

INTERNAL REVENUE BULLETIN



HIGHLIGHTS OF THIS ISSUE

These synopses are intended only as aids to the reader in identifying the subject matter covered. They may not be relied upon as authoritative interpretations.

ADMINISTRATIVE

Announcement 2025-13, page 1392.

This Announcement is issued pursuant to § 521(b) of Pub. L. 106-170, the Ticket to Work and Work Incentives Improvement Act of 1999, which requires the Secretary of the Treasury to report annually to the public concerning Advance Pricing Agreements (APAs) and the Advance Pricing and Mutual Agreement Program (APMA Program), formerly known as the Advance Pricing Agreement Program (APA Program). This

twenty-sixth report describes the experience, structure, and activities of the APMA Program during calendar year 2024.

INCOME TAX

Rev. Rul. 2025-8, page 1390.

Federal rates; adjusted federal rates; adjusted federal long-term rate, and the long-term tax exempt rate. For purposes of sections 382, 1274, 1288, 7872 and other sections of the Code, tables set forth the rates for April 2025.

The IRS Mission

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

Introduction

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

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

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

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

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

The Bulletin is divided into four parts as follows:

Part I.—1986 Code.

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

Part II.—Treaties and Tax Legislation.

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

Part III.—Administrative, Procedural, and Miscellaneous.

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

Part IV.—Items of General Interest.

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

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

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Part I

Section 1274.— Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property

(Also Sections 42, 280G, 382, 467, 468, 482, 483,
1288, 7520, 7872.)

Rev. Rul. 2025-8

This revenue ruling provides various prescribed rates for federal income tax

purposes for April 2025 (the current month). Table 1 contains the short-term, mid-term, and long-term applicable federal rates (AFR) for the current month for purposes of section 1274(d) of the Internal Revenue Code. Table 2 contains the short-term, mid-term, and long-term adjusted applicable federal rates (adjusted AFR) for the current month for purposes of section 1288(b). Table 3 sets forth the adjusted federal long-term rate and the long-term tax-exempt rate described in section 382(f). Table 4 contains the appropri-

ate percentages for determining the low-income housing credit described in section 42(b)(1) for buildings placed in service during the current month. However, under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, shall not be less than 9%. Finally, Table 5 contains the federal rate for determining the present value of an annuity, an interest for life or for a term of years, or a remainder or a reversionary interest for purposes of section 7520.

REV. RUL. 2025-8 TABLE 1
Applicable Federal Rates (AFR) for April 2025
Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
		<i>Short-term</i>		
AFR	4.16%	4.12%	4.10%	4.09%
110% AFR	4.58%	4.53%	4.50%	4.49%
120% AFR	5.00%	4.94%	4.91%	4.89%
130% AFR	5.43%	5.36%	5.32%	5.30%
		<i>Mid-term</i>		
AFR	4.21%	4.17%	4.15%	4.13%
110% AFR	4.64%	4.59%	4.56%	4.55%
120% AFR	5.06%	5.00%	4.97%	4.95%
130% AFR	5.49%	5.42%	5.38%	5.36%
150% AFR	6.36%	6.26%	6.21%	6.18%
175% AFR	7.43%	7.30%	7.23%	7.19%
		<i>Long-term</i>		
AFR	4.61%	4.56%	4.53%	4.52%
110% AFR	5.08%	5.02%	4.99%	4.97%
120% AFR	5.54%	5.47%	5.43%	5.41%
130% AFR	6.02%	5.93%	5.89%	5.86%

REV. RUL. 2025-8 TABLE 2
Adjusted AFR for April 2025
Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	3.15%	3.13%	3.12%	3.11%
Mid-term adjusted AFR	3.20%	3.17%	3.16%	3.15%
Long-term adjusted AFR	3.49%	3.46%	3.45%	3.44%

REV. RUL. 2025-8 TABLE 3

Rates Under Section 382 for April 2025

Adjusted federal long-term rate for the current month	3.49%
Long-term tax-exempt rate for ownership changes during the current month (the highest of the adjusted federal long-term rates for the current month and the prior two months.)	3.67%

REV. RUL. 2025-8 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for April 2025

Note: Under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, shall not be less than 9%.

Appropriate percentage for the 70% present value low-income housing credit	8.02%
Appropriate percentage for the 30% present value low-income housing credit	3.44%

REV. RUL. 2025-8 TABLE 5

Rate Under Section 7520 for April 2025

Applicable federal rate for determining the present value of an annuity, an interest for life or a term of years, or a remainder or reversionary interest	5.00%
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Section 42.—Low-Income Housing Credit

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of April 2025. See Rev. Rul. 2025-8, page 1390.

Section 467.—Certain Payments for the Use of Property or Services

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of April 2025. See Rev. Rul. 2025-8, page 1390.

Section 483.—Interest on Certain Deferred Payments

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of April 2025. See Rev. Rul. 2025-8, page 1390.

Section 280G.—Golden Parachute Payments

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of April 2025. See Rev. Rul. 2025-8, page 1390.

Section 468.—Special Rules for Mining and Solid Waste Reclamation and Closing Costs

The applicable federal short-term rates are set forth for the month of April 2025. See Rev. Rul. 2025-8, page 1390.

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

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of April 2025. See Rev. Rul. 2025-8, page 1390.

Section 382.—Limitation on Net Operating Loss Carryforwards and Certain Built-In Losses Following Ownership Change

The adjusted applicable federal long-term rate is set forth for the month of April 2025. See Rev. Rul. 2025-8, page 1390.

Section 482.—Allocation of Income and Deductions Among Taxpayers

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of April 2025. See Rev. Rul. 2025-8, page 1390.

Section 7520.—Valuation Tables

The applicable federal mid-term rates are set forth for the month of April 2025. See Rev. Rul. 2025-8, page 1390.

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

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of April 2025. See Rev. Rul. 2025-8, page 1390.

Part IV

Announcement and Report Concerning Advance Pricing Agreements

Announcement 2025-13

This Announcement is issued pursuant to § 521(b) of Pub. L. 106-170, the Ticket to Work and Work Incentives Improvement Act of 1999, which requires the Secretary of the Treasury to report annually to the public concerning advance pricing agreements (APAs) and the Advance Pricing and Mutual Agreement Program (APMA Program), formerly known as the Advance Pricing Agreement Program (APA Program). The first report covered calendar years 1991 through 1999. Subsequent reports covered each calendar year 2000 through 2023 separately. This twenty-sixth report describes the experience, structure, and activities of the APMA Program during calendar year 2024. It does not provide guidance regarding the application of the arm's length standard.

Part I of this report includes information on the structure, composition, and operation of the APMA Program; Part II presents statistical data; and Part III includes general descriptions of various elements of the APAs executed in 2024, including types of transactions covered, transfer pricing methods used, and completion time.

John M. Wall
Director, APMA Program

Part I. The APMA Program – Structure, Composition, and Operation
[Pub. L. 106-170 § 521(b)(2)(A)]

In February 2012, the former APA Program was moved from the Office of Chief Counsel to the Office of Transfer Pricing Operations¹ within the Large Business and International Division of the IRS and combined with the U.S. Competent Authority staff responsible for transfer pricing cases, thereby forming the APMA Program (APMA).

As of December 31, 2024, APMA's APA cases were handled by a staff of 126, comprising 76 team leaders, 35 economists, 12 managers, and 3 assistant directors.² Each assistant director oversees four managers who lead teams consisting of both team leaders and economists. APMA's main office is in Washington, DC, and it also has offices in northern California, southern California, Florida and the Boston, Chicago, Denver, New York, and Seattle metropolitan areas. A list of primary APMA contacts is available at <https://www.irs.gov/businesses/corporations/apma-contacts>.

On August 31, 2015, the current revenue procedure governing APA applications was published in 2015-35 I.R.B. on page 263. Revenue Procedure (Rev. Proc.) 2015-41 provides guidance, information and instructions on APA requests and the administration of APAs. Rev. Proc. 2015-41 updates and supersedes Rev. Proc. 2006-9, 2006-1 C.B. 278, as modified by Rev. Proc. 2008-31, 2008-1 C.B. 1133, which is also superseded.

The model for APAs covered by Rev. Proc. 2006-9 was updated to serve as the current model APA for APAs covered by Rev. Proc. 2015-41 (instead of the model APA that had been issued with Rev. Proc. 2015-41). The model APA that is included as Appendix 1 to this report remains unchanged since last year's report.

¹ In 2017, Transfer Pricing Operations became Treaty & Transfer Pricing Operations ("TTPO").

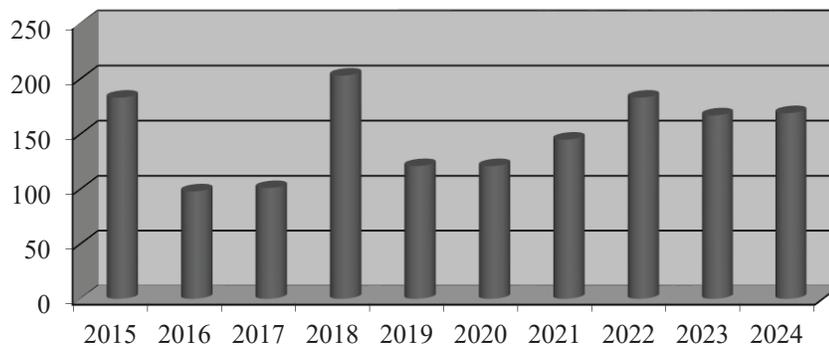
² In late 2020, TTPO's Treaty Assistance and Interpretation Team (TAIT) joined APMA, bringing the total number of groups in APMA to four. The three legacy APMA groups have primary responsibility for cases arising under the business profits and associated enterprises articles of U.S. tax treaties. TAIT endeavors to resolve competent authority issues arising under all other articles of U.S. tax treaties including issues arising under U.S. tax treaties relating to estate and gift taxes. As such, TAIT is separate from APMA's APA program, and the total numbers of team leaders and managers handling APA cases do not include TAIT analysts and managers.

Part II. APMA Program Statistical Data
[Pub. L. 106-170 § 521(b)(2)(C)(i-viii)]

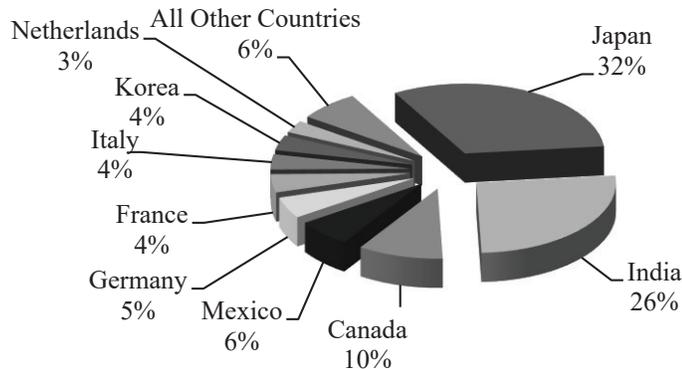
Table 1: APA Applications Filed § 521(b)(2)(C)(i)

	Unilateral	Bilateral	Multilateral	Total
Filed 1991-1999 ³				401
Filed 2000-2023	692	2,143	50	2,885
Filed in 2024	21	142	6	169
Total Filed 1991-2024				3,455

**Applications Filed
2015-2024**



**Bilateral APAs
Filed by Country 2024**



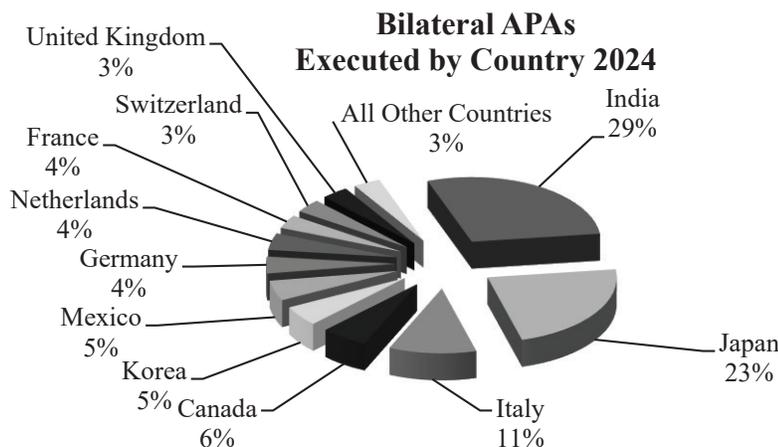
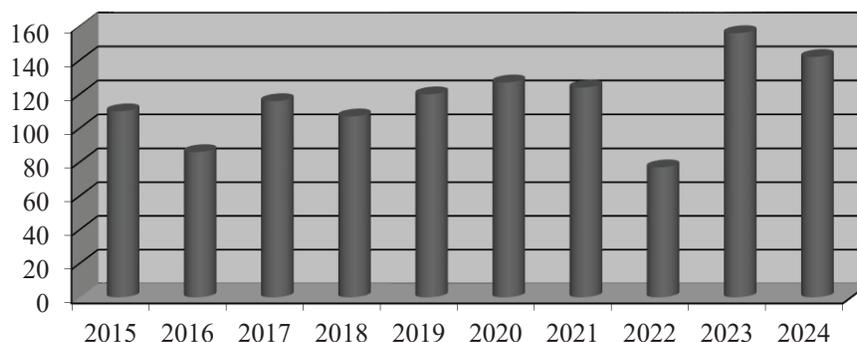
The charts above illustrate the number of complete applications filed per year and the percentage of bilateral requests received in 2024 per foreign country. As of December 31, 2024, APMA had also received 42 user fee filings that were not yet accompanied by a substantially complete APA application, in addition to the 169 complete APA applications.

³The first APA Statutory Report, which compiled APA data from 1991-1999, did not report the cumulative number of applications for those years by submission type, so the cumulative totals cannot be reported in that manner.

**Table 2: Executed⁴ and Pending APAs
§ 521(b)(2)(C)(ii-vi)**

	Unilateral	Bilateral	Multilateral	Total
Total Executed 1991-2023	721	1,679	24	2,424
Total Executed in 2024	13	119	10	142
Total Executed 1991-2024	734	1,798	34	2,566
Total Pending as of 12/31/2024	51	485	24	560
<i>Renewals Executed in 2024⁵</i>	<i>11</i>	<i>65</i>	<i>7</i>	<i>83</i>
<i>Renewals Pending⁶ as of 12/31/2024</i>	<i>41</i>	<i>218</i>	<i>8</i>	<i>267</i>

**APAs Executed
2015-2024**



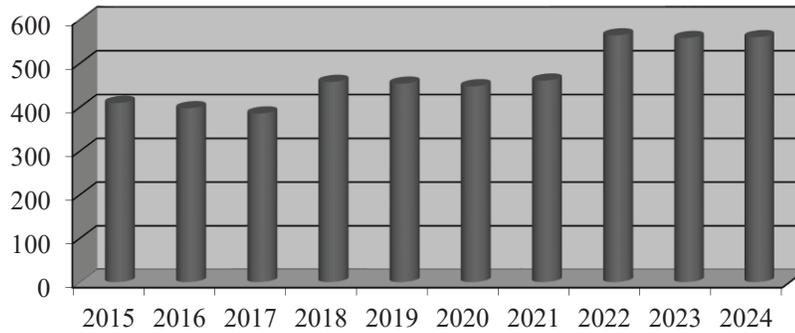
In 2024, the percentage of APA renewals executed increased (58 percent of all APAs executed in 2024 versus 47 percent of all APAs executed in 2023). The charts above illustrate trends in the number of APAs executed per year and the countries involved in the bilateral APAs that were executed in 2024.

⁴“Executed APAs” refers to APAs that were finalized and includes both initial and renewal APAs.

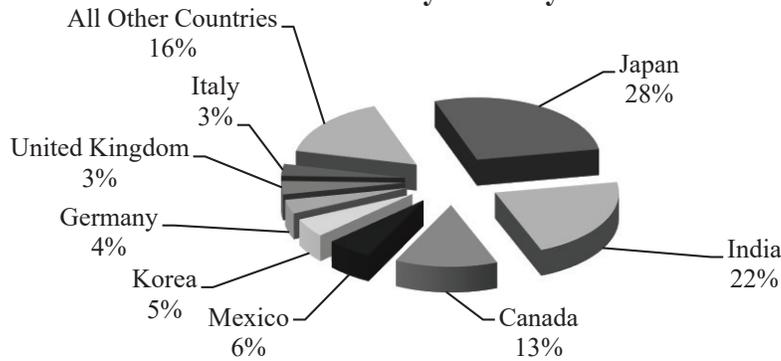
⁵ The number of renewals executed is included in the total number of APAs executed during the year.

⁶The number of renewals still pending as of year-end is also included in the total number of pending APAs.

Pending APAs 2015-2024



Pending Bilateral APAs by Country



As the top chart illustrates, the number of pending requests increased slightly relative to December 31, 2023. As of December 31, 2024, half of the pending bilateral APA requests involved either Japan or India.

Table 3: APAs Revoked or Cancelled and Applications Withdrawn § 521(b)(2)(C)(vii)

	Unilateral	Bilateral	Multilateral	Total
Revoked or Cancelled 1991-2000 ⁷				1
Revoked or Cancelled 2001-2023	8	2	0	10
Revoked or Cancelled in 2024	0	0	0	0
Total Revoked or Cancelled 1991-2024				11
Withdrawn 1991-2000 ⁸				49
Withdrawn 2001-2023	78	168	2	248
Withdrawn in 2024	2	15	0	17
Withdrawn 1991-2024				314

⁷The first APA Statutory Report, which compiled APA data from 1991-1999, and the second APA Statutory Report, which compiled APA data for 2000, did not report the cumulative number of applications for those years by submission type, so the cumulative totals cannot be reported in that manner.

⁸See *supra* note 7.

Table 4: APAs Executed in 2024 by Industry
 § 521(b)(2)(C)(viii)

Industry	
Manufacturing	42
Wholesale/Retail Trade	39
Services	29
Management	15
Finance, Insurance and Real Estate	12
All Other Industries	5

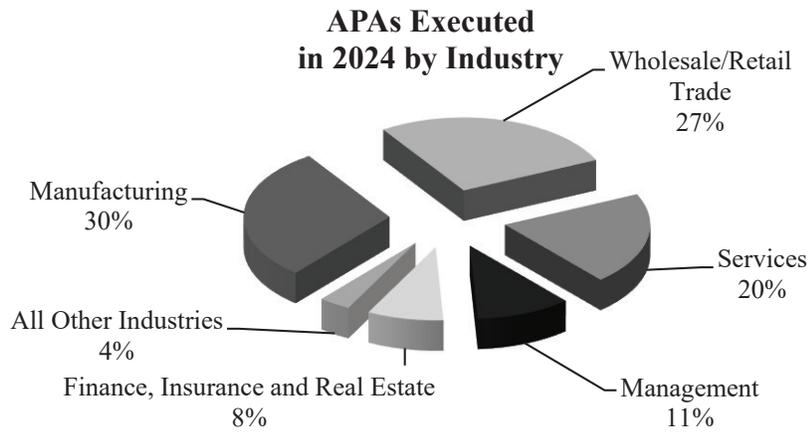
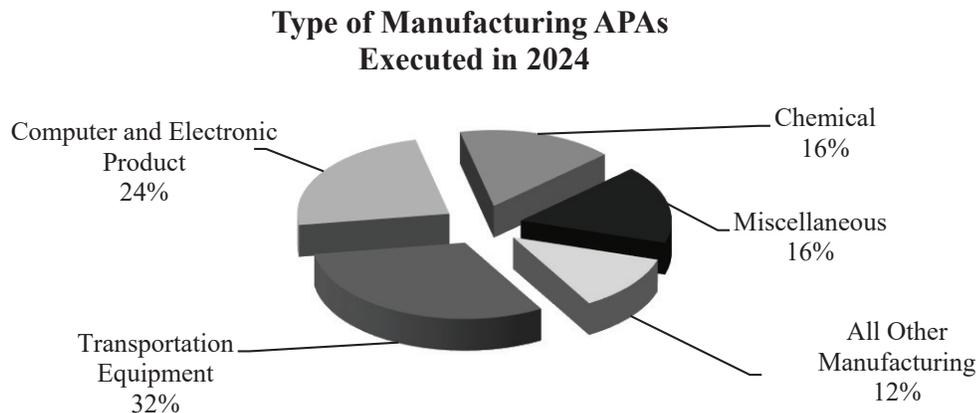


Table 4a: Manufacturing APAs Executed in 2024

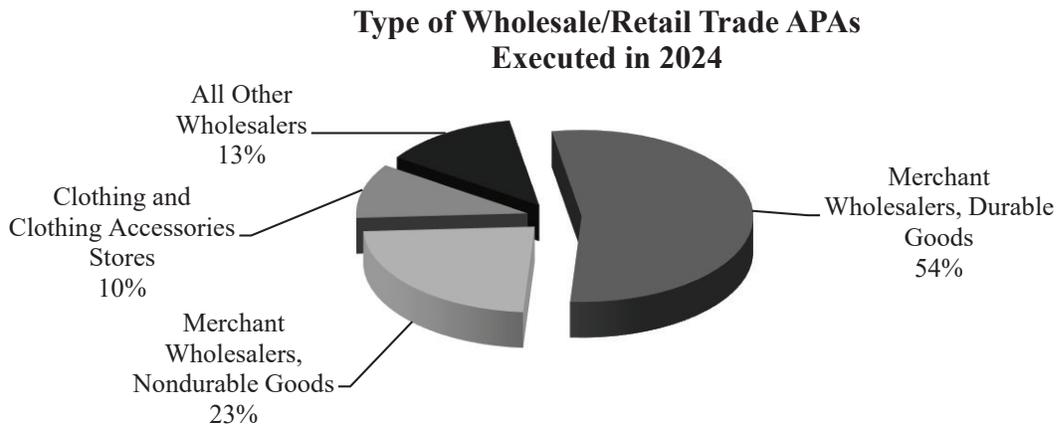
Type of Manufacturing	
Transportation Equipment	13
Computer and Electronic Product	10
Chemical	7
Miscellaneous ⁹	7
All Other Manufacturing	5



⁹ Industries in the Miscellaneous Manufacturing subsector (NAICS Code 339) make a wide range of products that cannot readily be classified in specific NAICS manufacturing subsectors.

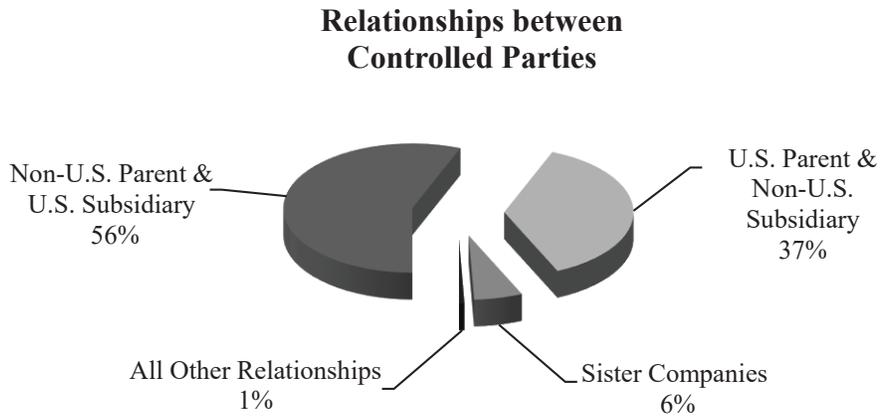
Table 4b: Wholesale/Retail Trade APAs Executed in 2024

Type of Wholesale/Retail Trade	
Merchant Wholesalers, Durable Goods	21
Merchant Wholesalers, Nondurable Goods	9
Clothing and Clothing Accessories Stores	4
All Other Wholesalers	5



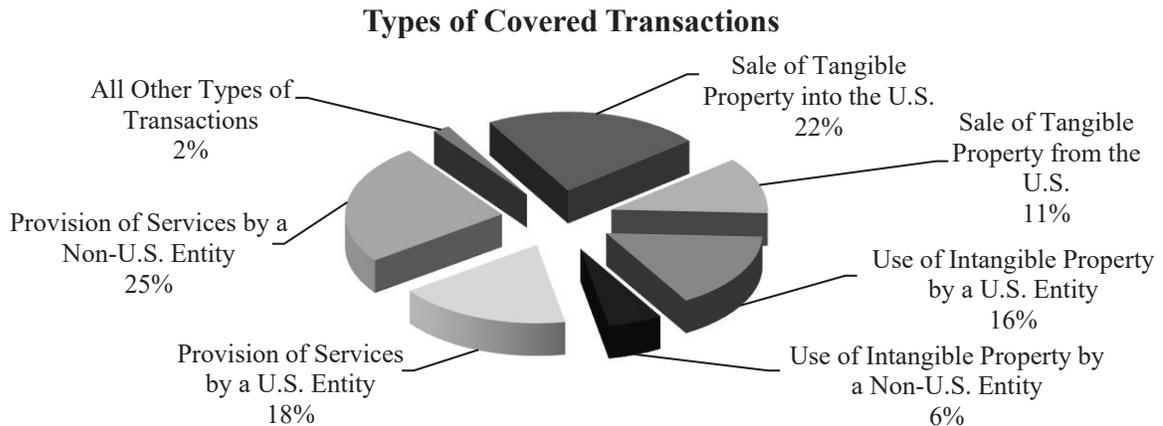
Part III. General Descriptions of APAs Executed in 2024
[Pub. L. 106-170 § 521(b)(2)(D) and (E)]

Nature of the Relationships
§ 521(b)(2)(D)(i)



As in prior years, more than half of the APAs executed in 2024 involved transactions between non-U.S. parents and U.S. subsidiaries.

Covered Transactions, Functions and Risks, and Tested Parties
§ 521(b)(2)(D)(ii-iii)

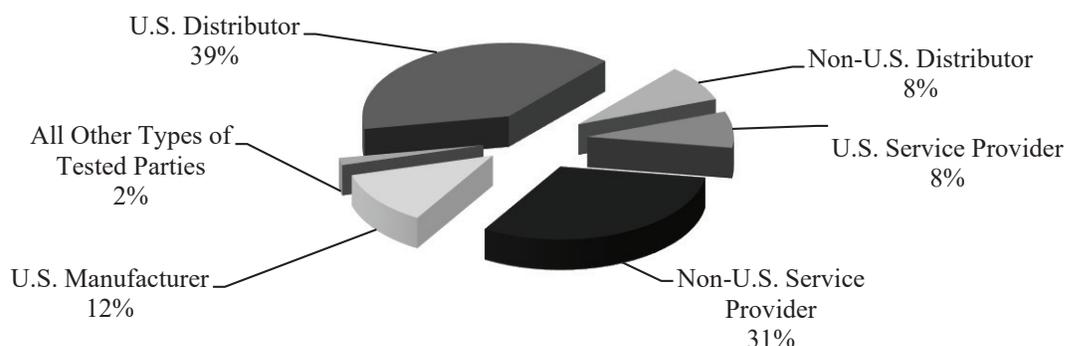


Most of the transactions¹⁰ covered in APAs executed in 2024 involve the sale of tangible goods or the provision of services. Twenty-two percent of the transactions involve the use of intangible property, which can be among the most challenging transactions in APMA’s inventory.

In the majority of APAs, the covered transactions involve numerous business functions and risks. For instance, with respect to functions, APAs involving manufactured products typically involve a controlled group that conducts research and development (R&D), engages in product design and engineering, manufactures the product, markets and distributes the product, and performs support functions such as legal, finance, and human resources. Regarding risks, the controlled group may assume a variety of risks, including market risks, R&D risks, financial risks, credit and collection risks, product liability risks, and general business risks. In the APA evaluation process, a significant amount of time and effort is devoted to understanding how functions and risks are allocated among the controlled group of companies that are party to the covered transactions. For methods requiring the selection of a tested party, the tested party chosen generally will be the least complex of the controlled taxpayers.

¹⁰ APAs often cover more than one type of transaction.

Types of Tested Parties



Consistent with prior years, U.S. distributors, U.S. manufacturers, and U.S. service providers combined, comprised a majority of tested parties¹¹ in 2024, i.e., 59 percent.

Transfer Pricing Methods Used

§ 521(b)(2)(D)(iv)

In 2024, the most commonly used transfer pricing method (TPM) for both the sale of tangible property and the use of intangible property continued to be the comparable profits method/transactional net margin method (CPM/TNMM). The CPM/TNMM was used for 78 percent of these types of transactions.

As in recent years, for covered transactions involving tangible and intangible property that used the CPM/TNMM, the operating margin (OM) is still the most common profit level indicator (PLI) used to benchmark results. It was used 72 percent of the time. Other PLIs, such as the Berry Ratio and mark up on total costs, made up the other 28 percent. As used here, “OM” is defined as the ratio of operating profit to sales,¹² and “Berry Ratio” is defined as the ratio of gross profit to operating expenses.¹³ Most services transactions (91 percent) also used the CPM/TNMM with the OM and operating profit to operating expense being the most common PLIs (used 67 percent of the time).

Sources of Comparables, Comparables Selection Criteria, and Nature of Adjustments to Comparables or Tested Party Data

§ 521(b)(2)(D)(v-vii)

For the APAs executed in 2024 that involved the CPM/TNMM with a North American tested party, the most widely used data source for comparables was Standard and Poor’s Compustat/Capital IQ database. Different sources were used in other cases (e.g., where the tested party was not a North American entity or where transaction-based methods were applied). Other commonly used databases are listed in the table below.

Table 5: Sources of Comparable Data

Bureau van Dijk (BvD) Orbis	Capitaline TP
Global Vantage	RoyaltySource
ktMINE	RoyaltyStat
Ace TP	

In making comparability adjustments as identified in Treas. Reg. §§ 1.482-1(d)(2) and 1.482-5(c)(2)(iv), typical balance sheet adjustments were made in most cases, including, where appropriate, adjustments for payables, receivables, inventory, and fixed assets. In addition, where appropriate, adjustments for different accounting practices were made to convert from LIFO to FIFO inventory accounting, and a small number of cases involved the accounting reclassification of expenses, e.g., from COGS to operating expenses.

¹¹ Not all the executed APAs involve a tested party. Whether an APA involves a tested party would depend on the transfer pricing method used.

¹² See Treas. Reg. § 1.482-5(b)(4)(ii)(A).

¹³ See Treas. Reg. § 1.482-5(b)(4)(ii)(B).

Ranges and Adjustment Mechanisms
§ 521(b)(2)(D)(viii-ix)

Most transactions covered in APAs target an interquartile range as described in Treas. Reg. § 1.482-1(e)(2)(iii)(C), a point within the interquartile range, or another targeted arm’s length range. Where the transaction involves a royalty payment for the use of intangible property, both specific royalty rates and ranges have been used. Where the covered transaction is the license of intangible property, and the payment for such transfer would be a royalty based solely on external comparable uncontrolled transactions, a secondary or confirming method, e.g., a test of the post-royalty operating margin or cost-plus mark-up, has sometimes also been used. The testing periods of the APAs executed in 2024 were either a single year, the term of the APA only, or the term of the APA plus rollback years.

APAs executed in 2024 included several mechanisms for adjusting the tested party’s results when the results fall outside the agreed range or do not match the point required by the APA. Examples of the mechanisms used include an adjustment bringing the tested party’s results for a single year to either the closer edge of the range or the median of the range, an adjustment to bring the results over the APA term to the closer edge of the range or the median of the range, or an adjustment to bring the results to a specified point or royalty rate.

Critical Assumptions
§ 521(b)(2)(D)(v)

The model APA used by the IRS (included as Appendix 1 of this report) includes standard critical assumptions that there will be no material changes to the taxpayer’s business or to its tax or financial accounting practices during the APA term. Some bilateral cases have also included critical assumptions tied to the taxpayer’s profitability in a certain year or over the term of the APA. Pursuant to § 7.06(3) of Rev. Proc. 2015-41, APMA will cancel an APA in the event of a failure of a critical assumption unless the parties agree to revise the APA.

Term Lengths of APAs Executed in 2024
§ 521(b)(2)(D)(x)

Table 6: Term Lengths of APAs Executed in 2024

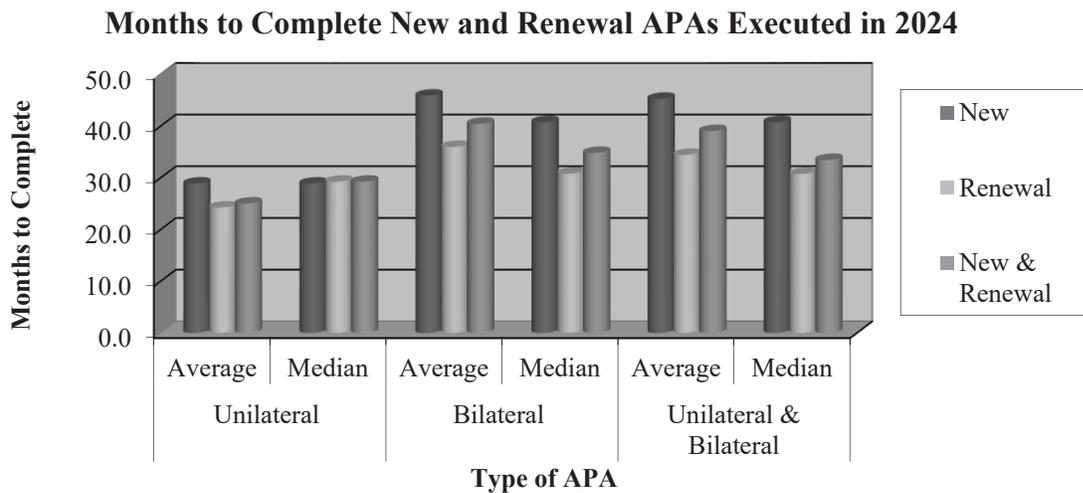
Term Length (years)	Number of APAs
1	1
2	2
3	3
4	10
5	56
6	33
7	24
8	7
9	2
11	2
12	1
15	1
Average	6

As described in § 3.03(1) of Rev. Proc. 2015-41, taxpayers should request an APA term that will cover at least five prospective taxable years and may also request that the APA be “rolled back” to cover one or more earlier taxable years, although the appropriate APA term is decided on a case-by-case basis. Of the APAs executed in 2024, 28 percent included rollback years. A substantial number of APAs with terms of greater than five years were submitted as a request for a five-year term, and the additional years were agreed to between the taxpayer and the IRS (or, in the case of a bilateral APA, between the IRS and the foreign government upon the taxpayer’s request) to ensure a reasonable amount of prospectivity in the APA term.

Amount of Time Taken to Complete New and Renewal APAs
§ 521(b)(2)(E)

Table 7: Months to Complete New and Renewal APAs Executed in 2024

	Unilateral		Bilateral		Unilateral & Bilateral	
	Average	Median	Average	Median	Average	Median
New	28.9	28.9	45.9	40.8	45.3	40.8
Renewal	24.3	29.3	36.0	30.8	34.5	30.8
New & Renewal	25.0	29.3	40.5	34.8	39.1	33.5



Median completion time continued to decrease in 2024 (33.5 months versus 42.0 months in 2023).

Efforts to Ensure Compliance with APAs
§ 521(b)(2)(F)

As described in § 7.02(1) of Rev. Proc. 2015-41, taxpayers are required to file annual reports to demonstrate compliance with the terms and conditions of their APAs. The filing and review of these annual reports are critical parts of the APA process. Through annual report review, the APMA Program monitors taxpayer compliance with APAs on a contemporaneous basis. Annual report review also provides current information on the success or problems associated with the various TPMs adopted in the APA process.

Nature of Documentation Required in Annual Report
§ 521(b)(2)(D)(xi)

APAs require taxpayers to file timely and complete annual reports describing their operations and demonstrating compliance with the APA's terms and conditions. Not every annual report will include each of the items listed in Appendix C of the Model APA; items are required to be included where the facts demonstrate a need for such documentation. The requirements for the information to be included in a specific APA annual report is included in Appendix C of the executed APA.

Approaches for Sharing of Currency or Other Risks
§ 521(b)(2)(D)(xii)

In appropriate cases, APAs may provide specific approaches for dealing with risks, including currency risk, such as adjustment mechanisms and/or critical assumptions.

APPENDIX 1– Model APA

ADVANCE PRICING AGREEMENT
between
[Insert Taxpayer’s Name]
and
THE INTERNAL REVENUE SERVICE

PARTIES

The Parties to this Advance Pricing Agreement (APA) are the Internal Revenue Service (IRS) and [Insert Taxpayer’s Name], EIN _____.

RECITALS

[Insert Taxpayer Name] is the common parent of an affiliated group filing consolidated U.S. tax returns (collectively referred to as “Taxpayer”) and is entering into this APA on behalf of itself and other members of its consolidated group.

Taxpayer’s principal place of business is [City, State]. [Insert general description of Taxpayer and other relevant parties].

This APA contains the Parties’ agreement on the best method for determining arm’s-length prices of the Covered Issues under I.R.C. section 482, the Treasury Regulations thereunder, and any applicable tax treaties.

{If renewal, add} [Taxpayer and IRS previously entered into an APA covering taxable years ending _____ to _____, executed on _____.]

AGREEMENT

The Parties agree as follows:

1. *Covered Issues.* This APA applies to the Covered Issues, as defined in Appendix A.
2. *Covered Methods.* Appendix A sets forth the Covered Methods for the Covered Issues.
3. *Term.* This APA applies to the APA Term, as defined in Appendix A.
4. *Operation.*
 - a. Revenue Procedure 2015-41 governs the interpretation, legal effect, and administration of this APA.
 - b. Nonfactual oral and written representations, within the meaning of sections 6.04 and 6.05 of Revenue Procedure 2015-41 (including any proposals to use particular TPMS), made in conjunction with the APA Request constitute statements made in compromise negotiations within the meaning of Rule 408 of the Federal Rules of Evidence.
5. *Compliance.*
 - a. Taxpayer must report its taxable income in an amount that is consistent with Appendix A and all other requirements of this APA on its timely filed U.S. Return. However, if Taxpayer’s timely filed U.S. Return for any taxable year covered by this APA (APA Year) is filed prior to, or no later than 60 days after, the effective date of this APA, then Taxpayer must report its taxable income for that APA Year in an amount that is consistent with Appendix A and all other requirements of this APA: (i) on a timely-filed U.S. Return, (ii) on an amended U.S. Return filed no later than 120 days after the effective date of this APA, or (iii) by an alternative means (for example, by agreed adjustments with the IRS office with examination jurisdiction over the taxpayer for any APA year currently under examination).

- b. *{Use or edit the following when U.S. Group or Foreign Group contains more than one member.}* [This APA addresses the arm's-length nature of prices charged or received in the aggregate between Taxpayer and Foreign Participants with respect to the Covered Issues. Except as explicitly provided, this APA does not address and does not bind the IRS with respect to prices charged or received, or the relative amounts of income or loss realized, by particular legal entities that are members of U.S. Group or that are members of Foreign Group.]
- c. The IRS will not reconsider any Covered Method but will instead limit any examination of Taxpayer's treatment of Covered Issues in their U.S. Return for any APA Year to, and may require that Taxpayer establish, the following: (i) Taxpayer's compliance with the terms and conditions of this APA, (ii) the accuracy of material representations included in APA annual reports submitted pursuant to this APA, and (iii) the correctness of the supporting data and computations used to apply the Covered Method. The IRS may audit and propose adjustments to Taxpayer's results as determined under this APA's Covered Method without affecting the APA's validity or applicability. Taxpayer may agree with the proposed adjustments in the same manner as any other adjustment, in which case the IRS will assess any resulting additional tax or refund any resulting overpayment of tax accordingly. If it does not agree with the proposed adjustment, Taxpayer may contest it through available administrative and judicial procedures. Taxpayer must include the audit adjustments as finally determined for the purpose of applying the Covered Method and must then make any resulting APA primary adjustments.
- d. If Taxpayer does not comply with the terms and conditions of this APA, then the IRS may:
- i. enforce the terms and conditions of this APA and make or propose allocations or adjustments under I.R.C. section 482 consistent with this APA;
 - ii. cancel or revoke this APA under section 7.06 of Revenue Procedure 2015-41; or
 - iii. revise this APA, if the Parties agree.
- e. Taxpayer must timely file an Annual Report that includes a signed "penalties of perjury" declaration for each APA Year in accordance with Appendix C and section 7.02 of Revenue Procedure 2015-41. The Annual Report may be submitted only by electronic transmission pursuant to paragraph 15 and must include an image of an original signature or a digital signature that uses encryption techniques to provide proof of original and unmodified documentation. Taxpayer must file the Annual Report for all APA Years through the APA Year ending [insert year] by [insert date]. Taxpayer must file the Annual Report for each subsequent APA Year by [insert month and day] immediately following the close of that APA Year. (If any date falls on a weekend or holiday, the Annual Report shall be due on the next date that is not a weekend or holiday.) The IRS may request additional information reasonably necessary to clarify or complete the Annual Report. Taxpayer will provide such requested information within 30 days. Additional time may be allowed for good cause.
- f. The IRS will determine whether Taxpayer has complied with this APA based on Taxpayer's U.S. Returns, the Financial Statements, and other APA Records, for the APA Term and any other year necessary to verify compliance. For Taxpayer to comply with this APA, *{use the following or an alternative}* an independent certified public accountant must render an opinion that Taxpayer's Financial Statements present fairly, in all material respects, Taxpayer's financial position under applicable generally accepted accounting standards.
- g. In accordance with section 7.04 of Revenue Procedure 2015-41, Taxpayer will (1) maintain the APA Records, and (2) make them available to the IRS in connection with an examination under section 7.03. Compliance with this subparagraph constitutes compliance with the record-maintenance provisions of I.R.C. sections 6038A and 6038C for the Covered Issues for any taxable year during the APA Term.
- h. The True Taxable Income within the meaning of Treasury Regulations sections 1.482-1(a)(1) and (i)(9) of a member of an affiliated group filing a U.S. consolidated return will be determined under the I.R.C. section 1502 Treasury Regulations.
- i. *{Optional for US Parent Signatories}* To the extent that Taxpayer's compliance with this APA depends on certain acts of Foreign Group members, Taxpayer will ensure that each Foreign Group member will perform such acts.
6. *Critical Assumptions.* This APA's critical assumptions, within the meaning of Revenue Procedure 2015-41, section 1.04, appear in Appendix B. If any critical assumption has not been met, then Revenue Procedure 2015-41, section 7.06, governs.

7. *Disclosure.* An APA, any background information relating to the APA, and the taxpayer’s APA request and any supplementary materials submitted in conjunction with the APA request are subject to various sections of the I.R.C. and U.S. competent authority treaty obligations as more fully explained in section 9 of Rev. Proc. 2015-41.
8. *Disputes.* If a dispute arises concerning the interpretation of this APA, the Parties will seek a resolution by the IRS’s Director, Treaty and Transfer Pricing Operations, to the extent reasonably practicable, before seeking alternative remedies.
9. *Materiality.* In this APA the terms “material” and “materially” will be interpreted consistently with the definition of “material facts” in Revenue Procedure 2015-41, section 7.06(4).
10. *Section Captions.* This APA’s section captions, which appear in *italics*, are for convenience and reference only. The captions do not affect in any way the interpretation or application of this APA.
11. *Terms and Definitions.* Unless otherwise specified, terms in the plural include the singular and vice versa. Appendix D contains definitions for capitalized terms not elsewhere defined in this APA.
12. *Entire Agreement and Severability.* This APA is the complete statement of the Parties’ agreement. The Parties will sever, delete, or reform any invalid or unenforceable provision in this APA to approximate the Parties’ intent as nearly as possible.
13. *Successor in Interest.* This APA binds, and inures to the benefit of, any successor in interest to Taxpayer.
14. *Notice.* Any notices required by this APA or Revenue Procedure 2015-41 must be in writing. Taxpayer will send notices to the IRS at:

Commissioner, Large Business and International Division
Internal Revenue Service
1111 Constitution Avenue, NW
SE:LB:TTPO:APMA:K:APMA Director
Washington, DC 20224
(Attention: APMA)

The IRS will send notices to the taxpayer at:

Taxpayer Corporation
Attn: Jane Doe, Sr. Vice President (Taxes)
1000 Any Road
Any City, USA 10000
(phone: _____)

15. *Submission by electronic transmission.* The form of electronic document transmittal will be one of the three alternatives described below. Regardless of the transmittal mode, Taxpayer must contact APMA by email at lbi.ttpo.apma.feedback@irs.gov to initiate the mode.
 - a. *Taxpayer-Licensed Secure Portal.* APMA prefers to send and receive documents to/from taxpayers through a taxpayer-licensed secure portal as this provides the highest degree of protection.
 - b. *Email with encrypted attachments.* When secure portal mode is not selected, Taxpayer may send and receive documents to and from APMA by email. Before employing this document transmittal mode, an APMA employee will authenticate that Taxpayer initiated the mode at the email noted above. After authentication, Taxpayer must then submit consent to transmit encrypted documents by email in the following form:

“I consent to receive encrypted documents by email from APMA employees for the duration of this APA/MAP request.”
 - c. *Unencrypted email.* Communication by unencrypted email is not secure, and therefore not encouraged. However, if Taxpayer chooses this mode, Taxpayer should:
 - i. Exclude sensitive information, including portions of Taxpayer’s TIN or name, from the subject line and body of emails.

- ii. Transmit any potentially sensitive information, including personally identifiable information, only via encrypted, password-protected attachments.

The User Guide at Sign and Send Documents Electronically | Internal Revenue Service ([irs.gov](https://www.irs.gov)) contains additional information about encrypting files and sending documents to IRS by email.

16. *Effective Date and Counterparts.* This APA is effective starting on the date, or later date of the dates, upon which all Parties execute this APA. The Parties may execute this APA in counterparts, with each counterpart constituting an original.

WITNESS,

The Parties have executed this APA on the dates below.

[Taxpayer Name in all caps]

By: _____
Jane Doe
Sr. Vice President (Taxes)

Date: _____, 202__

IRS

By: _____
John M. Wall
Acting Director, APMA Program

Date: _____, 202__

APPENDIX A

COVERED ISSUES AND COVERED METHOD

1. Covered Issues.

[Define the Covered Issues.]

2. APA Term.

This APA applies to Taxpayer's taxable years ending _____ through _____ (APA Term).

3. Covered Methods.

{Note: If appropriate, adapt language from the following examples.}

[The Tested Party is _____.]

CUP Method

The covered method is the comparable uncontrolled price (CUP) method. The Arm's Length Range of the price charged for _____ is between _____ and _____ per unit.

CUT Method

The covered method is the CUT Method. The Arm's Length Range of the royalty charged for the license of _____ is between ____% and ____% of [Taxpayer's, Foreign Participants', or other specified party's] Net Sales Revenue. [Insert definition of net sales revenue or other royalty base.]

Resale Price Method (RPM)

The covered method is the resale price method (RPM). The Tested Party's Gross Margin for any APA Year is defined as follows: the Tested Party's gross profit divided by its sales revenue (as those terms are defined in Treasury Regulations sections 1.482-5(d)(1) and (2)) for that APA Year. The Arm's Length Range is between ____% and ____%, and the Median of the Arm's Length Range is ____%.

Cost Plus Method

The covered method is the cost plus method. The Tested Party's Cost Plus Markup is defined as follows for any APA Year: the Tested Party's ratio of gross profit to production costs (as those terms are defined in Treasury Regulations sections 1.482-3(d)(1) and (2)) for that APA Year. The Arm's Length Range is between ____% and ____%, and the Median of the Arm's Length Range is ____%.

CPM with Berry Ratio PLI

The covered method is the comparable profits method (CPM). The profit level indicator is a Berry Ratio. The Tested Party's Berry Ratio is defined as follows for any APA Year: the Tested Party's gross profit divided by its operating expenses (as those terms are defined in Treasury Regulations sections 1.482-5(d)(2) and (3)) for that APA Year. The Arm's Length Range is between ____% and ____%, and the Median of the Arm's Length Range is ____%.

CPM using an Operating Margin PLI

The covered method is the comparable profits method (CPM). The profit level indicator is an operating margin. The Tested Party's Operating Margin is defined as follows for any APA Year: the Tested Party's operating profit divided by its sales revenue (as those terms are defined in Treasury Regulations section 1.482-5(d)(1) and (4)) for that APA Year. The Arm's Length Range is between ____% and ____%, and the Median of the Arm's Length Range is ____.

CPM using a Three-year Rolling Average Operating Margin PLI

The covered method is the comparable profits method (CPM). The profit level indicator is an operating margin. The Tested Party's Three-Year Rolling Average operating margin is defined as follows for any APA Year: the sum of the Tested Party's operating profit (within the meaning of Treasury Regulations section 1.482-5(d)(4) for that APA Year and the two preceding years, divided by the sum of its sales revenue (within the meaning of Treasury Regulations section 1.482-5(d)(1)) for that APA Year and the two preceding years. The Arm's Length Range is between ____% and ____%, and the Median of the Arm's Length Range is ____%.

Residual Profit Split Method

The covered method is the residual profit split method. *[Insert description of routine profit level determinations and residual profit-split mechanism].*

[Insert additional provisions as needed.]

4. Application of Covered Method.

For any APA Year, if the results of Taxpayer's actual transactions produce a [price per unit, royalty rate for the Covered Issues] [or] [Gross Margin, Cost Plus Markup, Berry Ratio, Operating Margin, Three-Year Rolling Average Operating Margin for the Tested Party] within the Arm's Length Range, then the amounts reported on Taxpayer's U.S. Return must clearly reflect such results.

For any APA year, if the results of Taxpayer's actual transactions produce a [price per unit, royalty rate] [or] [Gross Margin, Cost Plus Markup, Berry Ratio, Operating Margin, Three-Year Rolling Average Operating Margin for the Tested Party] outside the Arm's Length Range, then amounts reported on Taxpayer's U.S. Return must clearly reflect an adjustment that brings the [price per unit, royalty rate] [or] [Tested Party's Gross Margin, Cost Plus Markup, Berry Ratio, Operating Margin, Three-Year Rolling Average Operating Margin] to the Median.

For purposes of this Appendix A, the "results of Taxpayer's actual transactions" means the results reflected in Taxpayer's and Tested Party's books and records as computed under applicable generally accepted accounting standards *[insert another relevant accounting standard if applicable]*, with the following adjustments:

- (a) [The fair value of stock-based compensation as disclosed in the Tested Party's audited Financial Statements shall be treated as an operating expense]; and
- (b) To the extent that the results in any prior APA Year are relevant (for example, to compute a multi-year average), such results shall be adjusted to reflect the amount of any adjustment made for that prior APA Year under this Appendix A.

5. Conforming Adjustments

If Taxpayer makes an adjustment under paragraph 4 of this Appendix A (an "APA primary adjustment", see Revenue Procedure 2015-41, section 7.01(1)), a conforming adjustment will be required as specified in Revenue Procedure 2015-41, section 7.01(2)(a). For this purpose, if there are multiple APA primary adjustments for an APA Year, those adjustments will first be netted to derive a net APA primary adjustment, for which a conforming adjustment will be required. In some cases, the conforming adjustment can be accomplished by a repatriation of funds as specified in Revenue Procedure 2015-41, section 7.01(2). Except as specified in this APA, conforming adjustments (including any repatriation of funds) are governed by the applicable rules under the I.R.C., including Rev. Proc. 99-32, 1992-2 C.B. 296, or successor guidance.

[Per Revenue Procedure 2015-41, section 7.01(2)(d), the APA "will specify the terms of conforming adjustments, including, but not limited to, the terms of any repatriation of funds." Also, any deviation from the treatment under the Code (e.g., no interest on repatriation payments) must be specified in the APA and must be pursuant to a competent authority resolution (see Revenue Procedure 2015-41, section 7.01(2)(b)).]

APPENDIX B
CRITICAL ASSUMPTIONS

This APA's critical assumptions are:

1. The business activities, functions performed, risks assumed, assets employed, and financial and tax accounting methods and classifications [and methods of estimation] of Taxpayer in relation to the Covered Issues will remain materially the same as described or used in Taxpayer's APA Request. A mere change in business results will not be a material change.

[Insert additional provisions as needed.]

APPENDIX C

APA RECORDS AND ANNUAL REPORT

APA Records

The APA Records will consist of all documents listed below for inclusion in the Annual Report, as well as all documents, notes, work papers, records, or other writings that support the information provided in such documents.

Annual Report

The Annual Report will include:

1. A properly completed APA Annual Report Summary in the form of Appendix E to this APA;
2. A table of contents, organized as follows; and
3. Statements that fully identify, describe, analyze, and explain:
 - a. All material differences between the U.S. Group's business operations (including functions, risks assumed, markets, contractual terms, economic conditions, property, services, and assets employed) during the APA Year from the business operations described in the APA Request. If there have been no material differences, the Annual Report will include a statement to that effect.
 - b. All material differences between the U.S. Group's accounting methods and classifications, and methods of estimation used during the APA Year, from those described or used in the APA Request. If any change was made to conform to changes in applicable generally accepted accounting standards (or other relevant accounting standards) Taxpayer will specifically identify the change. If there has been no material change in accounting methods and classifications or methods of estimation, the Annual Report will include a statement to that effect.
 - c. Any change to the Taxpayer notice information in paragraph 14 of this APA.
 - d. Any failure to meet any critical assumption. If there has been no failure, the Annual Report will include a statement to that effect.
 - e. Whether or not material information submitted while the APA Request was pending is discovered to be false, incorrect, or incomplete.
 - f. Any change to any entity classification for federal income tax purposes (including any change that causes an entity to be disregarded for federal income tax purposes) of any Worldwide Group member that is a party to the Covered Issues or is otherwise relevant to the covered method.
 - g. The following regarding any APA primary adjustments made under Appendix A for the APA Year:
 - i. The amounts of any APA primary adjustments;
 - ii. The circumstances that led to such APA primary adjustments being necessary;
 - iii. A calculation of the net APA primary adjustment as defined in Appendix A;
 - iv. A complete description of the means by which the conforming adjustment (see Appendix A) is accomplished, including:
 - A. a description of any accounts payable established in connection with a repatriation of funds pursuant to paragraph 5 of Appendix A and section 7.01(2) of Revenue Procedure 2015-41, including the entities involved and when the payables are established;

- B. a description of any amounts paid or deemed paid (including amounts paid in satisfaction of such accounts payable), that specifies the entities involved, when the amounts are paid or deemed paid, and by what means any amounts are actually paid;
 - C. the character (such as capital, ordinary, income, expense, dividend, contribution to capital) and country source of any payments and deemed payments, and the specific affected line item(s) of any affected U.S. Return.
- h. The amounts, description, reason for, and financial analysis of any book-tax difference relevant to the covered method for the APA Year, as reflected on Schedule M-1 or Schedule M-3 of the U.S. Return for the APA Year.
 - i. Whether Taxpayer contemplates requesting, or has requested, to renew, modify, or cancel the APA.
- 4. The Financial Statements, and any necessary account detail to show compliance with the covered method, including consolidating financial statements, segmented financial data, records from the general ledger, or similar information if the assets, liabilities, income, or expenses relevant to showing compliance with the covered method are a subset of the assets, liabilities, income, or expenses presented in the Financial Statements.
 - 5. *{Use the following or the alternative prescribed by paragraph 5(f) of this APA:}* A copy of the independent certified public accountant's opinion required by paragraph 5(f) of this APA.
 - 6. A financial analysis that reflects Taxpayer's covered method calculations for the APA Year. The calculations must reconcile with and reference the information required under item 4 above in sufficient account detail to allow the IRS to determine whether Taxpayer has complied with the covered method.
 - 7. An organizational chart for the Worldwide Group, revised annually to reflect all ownership or structural changes of entities that are parties to the Covered Issues or are otherwise relevant to the covered method.
 - 8. A copy of the APA and any amendment.
 - 9. A penalty of perjury statement, executed in accordance with Revenue Procedure 2015-41, section 7.02(8) and (9).

APPENDIX D

DEFINITIONS

The following definitions control for all purposes of this APA. The definitions appear alphabetically below:

Term	Definition
Annual Report	An APA annual report within the meaning of Revenue Procedure 2015-41, sections 1.04 and 7.02.
APA	This Advance Pricing Agreement, which is an “advance pricing agreement” within the meaning of Revenue Procedure 2015-41, section 1.04.
APA Records	The records specified in Revenue Procedure 2015-41, section 7.04 and Appendix C of this APA.
APA Request	Taxpayer’s request for this APA dated _____, including any amendments or supplemental or additional information thereto.
APA Year	This term is defined in Appendix A of this APA.
Applicable generally accepted accounting standards	As the context requires, United States Generally Accepted Accounting Principles, International Financial Accounting Standards, or similar pronouncements to which reporting enterprises are obliged to conform in preparing financial statements for investors, creditors, and governmental agencies.
Covered Issue(s)	This term is defined in Appendix A of this APA.
Covered Method(s)	Transfer Pricing Method described in Appendix A of this APA.
Financial Statements	As the context requires, those financial statements prepared in accordance with applicable generally accepted accounting standards, and any necessary account detail to show compliance with the covered method, including consolidating financial statements, segmented financial data, records from the general ledger, or similar information if the assets, liabilities, income, or expenses relevant to showing compliance with the covered method are a subset of the assets, liabilities, income, or expenses presented in the Financial Statements.
Foreign Group	Worldwide Group members that are not U.S. persons.
Foreign Participants	[name the foreign entities involved in Covered Issues].
I.R.C.	The Internal Revenue Code of 1986, 26 U.S.C., as amended.
Pub. L. 106-170	The Ticket to Work and Work Incentives Improvement Act of 1999.
Revenue Procedure 2015-41	Rev. Proc. 2015-41, 2015-35 IRB 263.
Transfer Pricing Method (TPM)	A transfer pricing method within the meaning of Treasury Regulations section 1.482-1(b).
U.S. GAAP	U.S. generally accepted accounting principles.
U.S. Group	Worldwide Group members that are U.S. persons.
U.S. Return	For each taxable year, the “returns with respect to income taxes under subtitle A” that Taxpayer must “make” in accordance with I.R.C. section 6012. <i>{Or substitute for partnership: For each taxable year, the “return” that Taxpayer must “make” in accordance with I.R.C. section 6031.}</i>
Worldwide Group	Taxpayer and all organizations, trades, businesses, entities, or branches (whether or not incorporated, organized in the United States, or affiliated) owned or controlled directly or indirectly by the same interests.

APPENDIX E

APA ANNUAL REPORT SUMMARY FORM

The APA Annual Report Summary on the next page is a required APA Record. The APA Team Leader supplies some of the information requested on the form. Taxpayer is to supply the remaining information requested by the form and submit the form as part of its Annual Report.

Internal Revenue Service	APMA Case No.	
Large Business and International Division	Reviewer	
Treaty & Transfer Pricing Operations	Team Leader	
Advance Pricing Mutual Agreement Program	Economist	
	Other APA Team Members	

APA Information

U.S. Taxpayer's Name	
U.S. Taxpayer's EIN	
U.S. Taxpayer's NAICS	
Unilateral/Bilateral/Multilateral	
Original or Renewal	
APA Common Name, if any	
APA Request Filing Date	
Date APA Executed	
APA Term (date-to-date, inclusive)	
Foreign Country(ies) Involved	
Annual Report Due Dates for years ending on or before [date]:	
Annual Report Due Dates for other years: [last month of tax year] 15 following close of year	
Covered Methods Summary Description	
(e.g., CPM, operating margin 2%-5%)	
Taxpayer's Principal Representative	

APA Annual Report Information

Year(s) covered by this Annual Report		
Issues for APMA's special attention (or "None")		
Taxpayer Notice Person	Name	
If necessary, include a current Form 2848 for the Notice Person	Title	
	Address	
	City/State/Zip	
	Phone/Fax	
	Email	
Current Representative, if any	Name	
Include a current Form 2848 for the representative	Title	
	Address	
	City/State/Zip	
	Phone/Fax	
	Email	

Date Annual Report Filed (to be filled in by APMA):

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 substance 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.
FR—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

Bulletin 2025–15

Announcements:

2025-2, 2025-2 I.R.B. 305
2025-3, 2025-2 I.R.B. 306
2025-4, 2025-2 I.R.B. 306
2025-1, 2025-3 I.R.B. 431
2025-5, 2025-3 I.R.B. 433
2025-6, 2025-5 I.R.B. 526
2025-8, 2025-13 I.R.B. 1384
2025-13, 2025-15 I.R.B. 1392

Notices:

2025-1, 2025-3 I.R.B. 415
2025-2, 2025-3 I.R.B. 418
2025-4, 2025-3 I.R.B. 419
2025-5, 2025-3 I.R.B. 426
2025-3, 2025-4 I.R.B. 488
2025-7, 2025-5 I.R.B. 524
2025-9, 2025-6 I.R.B. 681
2025-10, 2025-6 I.R.B. 682
2025-11, 2025-6 I.R.B. 704
2025-13, 2025-6 I.R.B. 710
2025-6, 2025-8 I.R.B. 799
2025-8, 2025-8 I.R.B. 800
2025-12, 2025-8 I.R.B. 813
2025-14, 2025-10 I.R.B. 980
2025-15, 2025-11 I.R.B. 1089
2025-16, 2025-13 I.R.B. 1378
2025-17, 2025-14 I.R.B. 1387

Proposed Regulations:

REG-117213-24, 2025-3 I.R.B. 433
REG-134420-10, 2025-4 I.R.B. 513
REG-105479-18, 2025-5 I.R.B. 527
REG-116610-20, 2025-5 I.R.B. 638
REG-115560-23, 2025-6 I.R.B. 716
REG-123525-23, 2025-6 I.R.B. 726
REG-124930-21, 2025-7 I.R.B. 772
REG-100669-24, 2025-8 I.R.B. 819
REG-101268-24, 2025-8 I.R.B. 836
REG-107420-24, 2025-8 I.R.B. 854
REG-116085-23, 2025-8 I.R.B. 865
REG-118988-22, 2025-8 I.R.B. 869
REG-107895-24, 2025-9 I.R.B. 972
REG-110878-24, 2025-9 I.R.B. 979
REG-112261-24, 2025-10 I.R.B. 983

Revenue Procedures:

2025-1, 2025-1 I.R.B. 1
2025-2, 2025-1 I.R.B. 118
2025-3, 2025-1 I.R.B. 142
2025-4, 2025-1 I.R.B. 158
2025-5, 2025-1 I.R.B. 260

Revenue Procedures:—Continued

2025-7, 2025-1 I.R.B. 301
2025-8, 2025-3 I.R.B. 427
2025-9, 2025-4 I.R.B. 491
2025-10, 2025-4 I.R.B. 492
2025-11, 2025-4 I.R.B. 501
2025-12, 2025-4 I.R.B. 512
2025-6, 2025-6 I.R.B. 713
2025-14, 2025-7 I.R.B. 770
2025-13, 2025-8 I.R.B. 816
2025-15, 2025-11 I.R.B. 1090
2025-16, 2025-11 I.R.B. 1100
2025-17, 2025-13 I.R.B. 1382

Revenue Rulings:

2025-1, 2025-3 I.R.B. 307
2025-2, 2025-3 I.R.B. 309
2025-3, 2025-4 I.R.B. 443
2025-4, 2025-7 I.R.B. 758
2025-5, 2025-7 I.R.B. 767
2025-6, 2025-11 I.R.B. 1064
2025-7, 2025-13 I.R.B. 1239
2025-8, 2025-15 I.R.B. 1390

Treasury Decisions:

10016, 2025-3 I.R.B. 313
10020, 2025-3 I.R.B. 408
10018, 2025-4 I.R.B. 446
10019, 2025-4 I.R.B. 482
10017, 2025-5 I.R.B. 517
10028, 2025-6 I.R.B. 660
10022, 2025-8 I.R.B. 773
10026, 2025-9 I.R.B. 878
10027, 2025-9 I.R.B. 897
10029, 2025-9 I.R.B. 936
10030, 2025-11 I.R.B. 1066
10024, 2025-12 I.R.B. 1104
10023, 2025-13 I.R.B. 1259

¹ A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2024–27 through 2024–52 is in Internal Revenue Bulletin 2024–52, dated December 23, 2024.

Finding List of Current Actions on Previously Published Items¹

Bulletin 2025–15

¹ A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2024–27 through 2024–52 is in Internal Revenue Bulletin 2024–52, dated December 23, 2024.

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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