the Code and section 303(j)(1) of ERISA, contribution receipts are taken into account in determining the variable rate premium if made on or before the date the plan's premium is filed.

C. Relief for Multiemployer Defined Benefit Plans.

For any multiemployer plan that is an Affected Plan, if the date described in § 432(b)(3)(A) of the Code and section 305(b)(3)(A) of ERISA by which the plan actuary must make any certification required under § 432(b)(3)(A) falls within the period beginning on the Initial Relief Date and ending on January 31, 2018, then the date by which that certification must be made is postponed to January 31, 2018. If the deadline described in § 432(c)(1) or 432(e)(1) of the Code and section 305(c)(1) or 305(e)(1) of ERISA by which a plan sponsor of such an Affected Plan that is in endangered or critical status must adopt or update a funding improvement plan or a rehabilitation plan falls within the period beginning on the Initial Relief Date and ending on January 31, 2018, then that deadline is postponed to January 31, 2018. If, however, the date by which a certification of such an Affected Plan's status is postponed in accordance with this section III.C, then the date described in § 432(c)(1) or 432(e)(1) of the Code and section 305(c)

or 305(e) of ERISA by which the plan sponsor of such an Affected Plan that is in critical or endangered status must adopt a funding improvement plan or a rehabilitation plan nonetheless continues to be determined based on the original deadline for the certification of the plan's status.

D. Relief Related to Funding Waivers.

With respect to a plan that is an Affected Plan, if the date described in § 412(c)(5) of the Code and section 302(c)(5) of ERISA for applying for a waiver for an Affected Plan falls within the period beginning on the Initial Relief Date and ending on January 31, 2018, then that deadline is postponed to January 31, 2018.

DRAFTING INFORMATION

The principal author of this notice is Tom Morgan of the Office of the Associate Chief Counsel (Tax Exempt and Government Entities). However, other personnel from the IRS participated in the development of this guidance. For further information regarding this notice, contact Mr. Morgan at 202-317-6700 (not a toll-free call). For further information regarding the relief in this notice relating to Title IV of ERISA, contact Amy Viener at (202) 326 4000 extension 3919 (not a toll-free number).

Reference Price for Section 45I Credit for Production of Natural Gas from Marginal Wells During Taxable Years Beginning in Calendar Year 2016 Notice 2017-51

SECTION 1. PURPOSE

This notice provides the applicable reference price for qualified natural gas production from qualified marginal wells during taxable years beginning in calendar year 2016 for the purpose of determining the marginal well production credit (MWC) under § 45I of the Internal Revenue Code. The applicable reference price for taxable years beginning in calendar year 2016 is \$2.38 per 1,000 cubic feet (mcf).

This notice also provides the credit amount used for the purpose of determining the MWC for taxable years beginning in calendar year 2016. The credit amount is determined using the 2016 inflation adjustment factor of 1.2332 and the applicable reference price of \$2.38 per mcf. The credit amount for taxable years beginning in calendar year 2016 is \$0.14 per mcf.

SECTION 2. BACKGROUND

Section 45I(a), as it relates to qualified natural gas production, provides that, for purposes of § 38, the MWC for any taxable year is an amount equal to the product of (1) the credit amount and (2) the qualified natural gas production that is attributable to the taxpayer.

Section 45I(c)(1) provides that "qualified natural gas production" means domestic natural gas produced from a qualified marginal well. Section 45I(c)(3)(A) provides that a qualified marginal well is a domestic well (i) the production from which during the taxable year is treated as marginal production under § 613A(c)(6), or (ii) which during the taxable year (I) has average production of not more than 25 barrel-of-oil equivalents per day, and (II) produces water at a rate of not less than 95 percent of total well effluent.

Section 613A(c)(6)(D) and (E) provide that "marginal production" means domestic natural gas produced during any taxable year from a property that is a stripper well property for the calendar year in which the taxable year begins. A "stripper well property" is, with respect to any calendar year, any property producing not more than 15 barrel equivalents per day, determined by dividing the average daily production of domestic crude oil and domestic natural gas from producing wells on the property for such calendar year by the number of such wells on the property.

Section 45I(c)(2)(A) provides that generally only the first 1,095 barrels or barrel-of-oil-equivalents (as defined in § 45K(d)(5)) produced during the taxable year qualify for the MWC. This limitation is proportionately reduced in the case of a short taxable year or in the case of a well that is not capable of production each day of a taxable year. See § 45I(c)(2)(B). The number of wells on which a taxpayer can claim the MWC is not limited.

Section 45I(d)(2) provides that to claim the credit a taxpayer must hold an operating interest in the qualified marginal well producing the natural gas to which the credit relates. Under § 45I(d)(1) if a well is owned by more than one owner and the natural gas production exceeds the limitation under § 45I(c)(2), the qualifying natural gas production attributable to the taxpayer is determined on the basis of the ratio the taxpayer's revenue interest in the production bears to the aggregate of the revenue interests of all operating interest owners in the production. Finally, § 45I(d)(3) provides that the MWC is not allowable if the taxpayer is also eligible to claim the § 45K nonconventional sources credit for the taxable year, unless the taxpayer elects not to claim the credit under § 45K for the well.

For purposes of § 45I(a)(1), the credit amount is 50 cents (adjusted for inflation) per mcf of qualified natural gas production (tentative credit amount). See § 45I(b)(1)(B) and (b)(2)(B).

Section 45I(b)(2)(A) and (B) provide that the tentative credit amount (adjusted for inflation) is reduced (but not below zero) to the extent that the applicable reference price exceeds \$1.67 (adjusted for inflation). More specifically, § 45I(b)(2)(A) provides that the tentative credit amount (adjusted for inflation) is reduced by an amount that bears the same ratio to such amount as the excess (if any) of the applicable reference price over \$1.67 (adjusted for inflation), bears to \$0.33 (adjusted for inflation). As a result, the MWC is not available if the applicable reference price for qualified natural gas production exceeds \$2 (adjusted for inflation).

Section 45I(b)(2)(A) also provides that the applicable reference price for a taxable year is the reference price for the calendar year preceding the calendar year in which the taxable year begins. Section 45I(b)(2)(C)(ii) pro-

vides the term "reference price" means, with respect to any calendar year, in the case of qualified natural gas production, the Secretary's estimate of the annual average wellhead price per mcf for all domestic natural gas.

Section 45I(b)(2)(B) provides that in the case of any taxable year beginning in a calendar year after 2005, each of the dollar amounts contained in § 45I(b)(2)(A) will be increased to an amount equal to such dollar amount multiplied by the inflation adjustment factor for such calendar year (determined under § 43(b)(3)(B) by substituting "2004" for "1990").

SECTION 3. INFLATION ADJUSTMENT FACTOR AND REFERENCE PRICE

.01 *Inflation Adjustment.* The inflation adjustment factor under § 45I(b)(2)(B) for calendar year 2016 is 1.2332.

.02 *Reference Price.* The Secretary generally obtains data on energy prices from the Energy Information Administration (EIA), an independent agency within the Department of Energy. In the past, the EIA published estimates of monthly and annual average wellhead prices for natural gas, but the EIA has not published those estimates since December 2012. Consequently, the Secretary's estimate of the calendar year 2015 annual average wellhead price per mcf for all domestic natural gas under § 45I(b)(2)(C)(ii) was calculated by applying the Producer Price Index commodity index for "Natural Gas" (WPU05310105)³ published by the Bureau of Labor Statistics (BLS) as part of its Producer Price Index program, to update to 2015 pricing the "national average wellhead price of natural gas" published by the EIA for 2012. For years after 2015, the Secretary intends to calculate the reference price by

application of the Producer Price Index commodity index for "Natural Gas from the Wellhead" (WPU053101051) published by the BLS to the previous year's reference price.

The EIA's reported national average wellhead price for 2012 was \$2.66 per mcf.⁴ The annual price index for natural gas published by the BLS fell from 149.5 in 2012 to 133.5 in 2015, which implies the ratio of 2015 to 2012 average wellhead prices was 0.89 (133.5/149.5). Therefore, the Secretary's estimate of the calendar year 2015 annual average wellhead price per mcf for all domestic natural gas is \$2.38 per mcf (0.89 × \$2.66 per mcf).

SECTION 4. CALCULATION OF CREDIT AMOUNT

Under § 45I(b)(1)(B) and (2)(B), the tentative credit amount used to calculate the MWC for taxable years beginning in calendar year 2016 is 62 cents per mcf (\$0.50 × 1.2332 inflation adjustment factor). However, in order to determine the credit amount for purposes of § 45I(a)(1), the tentative credit amount must be reduced as provided by § 45I(b)(2)(A).

Pursuant to § 45I(b)(2)(A), the tentative credit amount for taxable years beginning in calendar year 2016 is reduced (but not below zero) by an amount (§ 45I(b)(2) Reduction Amount) which bears the same ratio to such amount as (i) the excess (if any) of the applicable reference price over \$2.06 (\$1.67 × 1.2332 inflation adjustment factor), bears to (ii) \$0.41 (\$0.33 × 1.2332 inflation adjustment factor). Accordingly, the § 45I(b)(2) Reduction Amount (as adjusted for inflation) is computed as follows:

$$\frac{\$ 45I(b)(2) \text{ Red. Amount}}{0.62} = \frac{\text{App. Ref. Price} - 2.06}{0.41}$$

Solving for the § 45I(b)(2) Reduction Amount yields the following formula:

$$\$ 45I(b)(2) \text{ Red. Amount} = \frac{0.62 \times (\text{App. Ref. Price} - 2.06)}{0.41}$$

³<https://data.bls.gov/cgi-bin/srgate>. BLS publishes indexes and not actual or average prices.

⁴https://www.eia.gov/dnav/ng/ng_pri_sum_a_epg0_fwa_dmcf_a.htm.

Using the applicable reference price of \$2.38, the § 45I(b)(2) Reduction Amount is \$0.48. Therefore, the credit amount used to calculate the MWC for taxable years beginning in calendar year 2016 is \$0.14 per mcf (\$0.62 - \$0.48).

SECTION 5. EFFECTIVE DATE

This notice is effective for qualified natural gas production during taxable years beginning in calendar year 2016. The Internal Revenue Service (IRS) will provide information on how to claim the credit on IRS.gov, tax forms or instructions, or through other published guidance.

SECTION 6. ADDITIONAL CONSIDERATIONS

A taxpayer who filed a 2016 return on or before October 2, 2017 and either did not claim the credit or claimed the credit in an amount that differs from the amount determined using the applicable reference price stated in this notice may file an amended return using the applicable reference price stated in this notice.

Generally, a taxpayer has up to three years from the date it filed a return, or two years from the date the tax is paid, whichever is later, to file an amended return. Taxpayers should consider consulting with a tax advisor to determine if they want to file an amended return. More information about filing an amended return is available on IRS.gov.

SECTION 7. COMMENTS

.01 The Treasury Department and the IRS request written comments on this notice, including the methodology for determining the reference price.

.02 Date for comments.

Comments in response to this notice should be received by the IRS before November 16, 2017.

.03 Address to send comments:

Internal Revenue Service
CC:PA:LPD:PR (Notice 2017- 51)
Room 5203
P.O. Box 7604

Ben Franklin Station
Washington, DC 20044

Please include “Notice 2017- 51 ” on the cover page.

.04 Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to:

Internal Revenue Service
Courier’s Desk
1111 Constitution Ave., N.W.
Washington, DC 20224
Attn: CC:PA:LPD:PR
(Notice 2017-51)

.05 Submissions may also be sent electronically to the following e-mail address:

Notice.Comments@irs.counsel.treas.gov

Please include “Notice 2017-51” in the subject line.

All comments will be available for public inspection and copying.

SECTION 8. DRAFTING AND CONTACT INFORMATION

The principal author of this notice is Philip Tiegerman of the Office of Associate Chief Counsel (Passthroughs & Special Industries). For further information regarding this notice contact Philip Tiegerman at (202) 317-6853 (not a toll-free number).

Treatment of Amounts Paid to Section 170(c) Organizations under Employer Leave-Based Donation Programs to Aid Victims of Hurricane and Tropical Storm Irma

Notice 2017-52

This notice provides guidance on the treatment of leave-based donation programs to aid victims of Hurricane and Tropical Storm Irma.

TREATMENT OF LEAVE-BASED DONATION PAYMENTS

In response to the extreme need for charitable relief for victims of Hurricane and

Tropical Storm Irma, employers may have adopted or may be considering adopting leave-based donation programs. Under leave-based donation programs, employees can elect to forgo vacation, sick, or personal leave in exchange for cash payments that the employer makes to charitable organizations described in § 170(c) of the Internal Revenue Code (§ 170(c) organizations). This notice provides guidance for income and employment tax purposes on the treatment of cash payments made by employers under leave-based donation programs for the relief of victims of Hurricane and Tropical Storm Irma.

The Internal Revenue Service (the Service) will not assert that cash payments an employer makes to § 170(c) organizations in exchange for vacation, sick, or personal leave that its employees elect to forgo constitute gross income or wages of the employees if the payments are: (1) made to the § 170(c) organizations for the relief of victims of Hurricane and Tropical Storm Irma; and (2) paid to the § 170(c) organizations before January 1, 2019.

Similarly, the Service will not assert that the opportunity to make such an election results in constructive receipt of gross income or wages for employees. Electing employees may not claim a charitable contribution deduction under § 170 with respect to the value of forgone leave excluded from compensation and wages.

The Service will not assert that an employer is permitted to deduct these cash payments exclusively under the rules of § 170 rather than the rules of § 162. Cash payments to which this guidance applies need not be included in Box 1, 3 (if applicable), or 5 of the Form W-2.

DRAFTING INFORMATION

For further information, please contact Sheldon A. Iskow of the Office of Associate Chief Counsel (Income Tax and Accounting) at (202) 317-4718 (not a toll-free number).

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SECTION 1. PURPOSE

Private foundations may wish to treat grants to foreign grantees as qualifying distributions that satisfy the distribution requirements imposed by § 4942 of the Internal Revenue Code (Code) and not as expenditures requiring expenditure responsibility in order to not be subject to the excise tax on taxable expenditures imposed by § 4945 of the Code. If a private foundation makes a “good faith determination” that a foreign grantee qualifies as a qualifying public charity (as defined in section 3.03(3) of this revenue procedure), the grant will generally be a qualifying distribution that does not require expenditure responsibility in order to not be a taxable expenditure.

This revenue procedure modifies and supersedes Rev. Proc. 92–94, 1992–2 C.B. 507, which provided a simplified procedure that private foundations could follow in making good faith determinations (also known as equivalency determinations).⁵ This revenue procedure reflects the changes to the equivalency determination final regulations published in 2015 (TD 9740; 80 FR 57709; 2015–42 IRB 573), including the elimination of the ability of a private foundation to rely on a grantee affidavit for purposes of the special rule. This revenue procedure also reflects the changes to the public support tests for § 170(b)(1)(A)(vi) and § 509(a)(2) organizations set forth in final regulations published in 2011 (TD 9549; 76 FR 55746; 2011–46 IRB 718), and applies these changes in the context of equivalency determinations. In addition, this revenue procedure includes other updates and changes in response to comments from the public.

SECTION 2. SCOPE

This revenue procedure provides guidelines that qualified tax practitioners may use for preparing written advice on which a domestic private foundation ordinarily may rely in making an equivalency determination that the grantee of a grant made for

§ 170(c)(2)(B) purposes (other than a grant described in sections 507(b)(2) and 1.507–3(c)) is a qualifying public charity. Until further guidance is issued, sponsoring organizations of donor advised funds may also use the guidelines in this revenue procedure for purposes of applying the exception under § 4966(c)(2)(A) of the Code to the excise tax imposed on taxable distributions under § 4966.

SECTION 3. BACKGROUND

.01 Favorable treatment of grants with equivalency determinations.

A private foundation may make an equivalency determination to demonstrate that the following three provisions under chapter 42 of the Code and the related regulations apply and thereby potentially prevent the imposition of excise taxes:

(1) Under §§ 4945(d)(5) and 53.4945–6(c)(2), a private foundation’s grant to an organization described in § 501(c)(3) ordinarily need not be maintained in a separate charitable fund;

(2) Under §§ 4942(g)(1) and 53.4942(a)–3(a), a private foundation’s grant to a qualifying public charity ordinarily is a qualifying distribution that counts toward its minimum charitable distribution requirement; and

(3) Under §§ 4945(d)(4) and 53.4945–5(a), a private foundation’s grant to a qualifying public charity ordinarily is not a taxable expenditure and the foundation does not need to comply with a detailed set of grant procedures known as “expenditure responsibility” to ensure that the grant is used for charitable purposes.

As explained in sections 3.02 and 3.03 of this revenue procedure, under §§ 53.4942(a)–3(a)(6), 53.4945–5(a)(5), and 53.4945–6(c)(2) (ii), a private foundation may make an equivalency determination that a foreign grantee is an organization described in § 501(c)(3) and is a qualifying public charity even though the grantee lacks a determination letter

from the Internal Revenue Service (IRS) recognizing it as tax-exempt. Thus, a grant to such an organization would not need to be maintained in a separate fund and would ordinarily be treated as a qualifying distribution and not a taxable expenditure.

More specifically, a private foundation grantor that wishes to have a grant to a foreign organization grantee that lacks an IRS determination letter treated as made to a qualifying public charity generally must complete two steps in making an equivalency determination in compliance with §§ 53.4942(a)–3(a)(6), 53.4945–5(a)(5), and 53.4945–6(c)(2)(ii). First, the grantor (through one or more foundation managers) must make a good faith determination and a reasonable judgment that the grantee is a § 501(c)(3) organization (other than by reason of § 509(a)(4)). Second, the grantor must make a good faith determination that the grantee is a qualifying public charity for purposes of §§ 4942(g) and 4945(d)(4).

.02 Regulatory requirements for an equivalency determination under § 53.4945–6(c)(2)(ii).

Section 53.4945–6(c)(2)(ii) provides that a private foundation grantor may treat a foreign grantee as an organization described in § 501(c)(3) if:

(1) In the reasonable judgment of the foundation manager (as defined in § 4946(b)), the grantee is described in § 501(c)(3) (other than an organization that tests for public safety);

(2) The grant is made for purposes described in § 170(c)(2)(B) (charitable purposes); and

(3) The grant is not a transfer of assets pursuant to a liquidation, merger, redemption, recapitalization, or other adjustment, organization, or reorganization of the foundation under §§ 507(b)(2) and 1.507–3(c).

⁵This revenue procedure uses the term “equivalency determination” unless referring to regulatory provisions that use the term “good faith determination.”

.03 *Regulatory requirements for an equivalency determination under §§ 53.4942(a)–3(a)(6) and 53.4945–5(a)(5).*

In 2015, the Treasury Department and the IRS finalized the regulatory requirements for equivalency determinations under §§ 53.4942(a)–3(a)(6) and 53.4945–5(a)(5) (TD 9740; 80 FR 57709; 2015–42 IRB 573) for purposes of determining when a grant is a qualifying distribution and not a taxable expenditure. The regulations provide a general rule that the private foundation grantor may treat a foreign grantee as a qualifying public charity if the foundation has made a good faith determination to that effect. The regulations also include a special rule that a private foundation’s determination ordinarily will be considered made in good faith if it is based on written advice that is “current” and received from a “qualified tax practitioner” concluding that the grantee is a “qualifying public charity,” and if the foundation reasonably relied in good faith on the written advice in accordance with the requirements of § 1.6664–4(c)(1) in making the determination. Under this special rule, the written advice must give enough facts concerning the foreign grantee’s operations and support to enable the IRS to determine that the grantee would likely qualify as a qualifying public charity as of the date of the written advice. This special rule reflects three significant changes from the equivalency determination process provided under the prior regulations: (1) a general broadening of the class of qualified tax practitioners that could prepare written advice; (2) elimination, under the special rule, of reliance by a private foundation on grantee affidavits without current written advice received from qualified tax practitioners (although such reliance is still permissible in appropriate circumstances under the general rule); and (3) the addition of a new definition of the period for reliance on written advice received from qualified tax practitioners for purposes of the special rule.

The preamble to the final regulations stated that the Treasury Department and the IRS intended to publish an updated revenue procedure, revised to reflect the changes implemented in the 2015 final regulations as well as changes to the public support tests for § 170(b)(1)(A)(vi) and

§ 509(a)(2) organizations set forth in final regulations published in 2011 (TD 9549; 76 FR 55746; 2011–46 IRB 718), and to possibly provide additional guidance on foreign schools and foreign government support, with examples illustrating the application of these rules on the period of reliance on written advice.

(1) *Written advice that is current.* For purposes of the special rule in §§ 53.4942(a)–3(a)(6) and 53.4945–5(a)(5), written advice is generally current if the relevant law on which the advice is based has not changed since the date of the written advice and the factual information on which the advice is based is from the grantee’s current or prior taxable year (or the current or prior annual accounting period if the grantee does not have a taxable year for United States federal tax purposes). Thus, a grantor may rely on written advice for a period of up to two years after the advice is provided, depending on when within the grantee’s taxable year (or annual accounting period) the advice was provided, and how recent the factual information is on which the advice was based. For example, written advice issued in January 2017, based on information dating from January 2017 for a grantee having a calendar taxable year, would generally remain current through December 2018. Written advice that a grantee met the public support test under § 170(b)(1)(A)(vi) or § 509(a)(2) for a test period of five years is current during the two taxable years of the grantee immediately following the end of the five-year test period.

(2) *Qualified tax practitioner.* A “qualified tax practitioner” is an attorney, certified public accountant (CPA), or enrolled agent who is subject to the standards of practice before the IRS set forth in Circular 230 (31 CFR Part 10). To practice before the IRS, Circular 230 requires that an attorney or CPA be licensed in a state, territory, or possession of the United States (including the District of Columbia), and that an enrolled agent meet the eligibility requirements set forth in section 10.4 of Circular 230. A qualified tax practitioner may include an attorney, CPA, or enrolled agent serving as an employee of the grantor.

(3) *Qualifying public charity.* Section 501(c)(3) organizations are classified under § 509(a) as either public charities or private foundations. Public charities under

§ 509(a) include, but are not limited to, the following types of organizations:

(a) A church or a convention or association of churches as described in §§ 509(a)(1) and 170(b)(1)(A)(i);

(b) A school, as described in §§ 509(a)(1) and 170(b)(1)(A)(ii) and § 1.170A–9(c)(1);

(c) A hospital or medical research organization, as described in §§ 509(a)(1) and 170(b)(1)(A)(iii) and § 1.170A–9(d)(1) or (d)(2);

(d) A publicly supported organization described in §§ 509(a)(1) and 170(b)(1)(A)(vi) and § 1.170A–9(f);

(e) A publicly supported organization described in §§ 509(a)(2) and 1.509(a)–3; and

(f) A supporting organization described in §§ 509(a)(3) and 1.509(a)–4, whether Type I, Type II, functionally integrated Type III, or non-functionally integrated Type III.

For purposes of § 4945(d)(4) (which requires expenditure responsibility for grants from private foundations to organizations other than qualifying public charities), a qualifying public charity is a public charity described in § 509(a)(1), 509(a)(2), or 509(a)(3) (other than a disqualified supporting organization, defined below in this section 3.03(3)), or an exempt operating foundation described in § 4940(d)(2).

For purposes of § 4942(g) (which treats distributions to qualifying public charities as qualifying distributions), a qualifying public charity includes a qualifying public charity under § 4945(d)(4) and also includes a disqualified supporting organization (if the grantor is an operating foundation) and a grantee that is an operating foundation under § 4942(j)(3) (whether or not it is an exempt operating foundation). See §§ 4942(g)(1) and (4).

For purposes of § 4966(c)(2)(A) (which requires expenditure responsibility for distributions from donor advised funds to organizations other than qualifying public charities), a qualifying public charity is a public charity described in § 509(a)(1), 509(a)(2), or 509(a)(3) (other than a disqualified supporting organization, defined below in this section 3.03(3)), an operating foundation under § 4942(j)(3), a private foundation described in § 170(b)(1)(F)(ii) that annually distributes all of its contributions, and a private foundation described in § 170(b)(1)(F)(iii) that maintains a com-

mon fund and annually distributes all of its income.

A disqualified supporting organization includes a non-functionally integrated Type III supporting organization under § 1.509(a)–4(i). A disqualified supporting organization also includes any other supporting organization if a disqualified person of the private foundation directly or indirectly controls the supporting organization or a supported organization (or, for grants from donor advised funds, if a donor or donor advisor (and any related parties) directly or indirectly controls a supported organization). See §§ 4942(g)(4)(A) and 4966(c)(4).

(4) *Reasonable reliance in good faith under § 1.6664–4(c)(1)*. Under § 1.6664–4(c)(1), all pertinent facts and circumstances are taken into account in determining whether a private foundation has reasonably relied in good faith on written advice, such as the foundation managers' education, sophistication, and business experience. This standard is not met if the private foundation knows, or reasonably should know, that a qualified tax practitioner lacks knowledge of the U.S. tax law of charities. Moreover, a private foundation may not rely on written advice if it knows, or has reason to know, that relevant facts were not disclosed to the qualified tax practitioner or that the written advice is based on a representation or assumption that the foundation knows, or has reason to know, is unlikely to be true.

(5) *General requirements imposed on qualified tax practitioners in preparing written advice*.

(a) *In general*. Under 31 CFR 10.37(a)(2), in preparing written advice, a qualified tax practitioner must—

(i) Base the written advice on reasonable factual and legal assumptions (including assumptions as to future events);

(ii) Reasonably consider all relevant facts and circumstances that the practitioner knows or reasonably should know;

(iii) Use reasonable efforts to identify and ascertain the relevant facts;

(iv) Not rely upon representations, statements, findings, or agreements (including projections, financial forecasts, or appraisals) of the taxpayer or any other person if reliance on them would be unreasonable, which is the case if the practitioner knows or reasonably should know that one or more representations

or assumptions on which any representation is based are incorrect, incomplete, or inconsistent;

(v) Relate applicable law and authorities to facts; and

(vi) Not base the advice on consideration of the possibility that a return will not be audited or that a matter will not be raised by the IRS on audit.

(b) *Information regarding grantee*. Under 31 CFR 10.34(d), a qualified tax practitioner generally, without verification, may rely in good faith upon information furnished by the private foundation regarding the grantee, but may not ignore the implications of information furnished to, or actually known by, the practitioner, and must make reasonable inquiries if the information as furnished appears to be incorrect, inconsistent with an important fact or another factual assumption, or incomplete.

(c) *Advice of another person*. Also, under 31 CFR 10.37(b), a qualified tax practitioner may rely on the advice of another person (such as foreign counsel on a question of foreign law) if the advice was reasonable and the reliance is in good faith considering all the facts and circumstances. Reliance is not reasonable when the practitioner knows or reasonably should know that —

(i) The opinion of the other person should not be relied upon;

(ii) The other person is not competent or lacks the necessary qualifications to provide the advice; or

(iii) The other person has a conflict of interest in violation of 31 CFR Part 10.

(6) *Facts required in written advice*. The equivalency determination regulations require that the written advice include enough facts concerning the foreign grantee's operations and support to enable the IRS to determine that the grantee would likely qualify as a qualifying public charity as of the date of the written advice, and include a conclusion that the grantee is a qualifying public charity for purposes of the pertinent sections of the regulations.

SECTION 4. GUIDELINES FOR WRITTEN ADVICE

.01 *In general*.

Written advice that meets the guidelines of sections 4, 5, and 6 of this revenue procedure (preferred written advice) ordinarily will be considered to contain suffi-

cient facts concerning the foreign grantee's operations and support to enable the IRS to determine that the grantee would likely qualify as a qualifying public charity as of the date of the written advice. Whether written advice that does not meet one or more of the guidelines of sections 4, 5, or 6 of this revenue procedure contains enough facts concerning the foreign grantee's operations and support to enable the IRS to determine that the grantee would likely qualify as a qualifying public charity as of the date of the written advice depends on all the facts and circumstances. In all cases, the private foundation still must meet the requirement to have reasonably relied in good faith on the written advice in accordance with the requirements of § 1.6664–4(c)(1). Furthermore, in order to rely on the special rule in §§ 53.4942(a)–3(a)(6) and 53.4945–5(a)(5), the private foundation must retain the original written advice (or a copy) and make it available to the IRS upon request.

.02 *Attachments in English*.

For purposes of section 4.01 of this revenue procedure, preferred written advice and any attachments are written in or translated into English and contain the substantive information set out in sections 5 and 6 of this revenue procedure. An English translation that meets the requirements of section 7.01(2)(c) of Rev. Proc. 2017–1, 2017–1 I.R.B. 1, 24 (or the corresponding provision of the most recent annual update of that revenue procedure), is an acceptable translation for any documents that are not written in English, but compliance with that revenue procedure is not required.

.03 *Practitioner use of affidavits, and attestation*.

Preferred written advice described in section 4.01 of this revenue procedure sets forth the qualified tax practitioner's own application of the law to the facts and own conclusion that the grantee is a qualifying public charity. The written advice may reference attached affidavits from the grantee providing factual information upon which the written advice is based. Any attached grantee affidavit is attested to by an officer or trustee of the grantee with personal knowledge of the facts.

.04 Reliance on translations of foreign laws.

The grantor and qualified tax practitioner may rely on translations of and public information concerning foreign laws that meet the requirements of section 7.01(2)(b) and (c) of Rev. Proc. 2017-1 (or the corresponding provisions of the most recent annual update of that revenue procedure), but compliance with that revenue procedure is not required.

SECTION 5. SUFFICIENT FACTS IN WRITTEN ADVICE REGARDING § 501(c)(3) STATUS

.01 Effect of written advice.

See section 4.01 of this revenue procedure for the effect of preferred written advice that meets the guidelines described in this section 5.

.02 Governing instruments.

Preferred written advice includes an attachment with an English translation of the grantee's articles of organization, by-laws, or other organizing or enabling document or documents by which the grantee is formed and governed. Preferred written advice identifies the country in which the grantee was formed if not evident from such documents.

.03 Charitable purposes.

Preferred written advice identifies the tax-exempt purpose or purposes under § 501(c)(3) for which the grantee is organized. Tax-exempt purposes include charitable, religious, educational, literary, or scientific purposes, or purposes to foster national or international amateur sports competition or to prevent cruelty to children or animals, and are referred to collectively in this revenue procedure as "charitable purposes." Preferred written advice also confirms that the grantee is not expressly permitted to engage in activities for non-charitable purposes, other than as an insubstantial part of its activities.

.04 Charitable distribution of assets on dissolution.

Preferred written advice confirms that if the grantee terminates, liquidates, or dissolves, then under the governing instru-

ment or applicable law, all of the grantee's assets will be distributed to another not-for-profit charitable organization for charitable purposes or to a governmental entity for a public purpose. An English translation of applicable statutory law is attached to preferred written advice.

.05 No private shareholders.

Preferred written advice confirms that the grantee has no shareholders or members who have an ownership interest in the income or assets of the grantee. It also confirms that the grantee does not distribute any of the grantee's income or assets to a non-charitable organization or individual, or apply any of the grantee's income or assets for the benefit of a non-charitable organization or individual (and that the grantee's governing instruments do not expressly permit such activities), except pursuant to the conduct of the grantee's charitable activities, or as payment of reasonable compensation for services rendered or payment of the fair market value of property that the grantee has purchased.

.06 Insubstantial lobbying and no political intervention.

Preferred written advice confirms that the grantee does not attempt to influence legislation (except as an insubstantial part of its activities) and does not directly or indirectly participate or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office. Preferred written advice also confirms that the grantee's governing instruments do not expressly permit such activities.

.07 Affiliated organizations.

Preferred written advice discusses any organizations that control the grantee or are operated in connection with the grantee.

.08 Description of activities and analysis.

Preferred written advice or an attached affidavit describes the past, current, and anticipated (over the term of the grant) activities of the grantee, including details such as the manner of carrying out the activities, sources of receipts, and types of

expenditures, sufficient to enable the IRS to determine that the grantee would likely qualify as a qualifying public charity as of the date of the written advice. Specific schedules in Forms 990 or 1023 may be used to provide relevant information for particular types of organizations. If the grantee previously provided an affidavit, the prior affidavit may be attached and supplemented with a new affidavit that describes any changes in facts or affirms that the facts have not materially changed. Preferred written advice applies the applicable federal tax law and other relevant law to the facts in discussing whether the grantee is operated exclusively for charitable purposes. The grantee would not be considered operated exclusively for charitable purposes if, for example, it operated substantially for commercial purposes or for the benefit of private interests, or if it engaged in terrorist activities or support for terrorist organizations.

.09 Terrorist organizations and blocked persons.

An organization ineligible to apply for recognition of exemption pursuant to § 501(p) (relating to an organization designated or individually identified as a terrorist organization) cannot qualify for an equivalency determination. Preferred written advice includes verification that the grantee has not been designated or individually identified as a terrorist organization by the United States Government as described in § 501(p)(2). In addition, while not a requirement for preferred written advice, the private foundation should also confirm that the organization or its controlling officers, directors, or trustees are not foreign persons whose property and interests in property are blocked pursuant to an Executive Order or regulations administered by the Office of Foreign Assets Control.

.10 Hospitals and § 501(r).

A grantee that operates a hospital facility is not required to comply with § 501(r) with respect to the facility unless the facility is required by one of the 50 States of the United States (or the District of Columbia) to be licensed, registered, or similarly recognized as a hospital. See § 1.501(r)-1(b)(17). If the grantee operates a hospital facility in a foreign

jurisdiction, the written advice does not need to address § 501(r).

.11 Schools and racial discrimination.

Private schools operating in the United States have long been required to comply with Rev. Proc. 75-50, 1975-2 C.B. 587, which sets forth guidelines and recordkeeping requirements for determining whether private schools recognized as exempt under § 501(c)(3) or applying for recognition have racially nondiscriminatory policies regarding students. The IRS published the guidelines in consequence of extensive litigation in federal courts in the 1970s arising from widespread racial discrimination in private schools in the United States.

Foreign schools also have long been required to comply with Rev. Proc. 75-50 for purposes of the Code. However, foreign jurisdictions may not have the same history of racial discrimination as the United States. Furthermore, compliance with all the provisions of Rev. Proc. 75-50 is sometimes impracticable in foreign jurisdictions. Nevertheless, racial nondiscrimination remains an important principle in determining whether an organization should be recognized as described in § 501(c)(3). Therefore, for purposes of equivalency determinations regarding foreign school grantees, preferred written advice or an attached affidavit pertaining to a grantee described in § 170(b)(1)(A)(ii) as a school is considered sufficient regarding the issue of racial discrimination regarding students if: (1) the written advice or attached affidavit states that the grantee has adopted a policy in its governing instrument, or in a resolution of its governing body, that the grantee does not discriminate against applicants and students on the basis of race, color, or national or ethnic origin, as required by section 4.01 of Rev. Proc. 75-50 (or any successor revenue procedure); and (2) the written advice or attached affidavit provides evidence that the grantee actually operates in a racially nondiscriminatory manner as to students. Evidence of racial nondiscrimination regarding students can be shown by compliance with Rev. Proc. 75-50 (or any successor revenue procedure). Compliance with that revenue procedure with respect to a foreign school grantee is not required, however, in order to provide evidence that the grantee actually operates in a racially nondiscriminatory manner as to students.

SECTION 6. SUFFICIENT FACTS IN WRITTEN ADVICE REGARDING QUALIFYING PUBLIC CHARITY STATUS

.01 Effect of written advice.

See section 4.01 of the revenue procedure for the effect of preferred written advice that meets the guidelines described in this section 6.

.02 Financial and non-financial tests

The status of some qualifying public charities does not depend on a financial test (for example, schools and hospitals). Preferred written advice on whether a grantee is such a qualifying public charity includes the application of the relevant federal tax law to the particular facts and circumstances.

The status of some qualifying public charities may depend in whole or in part on a financial test. Preferred written advice regarding a grantee whose status as a qualifying public charity depends in whole or in part on a financial test includes an attached financial schedule with enough information to demonstrate that the grantee satisfies the applicable financial test or tests, in addition to showing that the grantee meets any other requirements. Financial data from the grantee's most recently completed taxable year is used in the preferred written advice if available.

An attached schedule or list need not be filled out completely if the information provided is sufficient to establish the grantee's tax classification. For example, a § 509(a)(2) organization need not include a list of persons providing more than one percent of income from a related activity if the organization passes the one-third support test because the organization receives sufficient donations from governments or other permitted sources regardless of whether any other income counts as public support.

.03 Section 170(b)(1)(A)(vi) or 509(a)(2) organizations within first five years.

A grantee in existence less than five years is treated as described in § 170(b)(1)(A)(vi) or 509(a)(2) if the preferred written advice includes a determination that, as of the time of the determination, the grantee can reasonably be expected to meet the applicable

test for § 170(b)(1)(A)(vi) or 509(a)(2) status applied to the grantee's first five years in existence, considering the factors set forth in § 1.170A-9(f)(3) and (f)(4)(v) or § 1.509(a)-3(d).

.04 Section 170(b)(1)(A)(vi) organizations after first five years.

For a grantee described in § 170(b)(1)(A)(vi) and in existence for more than five years, preferred written advice includes as an attachment the support schedule provided on Form 990, *Return of Organization Exempt From Income Tax*, or a similar schedule of information, for the applicable period, plus, if necessary, a schedule of donations from donors providing more than two percent of total support over the applicable period. A foreign grantee's public support includes, among other things, all contributions and grants from a domestic or foreign charitable organization described in § 170(b)(1)(A)(vi).

.05 Section 509(a)(2) organizations after first five years.

For a grantee described in § 509(a)(2) and in existence for more than five years, preferred written advice includes the following attachments if necessary to establish the grantee's tax classification:

(1) The support schedule provided on Form 990, *Return of Organization Exempt From Income Tax*, for the applicable period, or a similar schedule of information;

(2) A schedule of all amounts received from disqualified persons (other than from § 509(a)(1) organizations), whose support must be excluded. Disqualified persons are substantial contributors and foundation managers and certain persons related to them as described in § 4946(a). Substantial contributors are defined in § 507(d)(2) generally as persons that have contributed the greater of \$5,000 or two percent of the total contributions the grantee has ever received;

(3) A schedule of gross receipts from admissions, sales of merchandise, performance of services, or furnishing of facilities, in any activity that is not an unrelated business, received from persons (or bureaus or agencies of governmental units) in any taxable year if receipts from any such person exceed the greater of \$5,000 or one percent of the grantee's total support; and

(4) A schedule of all donors whose support is included as public support solely because they are § 509(a)(1) organizations (including organizations treated as § 509(a)(1) organizations for these purposes under § 53.4945–5(a)(4) or (5)).

A foreign grantee's public support includes, among other things, all contributions and grants (as described in § 1.509(a)–3(f) and (g)) from a domestic or foreign charitable organization described in § 509(a)(1).

.06 *Support from governments.*

For purposes of making equivalency determinations only, a foreign grantee's public support includes, among other things, all contributions and grants as described in § 1.509(a)–3(f) and (g) (and for purposes of § 170(b)(1)(A)(vi), all support described in § 1.170A–9(f)(8)) from a domestic governmental unit (or agency or instrumentality), from a foreign government (or agency or instrumentality), or from an international organization designated as such by Executive Order under 22 U.S.C. 288. See § 53.4945–5(a)(4).

.07 *Medical research organizations.*

For a grantee that is a medical research organization described in § 170(b)(1)(A)(iii) that has been in existence beyond its organizational period, preferred written advice includes as an attachment a schedule showing that the grantee devotes more than half its assets, or spends at least 3.5 percent of the fair market value of its endowment, directly in conducting medical research (or an explanation as provided in § 1.170A–9(d)(2)(A) if the organization fails both tests). Either test can be met based on a computation period consisting of the immediately preceding taxable year or the immediately preceding four taxable years. See § 1.170A–9(d)(2)(ix) for a medical research organization operating during its organizational period (in no event in excess of three years following organization).

.08 *Non-functionally integrated Type III supporting organizations.*

For a grantee described in § 509(a)(3) that is a non-functionally integrated Type III supporting organization and has existed for more than one year, preferred written advice includes as an attachment the financial schedules and explanations for non-functionally integrated Type III sup-

porting organizations as provided on Form 990, *Return of Organization Exempt From Income Tax*, or a similar schedule of information, for the applicable period, showing that the grantee met its distribution requirements. Under § 1.509(a)–4(i)(5)(ii)(D), such an organization has no distributable amount for its first taxable year.

.09 *Operating and exempt operating foundations.*

For a grantee that is an operating foundation under § 4942(j)(3) or exempt operating foundation under § 4940(d)(2) and has existed for more than one year, preferred written advice includes as an attachment the private operating foundation schedule provided on Form 990–PF, *Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation*, or a similar schedule of information, for the applicable period. See § 53.4942(b)–3(b) for an operating foundation in its first taxable year.

SECTION 7. EXAMPLES OF CURRENT WRITTEN ADVICE FOR PUBLICLY SUPPORTED ORGANIZATIONS

The following examples illustrate current written advice with regard to the reliance period for public support under §§ 170(b)(1)(A)(vi) or 509(a)(2). In each example, a private foundation grantor is making a determination whether a foreign organization grantee having a calendar taxable year is a § 170(b)(1)(A)(vi) organization; the determination is based on written advice that meets the definition of preferred written advice in section 4.01 of this revenue procedure; the relevant law does not change; the grantor has no information indicating that the written advice should not be relied upon; and the grantor's reliance on the written advice is otherwise reasonable under the standards of § 1.6664–4(c)(1).

Example 1. P, a grantor, intends to make grants in 2017 and 2018 to Q, a foreign charity organized in January 2017. P obtains written advice from a qualified tax practitioner in January 2017, based on an affidavit and the collection of information from Q, that Q can reasonably be expected to qualify under § 170(b)(1)(A)(vi) during Q's first five taxable years. P may use the written advice to make good faith determinations in 2017 and in 2018 that Q is described in § 170(b)(1)(A)(vi).

Example 2. Same facts as in the prior example except that P intends to make grants to Q in 2019 and 2020. P may no longer use the written advice from 2017 to make a good faith determination that would ordinarily be considered a good faith determination. P obtains written advice from a qualified tax practitioner in May 2019, based on an affidavit from Q that updates the prior affidavit with changes in Q's operations and support through May 2019, that Q can reasonably be expected to qualify under § 170(b)(1)(A)(vi) during its first five taxable years. P may use the written advice to make good faith determinations in 2019 and in 2020 that Q is described in § 170(b)(1)(A)(vi).

Example 3. Same facts as in the prior example except that P intends to make grants to Q in 2021 (the last year in Q's first five taxable years) and 2022. P obtains written advice from a qualified tax practitioner in June 2021, based on an affidavit from Q that updates the prior affidavit with changes in Q's operations and support through June 2021, that Q can reasonably be expected to qualify under § 170(b)(1)(A)(vi) during its first five taxable years. P may use the written advice to make good faith determinations in 2021 and in 2022 that Q is described in § 170(b)(1)(A)(vi).

Example 4. Same facts as in the prior example except that P intends to make another grant to Q in 2023. P obtains written advice from a qualified tax practitioner in April 2023, based on an affidavit from Q providing information from 2022 and prior years regarding Q's operations and support, that Q failed the support tests (both the 33 1/3 percent support test and the facts and circumstances test) for the periods 2017–2021 and 2018–2022. Under these circumstances, P may not use the written advice to make a good faith determination in 2023 that Q is described in § 170(b)(1)(A)(vi) in 2023.

Example 5. R, a grantor, intends to make a grant to S, a foreign charity, for the first time in 2017, S's 6th year of operation. R obtains written advice from a qualified tax practitioner in March 2017, based on an affidavit from S providing information from 2017 and prior years regarding S's operations and support, that S failed the support tests for the period 2012–2016. Under these circumstances, R may not use the written advice to make a good faith determination in 2017 that Q is described in § 170(b)(1)(A)(vi) in 2017.

Example 6. T, a grantor, intends to make a grant in 2017 to U, a foreign charity operating since 1990. T obtains written advice from a qualified tax practitioner in February 2017, based on an affidavit from U providing information from 2017 and prior years regarding U's operations and support, that U met a support test for the period 2011–2015 but not for 2012–2016. U's support for the period 2011–2015 establishes that U is "publicly supported" under § 170(b)(1)(A)(vi) for

the year 2015, and thus is treated (for purposes of the good faith determination regulations) as publicly supported for 2016 and 2017 as well. T may use the written advice to make a good faith determination in 2017 that U is described in § 170(b)(1)(A)(vi).

SECTION 8. EFFECT ON OTHER DOCUMENTS

This revenue procedure modifies and supersedes Rev. Proc. 92–94.

SECTION 9. EFFECTIVE DATE

This revenue procedure is effective September 14, 2017.

SECTION 10. PAPERWORK REDUCTION ACT

The collection of information in this revenue procedure is the affidavit of factual information. This collection of information is reflected in the collection of information for Form 990–PF, *Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation*, that has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), under control number 1545–0052. An agency may not conduct or sponsor, and a person is not required to respond to, a collection

of information unless it displays a valid control number assigned by the Office of Management and Budget. Books or records relating to a collection of information must be retained as long as their contents might become material in the administration of any internal revenue law.

DRAFTING INFORMATION

The principal author of this revenue procedure is Ward L. Thomas of the Office of Associate Chief Counsel (Tax-Exempt and Government Entities). For further information regarding this revenue procedure, contact Mr. Thomas at (202) 317-6173 (not a toll-free number).

Part IV. Items of General Interest

Relief for Victims of Hurricane Irma

Announcement 2017–13

Purpose

This announcement provides relief to taxpayers who have been adversely affected by Hurricane Irma and who have retirement assets in qualified employer plans that they would like to use to alleviate hardships caused by Hurricane Irma. In addition, this announcement provides relief from certain verification procedures that may be required under retirement plans with respect to loans and hardship distributions. The relief provided under this announcement is in addition to the relief already provided by the Service pursuant to News Releases VI–2017–01 and IR–2017–150 under § 7508A of the Internal Revenue Code (“Code”) for victims of Hurricane Irma, and to any future news releases providing relief related to Hurricane Irma. These news releases can be found on <https://www.irs.gov/newsroom/tax-relief-in-disaster-situations>. (For a listing of employee benefit-related acts and deadlines that, under the News Releases, were postponed until January 31, 2018, in response to Hurricane Irma, see the regulations under § 7508A and Section 8 of Rev. Proc. 2007–56, 2007–2 C.B. 388.)

Background

The laws relating to qualified employer plans impose various limitations on the permissibility of loans and distributions from those plans. For example, § 401(k)(2)(B)(i) of the Code provides that in the case of a § 401(k) plan that is part of a profit-sharing or stock bonus plan, elective deferrals may be distributed only in certain situations, one of which is on account of hardship. Section 403(b)(11) provides similar rules with respect to elective deferrals under a § 403(b) plan. Section 457(d)(1)(A) provides that a plan described in § 457(b) may not permit distributions before the occurrence of certain enumerated events, one being when the participant is faced with an unforeseeable emergency. Certain other types of plans or accounts are not permitted to make in-service distributions (distributions to a participant who

is still an employee) even if there is a hardship. For example, in-service hardship distributions are generally not permitted from pension plans or from accounts holding qualified nonelective contributions (“QNECs”) described in § 401(m)(4)(C) or qualified matching contributions (“QMACs”) described in § 401(k)(3)(D)(ii)(I). However, Rev. Rul. 2004–12, 2004–2 C.B. 478, holds that if amounts attributable to rollover contributions are separately accounted for within a plan, those amounts may be distributed at any time, pursuant to the employee’s request. Section 72(p) imposes certain requirements relating to plan loans. Unless those requirements are satisfied, a loan is treated as a distribution under the plan.

In order to make a loan or distribution (including a hardship distribution), a plan must contain language authorizing the loan or distribution. Also, except to the extent a distribution consists of already-taxed amounts, the distribution will be includible in gross income and generally subject to the 10-percent additional tax under § 72(t). Similar rules relating to income inclusion and taxation apply to a distribution from an IRA.

Plan provisions and regulations under certain Code sections establish verification procedures that a plan must follow before loans or distributions can be made from the plan. For example, the regulations under § 401(k) set forth certain criteria an employee must meet in order to receive a hardship distribution. A plan may contain procedures designed to confirm that the criteria have been satisfied.

Relief

As described below, a qualified employer plan will not be treated as failing to satisfy any requirement under the Code or regulations merely because the plan makes a loan, or a hardship distribution for a need arising from Hurricane Irma, to an employee or former employee whose principal residence on September 4, 2017, was located in one of the Florida counties identified for individual assistance by the Federal Emergency Management Agency (“FEMA”) because of the devastation caused by Hurricane Irma or whose place of employment was located in one of these counties on that applicable date or

whose lineal ascendant or descendant, dependent, or spouse had a principal residence or place of employment in one of these counties on that date. The areas identified for individual assistance by FEMA can be found on FEMA’s website at <https://www.fema.gov/disasters>. If additional areas are identified by FEMA for individual assistance because of damage related to Hurricane Irma, the relief provided in this announcement will also apply, from the date specified by FEMA as the beginning of the incident period, and that date should be substituted for references to September 4, 2017, in this announcement. Plan administrators may rely upon representations from the employee or former employee as to the need for and amount of a hardship distribution, unless the plan administrator has actual knowledge to the contrary, and the distribution is treated as a hardship distribution for all purposes under the Code and regulations.

For purposes of this announcement, a “qualified employer plan” means a plan or contract meeting the requirements of § 401(a), 403(a) or 403(b), and, for purposes of the hardship relief, that could, if it contained enabling language, make hardship distributions. For purposes of this paragraph, a “qualified employer plan” also means a plan described in § 457(b) maintained by an eligible employer described in § 457(e)(1)(A), and any hardship arising from Hurricane Irma is treated as an “unforeseeable emergency” for purposes of distributions from such plans. For example, a profit-sharing or stock bonus plan that currently does not provide for hardship or other in-service distributions may nevertheless make hardship distributions related to Hurricane Irma pursuant to this announcement, except from QNEC or QMAC accounts or from earnings on elective contributions (see below for plan amendment requirements). A defined benefit or money purchase plan, which generally cannot make in-service hardship distributions, may not make hardship distributions pursuant to this announcement, other than from a separate account, if any, within the plan containing either employee contributions or rollover amounts.

The amount available for hardship distribution is limited to the maximum amount that would be permitted to be available for a hardship distribution under the plan under the Code and regulations. However, the relief provided by this announcement applies to any hardship of the employee, not just the types enumerated in the regulations, and no post-distribution contribution restrictions are required. For example, regulations under § 401(k) provide safe harbor hardship distribution standards under which a hardship is deemed to exist only for certain enumerated events, and, after receipt of the hardship amount, the employee is prohibited from making contributions for at least 6 months. Plans need not follow these rules with respect to hardship distributions for which relief is provided under this announcement.

To make a loan or hardship distribution pursuant to the relief provided in this announcement, a qualified employer plan that does not provide for them must be amended to provide for loans or hardship distributions no later than the end of the first plan year beginning after December 31, 2017. To qualify for the relief under this announcement, a hardship distribution must be made on account of a hard-

ship resulting from Hurricane Irma and be made on or after September 4, 2017, and no later than January 31, 2018. Plan loans made pursuant to this announcement must satisfy the requirements of § 72(p).

In addition, a retirement plan will not be treated as failing to follow procedural requirements for plan loans (in the case of retirement plans other than IRAs) or distributions (in the case of all retirement plans, including IRAs) imposed by the terms of the plan merely because those requirements are disregarded for any period beginning on or after September 4, 2017, and continuing through January 31, 2018, with respect to loans or distributions to individuals described in the first paragraph under “Relief”, above, provided the plan administrator (or financial institution in the case of distributions from IRAs) makes a good-faith diligent effort under the circumstances to comply with those requirements. However, as soon as practicable, the plan administrator (or financial institution in the case of IRAs) must make a reasonable attempt to assemble any for-gone documentation. For example, if spousal consent is required for a plan loan or distribution and the plan terms require production of a death certificate if the employee claims his or her spouse is de-

ceased, the plan will not be disqualified for failure to operate in accordance with its terms if it makes a loan or distribution to an individual described in the first paragraph under “Relief” in the absence of a death certificate if it is reasonable to believe, under the circumstances, that the spouse is deceased, the loan or distribution is made no later than January 31, 2018, and the plan administrator makes reasonable efforts to obtain the death certificate as soon as practicable. For purposes of this announcement, “retirement plan” has the same meaning as “eligible retirement plan” under § 402(c)(8)(B).

Taxpayers are reminded that in general the normal spousal consent rules continue to apply, and, except to the extent the distribution consists of already-taxed amounts, any distribution made pursuant to the relief provided in this announcement will be includible in gross income and generally subject to the 10-percent additional tax under § 72(t).

The Department of Labor has advised Treasury and the IRS that it will not treat any person as having violated the provisions of Title I of the Employee Retirement Income Security Act solely because that person complied with the provisions of this announcement.

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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¹A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2017–01 through 2017–26 is in Internal Revenue Bulletin 2017–26, dated June 27, 2017.

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