

INTERNAL REVENUE BULLETIN



HIGHLIGHTS OF THIS ISSUE

Bulletin No. 2018-3
January 16, 2018

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.

Administrative

Notice 2018-01, page 299.

This notice provides guidance for implementation of new IRC 7345, added by Section 32101 of Fixing America's Surface Transportation (FAST) Act. This legislation requires the IRS to notify the Department of State of taxpayers certified to have "seriously delinquent tax debt." Upon receipt of section 7345 certification, the State Department is generally required to deny a passport application for such individuals and may also revoke or limit passports previously issued to such individuals. The notice also describes exceptions to certification and taxpayer remedies.

Administrative & Special Announcement

Notice 2018-06, page 300.

This notice extends the due dates for certain 2017 information reporting requirements for insurers, self-insuring employers, and certain other providers of minimum essential coverage under section 6055 and for applicable large employers under section 6056. Specifically, this notice extends the due date for furnishing to individuals the 2017 Form 1095-B, Health Coverage, and the 2017 Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, from January 31, 2018, to March 2, 2018. This notice also extends transitional good-faith relief from section 6721 and 6722 penalties to the 2017 information reporting requirements under sections 6055 and 6056.

The IRS Mission

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

Introduction

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

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

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

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

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

The Bulletin is divided into four parts as follows:

Part I.—1986 Code.

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

Part II.—Treaties and Tax Legislation.

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

Part III.—Administrative, Procedural, and Miscellaneous.

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

Part IV.—Items of General Interest.

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

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

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Part III. Administrative, Procedural, and Miscellaneous

Revocation, Limitation, or Denial of Passport in Case of Certain Tax Delinquencies

Notice 2018–01

This notice provides taxpayers with information about the implementation of new section 7345 of the Internal Revenue Code (Code), enacted by Section 32101 of Fixing America's Surface Transportation (FAST) Act, Pub. L. 114–94, on December 4, 2015. Section 32101(a) of the FAST Act added new Code section 7345, which requires the Department of the Treasury (Treasury) to notify the Department of State (State Department) if a certification is made that an individual has a “seriously delinquent tax debt.” Such certification or a reversal of such certification may only be made by the Commissioner of Internal Revenue, the Deputy Commissioner for Services and Enforcement of the Internal Revenue Service (IRS), or the Commissioner of an operating division of the IRS (collectively, Commissioner or specified delegate). Upon receipt of a section 7345 certification, section 32101(e) of the FAST Act provides that the State Department will generally deny an application for issuance or renewal of a passport from such individual, and may revoke or limit a passport previously issued to such individual. The IRS and State Department will begin implementation of these provisions in January of 2018.

I. Background

Section 7345(a) provides that if Treasury receives certification by the Commissioner that an individual has a seriously delinquent tax debt, such certification must be transmitted to the State Department for action with respect to denial, revocation, or limitation of a passport.

Under section 7345(b)(1), a “seriously delinquent tax debt” is an unpaid, legally enforceable, and assessed federal tax liability of an individual, greater than \$50,000, and for which:

- A notice of federal tax lien has been filed under section 6323, and the tax-

payer's right to a hearing under section 6320 has been exhausted or lapsed; or

- A levy has been issued under section 6331.

Pursuant to section 7345(f), the \$50,000 amount is adjusted for inflation each calendar year beginning after 2016.

The \$50,000 federal tax liability threshold is calculated by aggregating the total amount of all current tax liabilities for all taxable years and periods meeting the above criteria (including penalties and interest) assessed against an individual.

Section 7345(b)(2) provides that a seriously delinquent tax debt does not include the following:

- A debt that is being timely paid under an IRS-approved installment agreement under section 6159;
- A debt that is being timely paid under an offer in compromise accepted by the IRS under section 7122;
- A debt that is being timely paid under the terms of a settlement agreement with the Department of Justice under section 7122;
- A debt in connection with a levy for which collection is suspended because of a request for a due process hearing (or because such a request is pending) under section 6330; and
- A debt for which collection is suspended because the individual made an innocent spouse election (section 6015(b) or (c)) or the individual requested innocent spouse relief (section 6015(f)).

Section 7345(c)(1) requires the IRS to notify the State Department if the Commissioner reverses the certification because it is erroneous or if the debt with respect to such certification is fully satisfied, becomes unenforceable, or ceases to be a seriously delinquent tax debt. Upon receipt of a notice of the reversal of the certification from the IRS under section 7345(c), section 32101(g) of the FAST Act requires the State Department to remove the certification with respect to such debt from the individual's record at the State Department.

Section 7345(c)(2) provides the timing for IRS to notify the State Department about a reversal. In the case of a

debt that has been fully satisfied or has become legally unenforceable (such as when the collection statute of limitations has run under section 6502), section 7345(c)(2)(A) provides that notification under section 7345(c)(1) must be made not later than the date required for issuing the certificate of release of lien with respect to such debt under section 6325(a) (30 days after the day on which the liability is fully satisfied or legally unenforceable or following acceptance of a bond in full payment of the liability). In the case of an individual who makes an election under section 6015(b) or (c) or requests relief under section 6015(f), section 7345(c)(2)(B) provides that notification under section 7345(c)(1) must be made not later than 30 days after such election or request. In the case of an installment agreement under section 6159 or an offer in compromise under section 7122, section 7345(c)(2)(C) provides that notification under section 7345(c)(1) must be made not later than 30 days after such agreement is entered into or such offer is accepted by the IRS. Finally, in the case of a certification found to be erroneous, section 7345(c)(2)(D) provides that notification under section 7345(c)(1) must be made as soon as practicable after such finding. In all other cases, section 7345(c) provides that such notification shall be made as soon as practicable.

Section 7345(d) requires the IRS to contemporaneously notify an individual when he or she is the subject of a certification or reversal of a certification. The notice must include a description in simple nontechnical terms of the right to bring civil suit under section 7345(e). This notice is the Notice CP508C, “Notice of certification of your seriously delinquent federal tax debt to the State Department.”

Section 7345(e) provides that an individual has the right to judicial review of whether a certification was erroneous or whether the IRS failed to reverse a certification in either a United States district court or the United States Tax Court. If a court determines that the certification was erroneous, the court may order the IRS to notify the Secretary of State that the certification was erroneous.

Section 7345(g) provides that the certification or reversal of a certification may only be delegated by the Commissioner of Internal Revenue to the Deputy Commissioner for Services and Enforcement, or the Commissioner of an operating division, of the IRS.

In addition, section 7508(a)(3) was added to the Code by section 32101(d) of the FAST Act to provide that certification of a seriously delinquent tax debt under section 7345 will be postponed while an individual is serving in an area designated as a combat zone or participating in a contingency operation.

In addition to the statutory exceptions set forth in section 7345(b)(2) and section 7508(a), the Internal Revenue Manual (IRM) will be updated to include information about circumstances under which a tax debt will not be subject to the certification process. The IRS will continue to monitor the certification process after implementation and may update the IRM if necessary to meet the requirements of the program.

II. Discussion

If an exception set forth in section 7345(b)(2) applies, the State Department will not be notified that the taxpayer has a seriously delinquent tax debt and therefore section 32101(e) of the FAST Act, regarding denial of a passport application or revocation of a passport, will not apply with respect to such taxpayer. In addition, if after the State Department has been notified of a seriously delinquent tax debt certified under section 7345 the Commissioner or specified delegate determines that the tax debt should not have been certified (for instance, if a statutory exclusion or one of the circumstances set forth in the IRM applies), the IRS will notify the State Department in accordance with section 7345(c) that the certification has been reversed. The reversal notification will be made as soon as practicable after the determination.

Upon receipt of a notice from the IRS under section 7345(c) that the certification has been reversed, section 32101(g) of the FAST Act requires the State Department to remove the certification from the individual's record with respect to such debt. The certification of a seriously delinquent tax debt to the State

Department will be reversed if the tax debt no longer qualifies as seriously delinquent under section 7345(b)(2). Therefore, taxpayers notified that certification of their seriously delinquent tax debt has been transmitted to the State Department should consider paying the tax owed in full, or entering into an installment agreement under section 6159 or an offer in compromise under section 7122 with respect to the debt. More information on these payment options can be found at [<https://www.irs.gov/businesses/small-businesses-self-employed/revocation-or-denial-of-passport-in-case-of-certain-unpaid-taxes>].

When a certified taxpayer applies for a passport, the State Department, in general, will provide the applicant with 90 days to resolve their tax delinquency (such as by making full payment, entering into an installment agreement under section 6159, or IRS acceptance of an offer in compromise under section 7122) before denying the application. If a taxpayer needs their passport to travel within those 90 days, the taxpayer must contact the IRS and resolve the matter within 45 days from the date of application so that the IRS has adequate time to notify the State Department.

Generally, the sole remedy for a taxpayer who believes that a certification is erroneous, or that the Commissioner or specified delegate incorrectly failed to reverse a certification because the tax debt is either fully satisfied or ceases to be a seriously delinquent tax debt by reason of section 7345(b)(2), is to file a civil action in court under section 7345(e). The taxpayer may not go to IRS Appeals to challenge the certification or the decision by the Commissioner or specified delegate not to reverse a certification. However, the taxpayer may contact the phone number in the Notice CP508C to request reversal of the certification if the taxpayer believes that the certification is erroneous.

DRAFTING INFORMATION

The principal author of this notice is Robin Ferguson of the Office of the Associate Chief Counsel (Procedure and Administration). For further information about this Notice contact Robin Ferguson

at (202) 317-6832 (not a toll-free number).

EXTENSION OF DUE DATE FOR FURNISHING STATEMENTS AND OF GOOD-FAITH TRANSITION RELIEF UNDER I.R.C. SECTIONS 6721 AND 6722 FOR REPORTING REQUIRED BY I.R.C. SECTIONS 6055 AND 6056 FOR 2017

Notice 2018-06

PURPOSE

This notice extends the due date for certain 2017 information-reporting requirements for insurers, self-insuring employers, and certain other providers of minimum essential coverage under section 6055 of the Internal Revenue Code (Code) and for applicable large employers under section 6056 of the Code. Specifically, this notice extends the due date for furnishing to individuals the 2017 Form 1095-B, *Health Coverage*, and the 2017 Form 1095-C, *Employer-Provided Health Insurance Offer and Coverage*, from January 31, 2018, to March 2, 2018. This notice also extends good-faith transition relief from section 6721 and 6722 penalties to the 2017 information-reporting requirements under sections 6055 and 6056.

BACKGROUND

Sections 6055 and 6056 were added to the Code by sections 1502 and 1514 of the Patient Protection and Affordable Care Act (ACA), enacted March 23, 2010, Pub. L. No. 111-148, 124 Stat. 119, 250, 256. Section 6055 requires health insurance issuers, self-insuring employers, government agencies, and other providers of minimum essential coverage to file and furnish annual information returns and statements regarding coverage provided. Section 6056 requires applicable large employers (generally those with 50 or more full-time employees, including full-time equivalent employees, in the previous year) to file and furnish annual information returns and statements relating to

the health insurance, if any, that the employer offers to its full-time employees. Section 6056 was amended by sections 10106(g) and 10108(j) of the ACA and was further amended by section 1858(b) (5) of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, Pub. L. No. 112–10, 125 Stat. 38, 169. Section 36B, which was added to the Code by section 1401 of the ACA, provides a premium tax credit for eligible individuals who enroll in coverage through a Health Insurance Marketplace. Section 5000A, which was added to the Code by section 1501(b) of the ACA, generally provides that individuals must have minimum essential coverage, qualify for an exemption from the minimum essential coverage requirement, or make an individual shared responsibility payment when they file their federal income tax return.

Section 6721 of the Code imposes a penalty for failing to timely file an information return or for filing an incorrect or incomplete information return. Section 6722 of the Code imposes a penalty for failing to timely furnish an information statement or for furnishing an incorrect or incomplete information statement. Section 6721 and 6722 penalties are imposed with regard to information returns and statements listed in section 6724(d) of the Code, which includes those required by sections 6055 and 6056.

Final regulations, published on March 10, 2014, relating to the reporting requirements under sections 6055 and 6056, specify the deadline for information reporting required by those sections. *See* Information Reporting of Minimum Essential Coverage, T.D. 9660, 2014–13 I.R.B. 842; Information Reporting by Applicable Large Employers on Health Insurance Coverage Offered Under Employer-Sponsored Plans, T.D. 9661, 2014–13 I.R.B. 855.

The regulations under section 6055 require every person that provides minimum essential coverage to an individual during a calendar year to file with the Internal Revenue Service (Service) an information return and a transmittal on or before the following February 28 (March 31 if filed electronically) and to furnish to the responsible individual identified on the return a written statement on or before Jan-

uary 31 following the calendar year to which the statement relates. The Service has designated Form 1094–B, *Transmittal of Health Coverage Information Returns*, and Form 1095–B, *Health Coverage*, to meet the requirements of the section 6055 regulations.

The regulations under section 6056 require every applicable large employer or a member of an aggregated group that is determined to be an applicable large employer (ALE member) to file with the Service an information return and a transmittal on or before February 28 (March 31 if filed electronically) of the year following the calendar year to which it relates and to furnish to full-time employees a written statement on or before January 31 following the calendar year to which the statement relates. The Service has designated Form 1094–C, *Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns*, and Form 1095–C, *Employer-Provided Health Insurance Offer and Coverage*, to meet the requirements of the section 6056 regulations.

The regulations under sections 6055 and 6056 allow the Service to grant an extension of time of up to 30 days to furnish Forms 1095–B and 1095–C for good cause shown. Treas. Reg. §§ 1.6055–1(g)(4)(i)(B)(1), 301.6056–1(g)(1)(ii)(A). In addition, filers of Forms 1094–B, 1095–B, 1094–C, and 1095–C may receive an automatic 30-day extension of time to file such forms with the Service by submitting Form 8809, *Application for Extension of Time To File Information Returns*, on or before the due date for filing those forms. Treas. Reg. § 1.6081–1; Temp. Treas. Reg. § 1.6081–8T. Under certain hardship conditions, filers who submit Form 8809 before the automatic 30-day extension period expires and explain in detail why the additional time is needed may also receive an additional 30-day extension of time to file Forms 1094–B, 1095–B, 1094–C, and 1095–C with the Service. *Id.*

The preambles to the section 6055 and 6056 regulations (T.D. 9660, 2014–13 I.R.B. 842; T.D. 9661, 2014–13 I.R.B. 855) provided that, for reporting of 2015 offers and coverage, the Service would not impose penalties under sections 6721 and 6722 on reporting entities that can show that they made good-faith efforts to comply with the information-reporting requirements. This

relief applied only to furnishing and filing incorrect or incomplete information reported on a statement or return, and not to a failure to timely furnish or file a statement or return. Notice 2015–87, 2015–52 I.R.B. 889, reiterated that relief, and Notice 2015–68, 2015–41 I.R.B. 547, provided additional information about that relief with regard to reporting under section 6055. The preambles also noted the general rule that, under section 6724 and the related regulations, the section 6721 and 6722 penalties may be waived if a failure to timely furnish or file a statement or return is due to reasonable cause. To establish reasonable cause, the reporting entity must demonstrate that it acted in a responsible manner and that the failure was due to significant mitigating factors or events beyond the reporting entity’s control. In addition, proposed regulations under section 6055 published on August 2, 2016, proposed additional rules for reporting. 81 Fed. Reg. 50671.

Notice 2016–4, 2016–3 I.R.B. 279, extended the due dates for the 2015 information-reporting requirements under sections 6055 and 6056 (both those for furnishing to individuals and for filing with the Service). In particular, the notice provided that the furnishing deadline for the 2015 Forms 1095–B and 1095–C was extended from February 1, 2016, to March 31, 2016, and that the filing deadline for the 2015 Forms 1094–B, 1095–B, 1094–C, and 1095–C was extended from February 29, 2016, to May 31, 2016, if not filing electronically, and from March 31, 2016, to June 30, 2016, if filing electronically. In addition, the notice provided that the provisions regarding an automatic and permissive 30-day extension of time for filing information returns and a permissive extension of time (of up to 30 days) for furnishing statements would not apply to the extended due dates.

Notice 2016–70, 2016–49 I.R.B. 784, extended the due dates for the 2016 information-reporting requirements under sections 6055 and 6056 for furnishing statements to individuals. In particular, the notice provided that the furnishing deadline for the 2016 Forms 1095–B and 1095–C was extended from January 31, 2017, to March 2, 2017. Notice 2016–70 did not extend the deadline for filing information returns with the Service, nor did it affect any extension that would other-

wise be applicable to the deadline. The notice also extended good faith transition relief from section 6721 and 6722 penalties to the 2016 information-reporting requirements under sections 6055 and 6056.

TRANSITION RELIEF

A. Extension of Due Date for Furnishing to Individuals under Sections 6055 and 6056 for 2017

Following consultation with stakeholders, the Department of the Treasury (Treasury) and the Service have determined that a substantial number of employers, insurers, and other providers of minimum essential coverage need additional time beyond the January 31, 2018, due date to gather and analyze the information and prepare the 2017 Forms 1095-B and 1095-C to be furnished to individuals. Accordingly, this notice extends by 30 days the due date for furnishing the 2017 Form 1095-B and the 2017 Form 1095-C, from January 31, 2018, to March 2, 2018. In view of this automatic extension, the provisions under Treas. Reg. §§ 1.6055-1(g)(4)(i)(B)(1) and 301.6056-1(g)(1)(ii)(A) allowing the Service to grant an extension of time of up to 30 days to furnish Forms 1095-B and 1095-C will not apply to the extended due date. Notwithstanding the extension provided in this notice, employers and other coverage providers are encouraged to furnish 2017 statements as soon as they are able.

Treasury and the Service have determined that there is no similar need for additional time for employers, insurers, and other providers of minimum essential coverage to file with the Service the 2017 Forms 1094-B, 1095-B, 1094-C, and 1095-C. Therefore, this notice does not extend the due date for filing with the Service the 2017 Forms 1094-B, 1095-B, 1094-C, or 1095-C, which remains February 28, 2018, if not filing electronically, or April 2, 2018, if filing electronically. However, this notice does not affect the provisions regarding an automatic extension of time for filing information returns, which remain available under the normal rules by submitting a Form 8809. *See* Treas. Reg. § 1.6081-1; Temp. Treas. Reg. § 1.6081-8T. It also does not affect the provisions regarding additional extensions of time to file. *Id.*

Employers or other coverage providers that do not comply with the due dates for furnishing Forms 1095-B and 1095-C (as extended under the rules described above) or for filing Forms 1094-B, 1095-B, 1094-C, or 1095-C are subject to penalties under section 6722 or 6721 for failure to timely furnish and file, respectively. However, employers and other coverage providers that do not meet the relevant due dates should still furnish and file. The Service will take such furnishing and filing into consideration when determining whether to abate penalties for reasonable cause.

The extension of the due date provided by this notice applies only to section 6055 and 6056 information statements for calendar year 2017 furnished in 2018 and does not require the submission of any request or other documentation to the Service. Because the 30-day extension of the due date to furnish in this notice applies automatically and is as generous as the permissive 30-day extension of time to furnish 2017 information statements under sections 6055 and 6056 that have already been requested by some reporting entities in submissions to the Service, the Service will not formally respond to such requests.

Because of the extension granted under this notice, some individual taxpayers may not receive a Form 1095-B or Form 1095-C by the time they are ready to file their 2017 tax return. Taxpayers may rely on other information received from their employer or other coverage provider for purposes of filing their returns, including determining eligibility for the premium tax credit under section 36B and confirming that they had minimum essential coverage for purposes of sections 36B and 5000A. Taxpayers do not need to wait to receive Forms 1095-B and 1095-C before filing their returns. Individuals need not send the information relied upon to the Service when filing their returns but should keep it with their tax records.

B. Extension of Good Faith Transition Relief from Section 6721 and 6722 Penalties for 2017

In implementing new information-reporting requirements, short-term relief from penalties frequently is provided.

This relief recognizes the ongoing challenges involved in developing procedures and systems to accurately collect and report information in compliance with these reporting requirements. The preambles to the section 6055 and 6056 regulations provided transition relief from penalties under sections 6721 and 6722 to reporting entities that could show that they made good-faith efforts to comply with the information-reporting requirements for 2015. This relief applied only to incorrect and incomplete information reported on the statement or return and not to a failure to timely furnish or file a statement or return. Notice 2016-70 extended this relief for the information-reporting requirements under sections 6055 and 6056 for 2016. Following consultation with stakeholders, Treasury and the Service have determined that this relief is also appropriate for 2017.

Specifically, this notice extends transition relief from penalties under sections 6721 and 6722 to reporting entities that can show that they have made good-faith efforts to comply with the information-reporting requirements under sections 6055 and 6056 for 2017 (both for furnishing to individuals and for filing with the Service) for incorrect or incomplete information reported on the return or statement. This relief applies to missing and inaccurate taxpayer identification numbers and dates of birth, as well as other information required on the return or statement. No relief is provided in the case of reporting entities that do not make a good-faith effort to comply with the regulations or that fail to file an information return or furnish a statement by the due dates (as extended under the rules described above). In determining good faith, the Service will take into account whether an employer or other coverage provider made reasonable efforts to prepare for reporting the required information to the Service and furnishing it to employees and covered individuals, such as gathering and transmitting the necessary data to an agent to prepare the data for submission to the Service or testing its ability to transmit information to the Service. In addition, the Service will take into account the extent to which the employer or other coverage provider is

taking steps to ensure that it will be able to comply with the reporting requirements for 2018.

C. Future Years

The extension of time for furnishing information statements under sections 6055 and 6056 for 2017 provided in this

notice has no effect on these information-reporting provisions for other years or on the effective date or application of other ACA provisions. Treasury and the Service do not anticipate extending this transition relief – either with respect to the due dates or with respect to good faith relief from section 6721 and 6722 penalties – to reporting for 2018.

DRAFTING INFORMATION

The principal author of this notice is Danielle Pierce of the Office of Associate Chief Counsel (Procedure and Administration). For further information regarding this notice contact Danielle Pierce at (202) 317-6845 (not a toll-free number).

Definition of Terms

Revenue rulings and revenue procedures (hereinafter referred to as “rulings”) that have an effect on previous rulings use the following defined terms to describe the effect:

Amplified describes a situation where no change is being made in a prior published position, but the prior position is being extended to apply to a variation of the fact situation set forth therein. Thus, if an earlier ruling held that a principle applied to A, and the new ruling holds that the same principle also applies to B, the earlier ruling is amplified. (Compare with *modified*, below).

Clarified is used in those instances where the language in a prior ruling is being made clear because the language has caused, or may cause, some confusion. It is not used where a position in a prior ruling is being changed.

Distinguished describes a situation where a ruling mentions a previously published ruling and points out an essential difference between them.

Modified is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the new ruling holds that it applies to both A

and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

Obsoleted describes a previously published ruling that is not considered determinative with respect to future transactions. This term is most commonly used in a ruling that lists previously published rulings that are obsoleted because of changes in laws or regulations. A ruling may also be obsoleted because the substance has been included in regulations subsequently adopted.

Revoked describes situations where the position in the previously published ruling is not correct and the correct position is being stated in a new ruling.

Superseded describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the new ruling does more than restate the sub-

stance of a prior ruling, a combination of terms is used. For example, *modified* and *superseded* describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case, the previously published ruling is first modified and then, as modified, is superseded.

Supplemented is used in situations in which a list, such as a list of the names of countries, is published in a ruling and that list is expanded by adding further names in subsequent rulings. After the original ruling has been supplemented several times, a new ruling may be published that includes the list in the original ruling and the additions, and supersedes all prior rulings in the series.

Suspended is used in rare situations to show that the previous published rulings will not be applied pending some future action such as the issuance of new or amended regulations, the outcome of cases in litigation, or the outcome of a Service study.

Abbreviations

The following abbreviations in current use and formerly used will appear in material published in the Bulletin.

A—Individual.
Acq.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—County.
D—Decedent.
DC—Dummy Corporation.
DE—Donee.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.
E.O.—Executive Order.
ER—Employer.

ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contributions Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign corporation.
G.C.M.—Chief Counsel’s Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.
PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.
PRS—Partnership.

PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
S.P.R.—Statement of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

Numerical Finding List¹

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¹A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2017–27 through 2017–52 is in Internal Revenue Bulletin 2017–52, dated December 27, 2017.

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¹A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2017-27 through 2017-52 is in Internal Revenue Bulletin 2017-52, dated December 27, 2017.

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INTERNAL REVENUE BULLETIN

The Introduction at the beginning of this issue describes the purpose and content of this publication. The weekly Internal Revenue Bulletins are available at *www.irs.gov/irb/*.

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