

# INTERNAL REVENUE BULLETIN



## HIGHLIGHTS OF THIS ISSUE

**Bulletin No. 2018-12**  
**March 19, 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.

### Income Tax

#### **Notice 2018-12, page 441.**

This notice clarifies that a health plan that provides benefits for male sterilization or male contraceptives without a deductible, or with a deductible below the minimum deductible for a high deductible health plan (HDHP) under section 223(c)(2)(A) of the Internal Revenue Code, is not an HDHP under current guidance interpreting the requirements of section 223(c)(2). It also provides transition relief for periods before 2020.

#### **Notice 2018-18, page 443.**

This notice announces that the Department of the Treasury and the Internal Revenue Service intend to issue regulations providing guidance on the application of section 1061 of the Internal Revenue Code as enacted by “an Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018,” Public Law 115-97 on December 22, 2017. Those regulations will provide that the term “applicable partnership interest” for purposes of section 1061 includes a partnership interest directly or indirectly held by an S corporation.

#### **Notice 2018-19, page 443.**

Notice 2018-19 extends the relief under I.R.C. § 937 provided by Notice 2017-56 to individuals who would otherwise qualify as bona fide residents of Puerto Rico and the U.S. Virgin Islands, but for their need to leave (or inability to return to) these U.S. territories as a result of Hurricanes Irma or Maria. Notice 2018-19 extends the 14-day period under Treas. Reg. § 1.937-1(c)(3)(C)(1) to a fixed period of 268 days beginning on September 6, 2017, and ending on May 31, 2018. An affected individual who is outside of an impacted U.S. territory on any day during this 268-day period will also be treated as leaving or being unable to return to the relevant U.S. territory as a result of Hurricane Irma and Hurricane Maria on such day.

#### **Notice 2018-20, page 444.**

This Notice announces that the IRS list of jurisdictions that do not issue taxpayer identification numbers to their residents described in section IV.B.3.ii of Notice 2017-46, 2017-41 I.R.B. 275, will be expanded to include jurisdictions that request to the U.S. competent authority to be included on such list. The Department of Treasury and the Internal Revenue Service intend to amend § 1.1441-1T(e)(2)(ii)(B) to incorporate the guidance described in this notice.

# 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

### Notice of Transition Relief Regarding the Application of Section 223 to Certain Health Plans Providing Benefits for Male Sterilization or Male Contraceptives

#### Notice 2018–12

##### PURPOSE

This notice clarifies that a health plan providing benefits for male sterilization or male contraceptives without a deductible, or with a deductible below the minimum deductible for a high deductible health plan (HDHP) under section 223(c)(2)(A) of the Internal Revenue Code (Code), is not an HDHP under current guidance interpreting the requirements of section 223(c)(2) of the Code. This notice further provides transition relief for periods before 2020 during which coverage has been provided for male sterilization or male contraceptives without a deductible, or with a deductible below the minimum deductible for an HDHP.

##### BACKGROUND

Section 223 of the Code permits eligible individuals to deduct contributions to Health Savings Accounts (HSAs).<sup>1</sup> Among the requirements for an individual to qualify as an eligible individual under section 223(c)(1) is that the individual be covered under an HDHP and have no disqualifying health coverage. As defined in section 223(c)(2), an HDHP is a health plan that satisfies certain requirements, including requirements with respect to minimum deductibles and maximum out-of-pocket expenses.

Generally, under section 223(c)(2)(A), an HDHP may not provide benefits for any year until the minimum deductible for that year is satisfied. However, section 223(c)(2)(C) provides that “[a] plan shall not fail to be treated as a high deductible health plan by reason of failing to have a

deductible for preventive care (within the meaning of section 1871 of the Social Security Act, except as otherwise provided by the Secretary).”<sup>2</sup> Therefore, an HDHP may provide preventive care benefits as defined for purposes of section 223 without a deductible, or with a deductible below the minimum annual deductible otherwise required by section 223(c)(2)(A) of the Code. To be a preventive care benefit as defined for purposes of section 223, the benefit must either be described as preventive care for purposes of the SSA or be determined to be preventive care in guidance issued by the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS).

Notice 2004–23 (2004–15 I.R.B. 725) and Q&As 26 and 27 of Notice 2004–50 (2004–33 I.R.B. 196) provide guidance issued by the Treasury Department and the IRS regarding preventive care benefits that an HDHP may provide without satisfying the minimum deductible requirement of section 223(c)(2)(A). Notice 2004–23 clarifies that preventive care generally does not include any service or benefit intended to treat an existing illness, injury, or condition.

Notice 2004–23 also explains that state law requirements do not determine whether health care constitutes preventive care under section 223(c)(2)(C). State insurance laws often require health insurance policies and similar arrangements subject to state regulation to provide certain health care benefits without regard to a deductible or on terms no less favorable than other care provided by the health insurance policy or arrangement. However, the determination whether a health care benefit that is required by state law to be provided by an HDHP without regard to a deductible is “preventive” for purposes of the exception for preventive care under section 223(c)(2)(C) is based on the standards set forth in guidance issued by the Treasury Department and the IRS, rather

than on how that care is characterized by state law.

Notice 2004–23 further indicates that the Treasury Department and the IRS are considering the appropriate standard for determining preventive care under section 223(c)(2)(C) and, in particular, whether any benefit or service should be added to the list of preventive care benefits and services set forth in Notice 2004–23 or other guidance.

Notice 2004–50, Q&A 27, provides that drugs or medications are preventive care when taken by a person who has developed risk factors for a disease that has not manifested itself or become clinically apparent, or to prevent the reoccurrence of a disease from which a person has recovered.

Section 1001 of the Patient Protection and Affordable Care Act, Pub. L. No. 111–148, 124 Stat. 119 (2010) (Affordable Care Act), added section 2713 to the Public Health Service Act (PHS Act) requiring non-grandfathered group health plans and health insurance issuers offering group and individual health insurance coverage to provide benefits for certain preventive health services without imposing cost-sharing requirements.<sup>3</sup> The Affordable Care Act also added section 715(a)(1) to the Employee Retirement Income Security Act of 1974 (ERISA) and section 9815(a)(1) to the Code to incorporate the provisions of part A of title XXVII of the PHS Act, including section 2713 of the PHS Act, into ERISA and the Code. Guidance under section 2713 of the PHS Act is published jointly by the Treasury Department and the Departments of Labor and Health and Human Services.

Under section 2713(a)(1) of the PHS Act, evidence-based items or services constitute preventive health services if they have in effect a rating of A or B in the current recommendations of the United States Preventive Services Task Force (USPSTF) with respect to the individual involved. Also, preventive health services under section 2713(a)(4) of the

<sup>1</sup>Tax-favored contributions may also be made on behalf of eligible individuals by their employers. See Q&A 19 of Notice 2004–2 (2004–2 I.R.B. 269).

<sup>2</sup>Section 1871 of the Social Security Act (SSA) does not address preventive care. Rather, section 1861 of the SSA describes the scope of preventive services for purposes of Medicare.

<sup>3</sup>42 U.S.C. 300gg-13.

PHS Act include, “with respect to women, such additional preventive care and screenings not described in paragraph (1) [concerning the USPSTF A or B rated recommendations] as provided for in comprehensive guidelines supported by the Health Resources and Services Administration” (HRSA). HRSA guidelines generally provide for coverage of all Food and Drug Administration approved contraceptive methods, sterilization procedures, and patient education and counseling for all women with reproductive capacity. The guidelines, however, do not provide for coverage of benefits or services relating to a man’s reproductive capacity, such as vasectomies and condoms. (78 FR 8456 (Feb. 6, 2013) at 8458 n. 3.)

Notice 2013–57 (2013–40 I.R.B. 293) provides that any item that is a preventive service under section 2713 of the PHS Act will also be treated as preventive care under section 223(c)(2)(C) of the Code.

The Treasury Department and the IRS are aware that several states have recently adopted laws that require certain health insurance policies and arrangements to provide benefits for male sterilization or male contraceptives without cost sharing.<sup>4</sup> Some individuals in those states are participants or beneficiaries in insured health plans or other arrangements subject to the state’s insurance laws. Certain stakeholders have asked the Treasury Department and the IRS whether benefits for male sterilization or male contraceptives constitute preventive care for purposes of section 223(c)(2)(C).

## ANALYSIS

Under section 223(c)(2)(C), “preventive care” means (1) preventive care within the meaning of section 1871 of the SSA, and (2) preventive care as otherwise provided for by the Treasury Department and the IRS. Benefits for male sterilization or male contraceptives are not preventive care under the SSA, and no applicable guidance issued by the Treasury Department and the IRS provides for the treatment of these benefits as preventive care within the meaning of section 223(c)(2)(C). Accordingly, under current guidance, a health plan that provides benefits for

male sterilization or male contraceptives before satisfying the minimum deductible for an HDHP under section 223(c)(2)(A) does not constitute an HDHP, regardless of whether the coverage of such benefits is required by state law. An individual who is not covered by an HDHP with respect to a month is not an eligible individual under section 223(c)(1) and, consequently, may not deduct contributions to an HSA for that month. Similarly, HSA contributions made by an employer on behalf of the individual are not excludible from income and wages.

## TRANSITION RELIEF

The Treasury Department and the IRS are aware that certain states require benefits for male sterilization or male contraceptives to be provided without a deductible, and that individuals have enrolled in health insurance policies and other arrangements that otherwise would qualify as HDHPs with the understanding that coverage for male sterilization or male contraceptives without a deductible did not disqualify the policies or arrangements from being HDHPs. The Treasury Department and IRS also understand that certain states may wish to change their laws that require benefits for male sterilization or male contraceptives to be provided without a deductible in response to this notice, but may be unable to do so in 2018 because of limitations on their legislative calendars or for other reasons. Until these states are able to change their laws, residents of these states may be unable to purchase health insurance coverage that qualifies as an HDHP and would be unable to deduct contributions to an HSA.

Accordingly, this notice provides transition relief for periods before 2020 (including periods before the issuance of this notice), to individuals who are, have been, or become participants in or beneficiaries of a health insurance policy or arrangement that provides benefits for male sterilization or male contraceptives without a deductible, or with a deductible below the minimum deductible for an HDHP. For these periods, an individual will not be

treated as failing to qualify as an eligible individual under section 223(c)(1) merely because the individual is covered by a health insurance policy or arrangement that fails to qualify as an HDHP under section 223(c)(2) solely because it provides (or provided) coverage for male sterilization or male contraceptives without a deductible, or with a deductible below the minimum deductible for an HDHP.

## REQUEST FOR COMMENTS

The Treasury Department and the IRS continue to consider ways to expand the use and flexibility of HSAs and HDHPs consistent with the provisions of section 223. Accordingly, the Treasury Department and the IRS request comments on the appropriate standards for preventive care under section 223(c)(2)(C) (in particular, the appropriate standards for differentiating between benefits and services that would be considered preventive care and those that would not be considered preventive care) and other issues related to the provision of preventive care under an HDHP.

Comments should include a reference to Notice 2018–12. Send submissions to CC:PA:LPD:PR (Notice 2018–12), Room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (Notice 2018–12), Courier’s Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC 20224, or sent electronically, via the following e-mail address: [Notice.comments@irscounsel.treas.gov](mailto:Notice.comments@irscounsel.treas.gov). Please include “Notice 2018–12” in the subject line of any electronic communication. All material submitted will be available for public inspection and copying.

## DRAFTING INFORMATION

The principal authors of this notice are Karen Levin and Janet Laufer of the Office of Associate Chief Counsel (Tax Exempt and Governmental Entities), though other Treasury Department and IRS offi-

<sup>4</sup>See, e.g., 215 Ill. Comp. Stat. Ann. 5/356z.4 (West 2017); Md. Code Ann., Insurance § 15–826.2 (West 2017); 2017 Or. Laws Ch. 721, § 2; Vt. Stat. Ann. tit. 8, § 4099c (West 2017).

cial participants in its development. For further information on the provisions of this notice, contact Karen Levin or Janet Laufer at (202) 317-5500 (not a toll-free number).

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## **Guidance Under Section 1061, Partnership Interests Held in Connection with Performance of Services**

### **Notice 2018-18**

#### **SECTION 1. OVERVIEW**

This notice announces that the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) intend to issue regulations providing guidance on the application of section 1061 of the Internal Revenue Code as enacted by “An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018,” Public Law 115-97 on December 22, 2017. This notice further announces that the Treasury Department and the IRS intend that those regulations will provide that the term “corporation” for purposes of section 1061(c)(4)(A) does not include an S corporation.

#### **SECTION 2. APPLICABLE LAW**

Section 1061(a) provides in general that if one or more applicable partnership interests are held by a taxpayer at any time during the taxable year, the excess (if any) of (1) the taxpayer’s net long-term capital gain with respect to such interests for such taxable year, over (2) the taxpayer’s net long-term capital gain with respect to such interests for such taxable year computed by applying paragraphs (3) and (4) of section 1222 by substituting “3 years” for “1 year,” shall be treated as short-term capital gain, notwithstanding section 83 or any election in effect under section 83(b).

Section 1061(c)(1) generally defines the term “applicable partnership interest” as meaning any interest in a partnership which, directly or indirectly, is transferred to (or is held by) the taxpayer in connection with the performance of substantial services by the taxpayer, or any other re-

lated person, in any applicable trade or business.

Section 1061(c)(4)(A) provides that the term “applicable partnership interest” shall not include any interest in a partnership directly or indirectly held by a corporation.

Section 1361(a)(1) provides in general that the term “S corporation” means, with respect to any taxable year, a small business corporation for which an election under § 1362(a) is in effect for such year.

Section 1361(a)(2) provides in general that the term “C corporation” means, with respect to any taxable year, a corporation which is not an S corporation for such year.

Section 1361(b)(1) defines a “small business corporation” as a domestic corporation which is not an ineligible corporation and which does not — (A) have more than 100 shareholders, (B) have as a shareholder a person (other than an estate, a trust described in section 1361(c)(2), or an organization described in section 1361(c)(6)) who is not an individual, (C) have a nonresident alien as a shareholder, and (D) have more than 1 class of stock.

#### **SECTION 3. THE EXCEPTION IN SECTION 1061(c)(4)(A) DOES NOT APPLY TO PARTNERSHIP INTERESTS HELD BY S CORPORATIONS**

The regulations will provide that the term “corporation” in section 1061(c)(4)(A) does not include an S corporation.

#### **SECTION 4. EFFECTIVE DATE**

Section 1061 is effective for taxable years beginning after December 31, 2017. The Treasury Department and the IRS intend to provide that regulations implementing section 3 of this notice will be effective for taxable years beginning after December 31, 2017.

#### **SECTION 5. CONTACT INFORMATION**

The principal authors of this notice are Faith P. Colson and Wendy L. Kribell of the Office of the Associate Chief Counsel (Passthroughs & Special Industries). For further information regarding this notice contact Faith P. Colson or Wendy L. Kri-

bell on 202-317-6850 (not a toll-free number).

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## **Presence of Certain Individuals in the Commonwealth of Puerto Rico or the United States Virgin Islands Under Section 937(a) Following Hurricane Irma or Hurricane Maria**

### **Notice 2018-19**

#### **SECTION 1. OVERVIEW**

Notice 2017-56, 2017-43 I.R.B. 365, provides relief under section 937(a) of the Internal Revenue Code for individuals who may otherwise lose their status as a “bona fide resident” of the Commonwealth of Puerto Rico or the United States Virgin Islands (collectively, the “impacted U.S. territories”) under section 937(a) as a result of the unexpected and prolonged dislocation caused by Hurricane Irma and Hurricane Maria, absent an extension of the 14-day period contained in § 1.937-1(c)(3)(i)(C)(I). With respect to the impacted U.S. territories, Notice 2017-56 extends the 14-day period to 117 days, effective beginning September 6, 2017, and ending December 31, 2017. This Notice provides additional relief to individuals who may otherwise lose their status as a “bona fide resident” of an impacted U.S. territory because of the continued dislocation caused by Hurricane Irma and Hurricane Maria.

#### **SECTION 2. ADDITIONAL RELIEF UNDER THE PRESENCE TEST**

With respect to the impacted U.S. territories, the grant of relief in Notice 2017-56 is extended to 268 days, effective beginning September 6, 2017, and ending May 31, 2018.

#### **SECTION 3. EFFECT ON OTHER DOCUMENTS**

Notice 2017-56, 2017-43 I.R.B. 365, is modified.

## SECTION 4. DRAFTING INFORMATION

The principal author of this notice is Alan S. Williams of the Office of Associate Chief Counsel (International). For further information regarding this Notice, contact Mr. Williams at (202) 317-6941 (not a toll-free number).

# Update on Jurisdictions Included on the IRS List of Jurisdictions That Do Not Issue Foreign TINs

## Notice 2018-20

### I. PURPOSE

This notice announces that the Internal Revenue Service (IRS) will expand the list of jurisdictions that do not issue taxpayer identification numbers to their residents, described in section IV.B.3.ii of Notice 2017-46, 2017-41 I.R.B. 275, to include jurisdictions that make a request to the U.S. competent authority to be included on such list. The Department of the Treasury (Treasury Department) and the IRS intend to amend § 1.1441-1T(e)(2)(ii)(B) to incorporate the guidance described in this notice.

### II. BACKGROUND

On January 6, 2017, the Treasury Department and the IRS published temporary regulations under chapter 3 of the Internal Revenue Code (T.D. 9808, 82 F.R. 2046) (temporary regulations). Section 1.1441-1T(e)(2)(ii)(B) of the temporary regulations provides that, beginning January 1, 2017, a beneficial owner withholding certificate provided to document an account maintained at a U.S. branch or office of a withholding agent that is a financial institution is required to contain the taxpayer identification number issued by the account holder's jurisdiction of tax residence (Foreign TIN) in order for the withholding agent to treat the withholding certificate as valid. Section 1.1441-1T(e)

(2)(ii)(B) further provides that for withholding certificates associated with payments made on or after January 1, 2018, an account holder that does not provide a Foreign TIN must provide a reasonable explanation for its absence in order for the withholding certificate not to be considered invalid.

On September 25, 2017, the Treasury Department and the IRS released Notice 2017-46, which provides guidance modifying the requirements of § 1.1441-1T(e)(2)(ii)(B) for withholding agents to obtain and report Foreign TINs of their account holders. Among other things, Notice 2017-46 extends the date on which the requirement to obtain Foreign TINs takes effect to January 1, 2018; provides transitional rules for withholding agents obtaining a Foreign TIN for an account holder documented with an otherwise valid Form W-8 that was signed before January 1, 2018; and provides exceptions to obtaining Foreign TINs for certain categories of account holders. In particular, Notice 2017-46 provides that under regulations to be published at a later date, withholding agents will not be required to obtain a Foreign TIN (or a reasonable explanation for why an account holder has not been issued a Foreign TIN) for an account held by a resident of a jurisdiction that has been identified by the IRS on a list of jurisdictions that do not issue Foreign TINs to their residents (No TIN list). Notice 2017-46 identifies three such jurisdictions, and provides that a list of all such jurisdictions will be made available at [www.irs.gov/FATCA](http://www.irs.gov/FATCA) and will be updated as necessary. In December 2017, the No TIN list was posted by the IRS and is available at <https://www.irs.gov/businesses/corporations/list-of-jurisdictions-that-do-not-issue-foreign-tins>.

### III. EXPANSION OF NO TIN LIST TO INCLUDE JURISDICTIONS THAT REQUEST TO BE ON THE LIST

Since the release of Notice 2017-46, some jurisdictions with laws that restrict the collection or disclosure of the Foreign

TINs of their residents have requested that their residents not be required to provide Foreign TINs to withholding agents for purposes of § 1.1441-1T(e)(2)(ii)(B). In response to these requests, the Treasury Department and the IRS have decided to expand the No TIN list to include jurisdictions that request to be on the list, even if the jurisdictions issue Foreign TINs to individuals or entities resident in such jurisdictions. To request to be added to the No TIN list, a jurisdiction's competent authority should contact the U.S. competent authority. As of the date of this notice, the following jurisdiction will be included on the No TIN list:

Australia

The Treasury Department and the IRS intend to amend § 1.1441-1T(e)(2)(ii)(B) to provide that withholding agents are not required to collect or report Foreign TINs of residents in the jurisdictions on the No TIN list, including the jurisdiction identified above.

### IV. TAXPAYER RELIANCE

Before the issuance of the amendment to the temporary regulations described in section III of this notice, taxpayers may rely on the provisions of this notice regarding the content of the amendment and the inclusion of Australia (and any jurisdictions subsequently included) on the No TIN list.

### V. EFFECT ON OTHER DOCUMENTS

This notice supplements Notice 2017-46.

### VI. DRAFTING INFORMATION

The principal author of this notice is Charles Rioux of the Office of Associate Chief Counsel (International). For further information regarding this notice, contact Charles Rioux at (202) 317-4992 (not a toll-free number).

# Definition of Terms

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

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

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

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

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

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

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

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

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

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

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

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

## Abbreviations

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

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

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

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

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

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



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<sup>1</sup>A 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.

# **Internal Revenue Service**

## **Washington, DC 20224**

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## **INTERNAL REVENUE BULLETIN**

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

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