

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.

INCOME TAX

Rev. Rul. 96-45, page 5.

Low-income housing credit; satisfactory bond; "bond factor" amounts for the period July through September 1996. This ruling announces the monthly bond factor amounts to be used by taxpayers who dispose of qualified low-income buildings or interests therein during the period July through September 1996.

Rev. Rul. 96-46, page 5.

LIFO; price indexes; department stores. The July 1996 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, July 31, 1996.

Rev. Proc. 96-47, page 10.

Regulated investment companies; preferential dividends. Conditions are described under which distributions made to shareholders of a regulated investment company may vary and, nevertheless, be considered as dividends for purposes of computing the dividends paid deduction.

EMPLOYEE PLANS

Notice 96-45, page 7.

Guidelines are set forth for determining for September 1996, the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for purposes of the full funding limitation of section 412(c)(7) of the Code as amended by the Omnibus Budget Reconciliation Act of 1987 and by the Uruguay Round Agreements Act (GATT).

EXEMPT ORGANIZATIONS

Notice 96-46, page 7.

Taxes on excess benefit transactions. This notice describes new Code section 4958 excise taxes on

excess benefits transactions engaged in between certain tax-exempt organizations and their disqualified persons. It also specifies the tax return form to be used in paying these taxes and prescribes the time for their payment.

Notice 96-47, page 8.

Exemption from tax on corporations, certain trusts, etc. This notice describes the amendment to Code section 501(c)(4) to expressly prohibit inurement of any part of the net earnings of an entity otherwise described in that section to the benefit of any private shareholder or individual.

Notice 96-48, page 8.

Publicity of information required from certain tax-exempt organizations and certain trusts. This notice describes disclosure requirements for, and increases of certain penalties on, tax-exempt organizations.

Announcement 96-96, page 41.

A list is given of organizations now classified as private foundations.

Announcement 96-99, page 42.

A list is provided of organizations that no longer qualify as organizations to which contributions are deductible under section 170 of the Code.

ADMINISTRATIVE

Rev. Proc. 96-48, page 10.

Substitute printed, computer-prepared, and computer-generated tax forms and schedules. Requirements are set forth for privately designed and printed federal tax return forms and the conditions under which the Service will accept computer-prepared and computer-generated tax forms and schedules. Rev. Procs. 95-16 and 95-46 are superseded.

(Continued on page 4)

Finding Lists begin on page 47.

Announcements of Disbarments and Suspensions begin on page 44.

HIGHLIGHTS OF THIS ISSUE—Continued

ADMINISTRATIVE—Continued

Announcement 96–97, page 41.

INTL-0003-95, 1996-6 I.R.B. 29, relating to the source of income from sales of natural resources or other inventory produced in the United States and sold in a foreign country, is corrected.

Announcement 96–98, page 42.

INTL-4-95, 1996-36 I.R.B. 8, relating to the allocation of loss realized on the disposition of stock, is corrected.

Mission of the Service

The purpose of the Internal Revenue Service is to collect the proper amount of tax revenue at the least cost; serve the public by continually improving the

quality of our products and services; and perform in a manner warranting the highest degree of public confidence in our integrity, efficiency and fairness.

Statement of Principles of Internal Revenue Tax Administration

The function of the Internal Revenue Service is to administer the Internal Revenue Code. Tax policy for raising revenue is determined by Congress.

With this in mind, it is the duty of the Service to carry out that policy by correctly applying the laws enacted by Congress; to determine the reasonable meaning of various Code provisions in light of the Congressional purpose in enacting them; and to perform this work in a fair and impartial manner, with neither a government nor a taxpayer point of view.

At the heart of administration is interpretation of the Code. It is the responsibility of each person in the Service, charged with the duty of interpreting the law, to try to find the true meaning of the statutory provision and not to adopt a strained construction in the belief that he or she is "protecting the revenue." The revenue is properly protected only when we ascertain and apply the true meaning of the statute.

The Service also has the responsibility of applying and administering the law in a reasonable, practical manner. Issues should only be raised by examining officers when they have merit, never arbitrarily or for trading purposes. At the same time, the examining officer should never hesitate to raise a meritorious issue. It is also important that care be exercised not to raise an issue or to ask a court to adopt a position inconsistent with an established Service position.

Administration should be both reasonable and vigorous. It should be conducted with as little delay as possible and with great courtesy and considerateness. It should never try to overreach, and should be reasonable within the bounds of law and sound administration. It should, however, be vigorous in requiring compliance with law and it should be relentless in its attack on unreal tax devices and fraud.

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 and may be obtained from the Superintendent of Documents on a subscription basis. Bulletin contents of a permanent nature are consolidated semi-annually into Cumulative Bulletins, which are sold on a single-copy basis.

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 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.

With the exception of the Notice of Proposed Rulemaking and the disbarment and suspension list included in this part, none of these announcements are consolidated in the Cumulative Bulletins.

The first Bulletin for each month includes an index for the matters published during the preceding month. These monthly indexes are cumulated on a quarterly and semiannual basis, and are published in the first Bulletin of the succeeding quarterly and semi-annual period, respectively.

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

For sale by the Superintendent of Documents U.S. Government Printing Office, Washington, D.C. 20402.

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

Section 42.—Low-Income Housing Credit

Low-income housing credit; satisfactory bond; “bond factor” amounts for the period July through September 1996. This ruling announces the monthly bond factor amounts to be used by taxpayers who dispose of qualified low-income buildings or interests therein during the period July through September 1996.

Rev. Rul. 96-45

In Rev. Rul. 90-60, 1990-2 C.B. 3, the Internal Revenue Service provided guidance to taxpayers concerning the general methodology used by the Treasury Department in computing the bond factor amounts used in calculating the amount of bond considered satisfactory by the Secretary under § 42(j)(6) of the Internal Revenue Code. It further announced that the Secretary would pub-

lish in the Internal Revenue Bulletin a table of “bond factor” amounts for dispositions occurring during each calendar month.

This revenue ruling provides in Table 1 the bond factor amounts for calculating the amount of bond considered satisfactory under § 42(j)(6) for dispositions of qualified low-income buildings or interests therein during the period July through September 1996.

Table 1
Rev. Rul. 96-45

Monthly Bond Factor Amounts for Dispositions Expressed
As a Percentage of Total Credits

Month of Disposition	Calendar Year Building Placed in Service or, if Section 42(f)(1) Election Was Made, the Succeeding Calendar Year									
	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Jul '96	81.06	83.47	86.09	89.16	92.78	96.94	101.25	105.33	109.16	112.52
Aug '96	80.84	83.24	85.85	88.92	92.52	96.67	100.96	105.04	108.90	112.52
Sep '96	80.61	83.01	85.62	88.68	92.28	96.41	100.68	104.76	108.66	112.52

For a list of bond factor amounts applicable to dispositions occurring during other calendar years, see the following revenue rulings: Rev. Rul. 90-60, 1990-2 C.B. 3, for dispositions occurring during calendar years 1987, 1988, and 1989; Rev. Rul. 90-88, 1990-2 C.B. 7, for dispositions occurring during calendar year 1990; Rev. Rul. 91-67, 1991-2 C.B. 13, for dispositions occurring during calendar year 1991; Rev. Rul. 92-101, 1992-2 C.B. 9, for dispositions occurring during calendar year 1992; Rev. Rul. 93-83, 1993-2 C.B. 6, for dispositions occurring during calendar year 1993; Rev. Rul. 94-71, 1994-2 C.B. 4, for dispositions occurring during calendar year 1994; Rev. Rul. 95-83, 1995-2 C.B. 8, for dispositions occurring during calendar year 1995; Rev. Rul. 96-16, 1996-11 I.R.B. 4, for dispositions occurring during the period January through March 1996; and Rev. Rul. 96-33, 1996-27 I.R.B. 4, for dispositions occurring during the period April through June 1996.

DRAFTING INFORMATION

The principal author of this revenue ruling is Jack Malgeri of the Office of Assistant Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue ruling, contact Mr. Malgeri at (202) 622-3040 (not a toll-free call).

Rev. Rul. 96-46

The following Department Store Inventory Price Indexes for July 1996 were issued by the Bureau of Labor Statistics on August 13, 1996. The indexes are accepted by the Internal Revenue Service, under § 1.472-1(k) of the Income Tax Regulations and Rev. Proc. 86-46, 1986-2 C.B. 739, for appropriate application to inventories of department stores employing the retail inventory and last-in, first-out inventory methods for tax years ended on, or with reference to, July 31, 1996.

Section 472.—Last-in, First-out Inventories

26 CFR 1.472-1: *Last-in, first-out inventories.*

LIFO; price indexes; department stores. The July 1996 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, July 31, 1996.

The Department Store Inventory Price Indexes are prepared on a national basis and include (a) 23 major groups of departments, (b) three special combinations of the major groups - soft goods, durable goods, and miscellaneous goods, and (c) a store total, which covers all departments, including some not listed separately, except for the following: candy, foods, liquor, tobacco, and contract departments.

BUREAU OF LABOR STATISTICS, DEPARTMENT STORE
INVENTORY PRICE INDEXES BY DEPARTMENT GROUPS
(January 1941 = 100, unless otherwise noted)

Groups	July 1995	July 1996	Percent Change from July 1995 to July 1996 ¹
1. Piece Goods.....	515.5	539.2	4.6
2. Domestics and Draperies	656.6	635.6	-3.2
3. Women's and Children's Shoes	617.5	643.9	4.3
4. Men's Shoes	914.5	888.2	-2.9
5. Infants' Wear	596.5	609.3	2.1
6. Women's Underwear.....	526.0	536.9	2.1
7. Women's Hosiery	283.3	289.3	2.1
8. Women's and Girls' Accessories	546.7	544.7	-0.4
9. Women's Outerwear and Girls' Wear.....	398.1	380.6	-4.4
10. Men's Clothing	593.3	610.3	2.9
11. Men's Furnishings	550.5	573.0	4.1
12. Boys' Clothing and Furnishings.....	474.7	475.9	0.3
13. Jewelry	999.0	1016.0	1.7
14. Notions	838.7	779.4	-7.1
15. Toilet Articles and Drugs	861.1	880.9	2.3
16. Furniture and Bedding	657.8	671.6	2.1
17. Floor Coverings	563.7	577.5	2.4
18. Housewares	777.6	811.9	4.4
19. Major Appliances	245.2	245.8	0.2
20. Radio and Television.....	82.0	79.2	-3.4
21. Recreation and Education ²	113.9	112.7	-1.1
22. Home Improvements ²	122.4	126.8	3.6
23. Auto Accessories ²	106.7	107.0	0.3
Groups 1-15: Soft Goods	580.5	582.4	0.3
Groups 16-20: Durable Goods	462.4	470.3	1.7
Groups 21-23: Misc. Goods ²	113.8	113.5	-0.3
Store Total ³	541.2	544.2	0.6

¹ Absence of a minus sign before percentage change in this column signifies price increase.

² Indexes on a January 1986=100 base.

³ The store total index covers all departments, including some not listed separately, except for the following: candy, foods, liquor, tobacco, and contract departments.

DRAFTING INFORMATION

The principal author of this revenue ruling is Stan Michaels of the Office of Assistant Chief Counsel (Income Tax and Accounting). For further information regarding this revenue ruling, contact Mr. Michaels on (202) 622-4970 (not a toll-free call).

Section 561.—Definition of Deduction for Dividends Paid

26 CFR 1.561-1: Deduction for dividends paid.

If a regulated investment company makes distributions to shareholders that vary as a result of the allocation of certain expenses, may the company include those distributions in the amount of its deduction for dividends paid? See Rev. Proc. 96-47, page 10.

Section 562.—Rules Applicable in Determining Dividends Eligible for Dividends Paid Deduction

26 CFR 1.562-2: Preferential dividends.

If a regulated investment company makes distributions to shareholders that vary as a result of the allocation of certain expenses, may the company include those distributions in the amount of its deduction for dividends paid? See Rev. Proc. 96-47, page 10.

Section 852.—Taxation of Regulated Investment Companies and Their Shareholders

26 CFR 1.852-1: Taxation of regulated investment companies.

If a regulated investment company makes distributions to shareholders that vary as a result of the allocation of certain expenses, may the company include those distributions in the amount of its deduction for dividends paid? See Rev. Proc. 96-47, page 10.

26 CFR 1.852-3: Investment company taxable income.

If a regulated investment company makes distributions to shareholders that vary as a result of the allocation of certain expenses, may the company deduct the distributions for purposes of computing the company's investment company taxable income? See Rev. Proc. 96-47, page 10.

Part III. Administrative, Procedural, and Miscellaneous

Weighted Average Interest Rate Update

Notice 96-45

Notice 88-73 provides guidelines for determining the weighted average interest rate and the resulting permissible

range of interest rates used to calculate current liability for the purpose of the full funding limitation of § 412(c)(7) of the Internal Revenue Code as amended by the Omnibus Budget Reconciliation Act of 1987 and as further amended by the Uruguay Round Agreements Act,

Pub. L. 103-465 (GATT).

The average yield on the 30-year Treasury Constant Maturities for August 1996 is 6.84 percent.

The following rates were determined for the plan years beginning in the month shown below.

Month	Year	Weighted Average	90% to 108% Permissible Range	90% to 110% Permissible Range
September	1996	6.91	6.22 to 7.46	6.22 to 7.60

DRAFTING INFORMATION

The principal author of this notice is Donna Prestia of the Employee Plans Division. For further information regarding this notice, call (202) 622-6076 between 2:30 and 4:00 p.m. Eastern time (not a toll-free number). Ms. Prestia's number is (202) 622-7377 (also not a toll-free number).

Excise Taxes on Excess Benefit Transactions Engaged in by Certain Tax-Exempt Organizations

Notice 96-46

This notice summarizes certain aspects of Taxpayer Bill of Rights 2 related to excise taxes on excess benefit transactions involving organizations described in § 501(c)(3) (except private foundations) and § 501(c)(4). Taxpayer Bill of Rights 2, Pub. L. No. 104-168, 110 Stat. 1452, (TBOR2) was enacted July 30, 1996. This notice also provides guidance with respect to the filing of returns for these excise taxes, and solicits comments to be considered in drafting future guidance. See Notice 96-47, page 8, this Bulletin, for aspects of TBOR2 related to the express prohibition of private inurement for § 501(c)-(4) organizations, and Notice 96-48, page 9 , this Bulletin, for disclosure requirements for, and increases in certain penalties on, exempt organizations generally.

I. In General

Section 1311(a) of TBOR2 creates new § 4958, which imposes excise taxes on excess benefit transactions. An **excess benefit transaction** subject to tax under § 4958 is any transaction in which an economic benefit is provided

by an organization described in § 501(c)(3) (except for a private foundation) or § 501(c)(4) directly or indirectly to, or for the use of, any disqualified person if the value of the economic benefit provided exceeds the value of the consideration (including the performance of services) received for providing the benefit. A **disqualified person** is any person who was, at any time during the 5-year period ending on the date of the excess benefit transaction, in a position to exercise substantial influence over the affairs of the organization. Disqualified persons also include family members and certain entities in which at least 35 percent of the control or beneficial interests are held by persons described in the preceding sentence. An **organization manager** is an officer, director, trustee, or any individual having powers or responsibilities similar to those of an officer, director, or trustee.

Section 4958 imposes three taxes. The first tax is equal to 25 percent of the excess benefit amount, and is to be paid by any disqualified person who engages in an excess benefit transaction (§ 4958(a)(1)). The second tax is equal to 200 percent of the excess benefit amount, and is to be paid by any disqualified person if the excess benefit transaction is not corrected within the taxable period (§ 4958(b)). The third tax is equal to 10 percent of the excess benefit amount, and is to be paid by any organization manager who knowingly participates in an excess benefit transaction (§ 4958(a)(2)). With respect to any one excess benefit transaction, the maximum amount of this third tax may not exceed \$10,000.

II. Effective Date for Excise Taxes

The new § 4958 excise taxes apply to excess benefit transactions occurring on

or after September 14, 1995. They do not apply, however, to any benefit arising from a transaction pursuant to any written contract that was binding on September 13, 1995, and continued in force through the time of the transaction.

III. Returns for Payment of Excise Taxes

Charities and other persons liable for certain Chapter 41 or Chapter 42 excise taxes must file returns on Form 4720 to calculate and report the taxes due. The Treasury Department will issue regulations providing that disqualified persons and organization managers (or their 35 percent controlled entities) liable for § 4958 excise taxes on excess benefit transactions are required to file an annual return on Form 4720. For excess benefit transactions that occurred after September 13, 1995, in a taxable year ending before December 31, 1996, the persons liable for payment of the excise taxes must use the 1995 Form 4720 to calculate and report those taxes. The Service will revise Form 4720 for taxable years ending on or after December 31, 1996.

The Treasury Department will also issue regulations which will provide that returns on Form 4720 for taxable years ending after September 13, 1995, and on or before July 30, 1996 (the date of TBOR2's enactment), will be due on December 15, 1996. Returns for taxable years ending after July 30, 1996, will be due on the 15th day of the fifth month following the close of that taxable year.

The person filing should clearly mark the top of the 1995 Form 4720 that it is for payment of § 4958 excise taxes. Use Part II-A, columns (a), (b), and (h) to report information about the person(s) liable and the amount of the tax; use

Schedule A columns (b), (c), (e), and (f) (if a transaction with a disqualified person, using the 25 percent tax rate), or (b), (c), (e), and (g) (if a transaction with an organization manager, using the 10 percent tax rate) to provide other information requested about the transaction.

IV. Reporting Requirements for § 4958 Excise Taxes

Section 1312(a) of TBOR2 amends § 6033(b) to require § 501(c)(3) organizations to report the amounts of the taxes paid under § 4958 with respect to excess benefit transactions involving the organization, as well as any other information the Secretary may require concerning those transactions. Section 6033(f) is also amended to impose the same filing requirements on § 501(c)(4) organizations. These amendments only apply to returns for taxable years beginning after July 30, 1996. Accordingly, affected organizations do not have to include information on taxes paid under § 4958, or any other information that may be required with respect to excess benefit transactions, on their returns for taxable years beginning before July 31, 1996.

V. Comments on Future Guidance Invited

The Service invites comments on the amendments made by §§ 1311(a) and 1312 of TBOR2 (new § 4958 and reporting requirements related to those excise taxes). The Service will consider these comments in drafting future guidance. In order to issue this guidance promptly, the Service requests that written comments be submitted by December 12, 1996. Send submissions to: CC:DOM:CORP:R (Notice 96-46), Room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (Notice 96-46), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet directly to the IRS internet site at http://www.irs.ustreas.gov/prod/tax_regs/comments.html.

The principal author of this notice is Phyllis Haney of the Office of Associate Chief Counsel (Employee Benefits and Exempt Organizations). For further in-

formation regarding this notice contact Ms. Haney on (202) 622-4290 (not a toll-free call).

Private Inurement Expressly Prohibited for Section 501(c)(4) Organizations

Notice 96-47

This notice summarizes an important aspect of Taxpayer Bill of Rights 2 related to the amendment to § 501(c)(4) of the Internal Revenue Code. Taxpayer Bill of Rights 2, Pub. L. No. 104-168, 110 Stat. 1452, (TBOR2) was enacted July 30, 1996. See Notice 96-46, page 7, this Bulletin, for aspects of TBOR2 related to excise taxes on excess benefit transactions engaged in by § 501(c)(4) organizations and § 501(c)(3) organizations (except private foundations), and Notice 96-48, page 9, this Bulletin, for disclosure requirements for, and increases in certain penalties on, exempt organizations generally.

Private Inurement Expressly Prohibited for § 501(c)(4) Organizations

TBOR2 amends § 501(c)(4) to expressly prohibit inurement of any part of the net earnings of an entity otherwise described in that section to the benefit of any private shareholder or individual. That amendment applies to inurement occurring on or after September 14, 1995. The amendment does not apply, however, to inurement occurring prior to January 1, 1997, if that inurement results from a written contract that was binding on September 13, 1995, and continued in force through the time that the inurement occurred.

Comments on Future Guidance Invited

The Service invites comments on the amendments made by § 1311(b) of TBOR2 (the amendment to § 501(c)-(4)). The Service will consider these comments in drafting future guidance. In order to issue this guidance promptly, the Service requests that written comments be submitted by December 12, 1996. Send submissions to: CC:DOM:CORP:R (Notice 96-47), Room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (Notice 96-47), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet directly to the IRS internet site at http://www.irs.ustreas.gov/prod/tax_regs/comments.html.

tively, taxpayers may submit comments electronically via the Internet directly to the IRS internet site at http://www.irs.ustreas.gov/prod/tax_regs/comments.html.

The principal author of this notice is Phyllis Haney of the Office of Associate Chief Counsel (Employee Benefits and Exempt Organizations). For further information regarding this notice contact Ms. Haney on (202) 622-4290 (not a toll-free call).

Tax-Exempt Organization Information Returns—Requirement to Provide Copies to the Public and Increases in Certain Penalties

Notice 96-48

This notice summarizes certain aspects of Taxpayer Bill of Rights 2 related to (1) inspection requirements for exempt organizations and (2) increases in certain penalties on exempt organizations. Taxpayer Bill of Rights 2, Pub. L. No. 104-168, 110 Stat. 1452, (TBOR2) was enacted July 30, 1996.

This notice also describes a provision of the Small Business Job Protection Act of 1996, Pub. L. No. 104-188, 110 Stat. 1755, enacted August 20, 1996, that increases certain penalties on exempt organizations for failing to satisfy inspection requirements.

This notice also solicits comments to be considered in drafting future guidance. See Notice 96-46, page 7, this Bulletin, for aspects of TBOR2 related to excise taxes on excess benefit transactions engaged in by certain tax-exempt organizations, and Notice 96-47, page 8, this Bulletin, for aspects of TBOR2 related to the express prohibition of private inurement for § 501(c)-(4) organizations.

I. Inspection Requirements Related to Annual Information Returns

Section 1313(a) of TBOR2 amends § 6104(e) with regard to the manner in which an exempt organization, other than a private foundation, must allow inspection by the public of its annual information returns and its application for exemption. Section 6104(e), as amended, provides that if a request is made, in person or in writing, for a copy of certain documents, an organization must provide the copies to the requester without charge, other than a reasonable fee for any reproduction and mailing costs. The documents that may be requested under § 6104(e) are (1)

one or more of an exempt organization's three most recent information returns, and (2) the organization's application for recognition of exemption under § 501(a) (together with a copy of any supporting papers and any document issued by the Internal Revenue Service in response). If the request is made in person, the copies must be provided immediately. If the request is made in writing, the copies must be provided within 30 days.

Pursuant to § 6104(e)(3), this new requirement to provide copies without charge (other than a reasonable fee for any reproduction and mailing costs) does not apply if, in accordance with regulations promulgated by the Secretary, the organization has made the requested documents widely available. Additionally, the new § 6104(e) requirement does not apply if the Secretary determines, upon application by the organization, that the request is part of a harassment campaign and that compliance with the request is not in the public interest.

The requirement to provide copies without charge (other than a reasonable fee for any reproduction and mailing costs) does not take effect until 60 days after the Secretary of the Treasury first issues regulations under new § 6104-(e)(3). Until that time, the prior law governs the manner in which an exempt organization, other than a private foundation, must allow inspection of its annual information returns by the public.

Until regulations are issued, prior law requires tax-exempt organizations to show a requester copies of the organization's three most recent annual information returns, and the organization's application for exemption (together with a copy of any supporting papers and any document issued by the Internal Revenue Service in response), at the organization's principal place of business (and at other offices in certain instances). Although prior law requires the organization to allow inspection of the returns and requires the organization to allow the requester to take notes while inspecting the returns, it does not require the organization to provide a copy that the requester can take from the organization's office.

II. Increases in Certain Penalties

Failure to File Complete and Timely Annual Information Returns

Section 1314(a) of TBOR2 amends § 6652(c)(1)(A) to increase the penal-

ties on exempt organizations for failure to file complete and timely annual information returns. Section 6652(c)(1)(A) provides that a failure to timely file an annual information return, failure to include any of the information required to be shown on the return, or failure to show the correct information, results in a penalty to be paid by the organization of \$20 per day (increased from \$10 per day) for each day during which the failure occurs. The maximum penalty under § 6652(c)(1)(A) with respect to any one return shall not exceed the lesser of \$10,000 (increased from \$5,000) or 5 percent of the gross receipts of the organization for the year.

Failure to Allow Inspection of Annual Returns and Exemption Applications

Section 1704(s) of the Small Business Job Protection Act, Pub. L. No. 104-188, 110 Stat. 1755 (SBJPA), enacted August 20, 1996, amends §§ 6652(c)-(1)(C) and (D) to increase the penalties for failure to allow inspection of any return or application under § 6104(d) or § 6104(e). Under the amended § 6652-(c)(1)(C), any person failing to allow inspection of annual returns must pay \$20 per day (increased from \$10 per day) for each day during which such failure continues, not to exceed \$10,000 (increased from \$5,000). Under the amended § 6652(c)(1)(D), any person failing to allow inspection of an organization's application for exemption must pay \$20 per day (increased from \$10 per day) for each day such failure continues.

Willful Failure to Allow Inspection

Section 1313(b) of TBOR2 amends § 6685 to increase the penalty for a willful failure to allow inspection of any return or application for exemption under § 6104(d) or (e) from \$1,000 to \$5,000. The amendment to § 6685 does not take effect until 60 days after the Secretary of the Treasury first issues regulations under new § 6104(e)(3).

Special Penalty for Large Tax-Exempt Organizations

Section 1314(b) of TBOR2 creates a new special penalty for large organizations under § 6652(c)(1)(A). Under this provision, a failure to timely file an annual information return, failure to include any of the information required to be shown on the return, or failure to show the correct information by an exempt organization with gross receipts exceeding \$1,000,000 for any year re-

sults in a penalty to be paid by the organization of \$100 per day for each day during which the failure occurs. The maximum penalty under § 6652(c)(1) for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000.

The amended penalties in § 6652-(c)(1) apply to returns for taxable years ending on or after July 30, 1996.

III. Comments on Future Guidance Invited

The Service invites comments on the amendments to the Internal Revenue Code made by §§ 1313 and 1314 of TBOR2 and § 1704(s) of SBJPA (inspection requirements and penalty increases). The Service will consider these comments in drafting future guidance. In particular, comments are requested concerning ways in which an organization can make the relevant documents widely available, and, therefore, qualify for exemption from the general requirements of § 6104(e)(3). The Service is interested in providing suitable or helpful alternatives for qualifying for the exemption. These could include, but are not limited to, electronic dissemination through the internet or other electronic databases, depositing copies at public libraries, or providing copies to third-party organizations that will make the documents available to the public for a reasonable fee. The Service is also interested in comments with respect to how these methods could satisfy requests made in person or in writing. The Service intends to expeditiously issue guidance on the § 6104(e)(3) exception, and therefore requests that written comments be submitted by November 12, 1996. Send submissions to: CC:DOM:CORP:R (Notice 96-48), Room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (Notice 96-48), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC. Alternatively, taxpayers may submit comments electronically via the internet by submitting comments directly to the IRS Internet site at http://www.irs.ustreas.gov/prod/tax_regs/comments.html.

The principal author of this notice is Phyllis Haney of the Office of Associate Chief Counsel (Employee Benefits and Exempt Organizations). For further in-

formation regarding this notice contact Ms. Haney on (202) 622-4290 (not a toll-free call).

26 CFR 601.201: Rulings and determination letters.
(Also Part I, §§ 561, 562, 852; 1.561-1, 1.562-2, 1.852-1, 1.852-3)

Rev. Proc. 96-47

SECTION 1. PURPOSE

This revenue procedure describes conditions under which distributions made to shareholders of a regulated investment company (RIC) may vary and nevertheless be deductible as dividends under § 562 of the Internal Revenue Code.

SECTION 2. BACKGROUND

.01 Section 852(b)(2)(D) allows a RIC a deduction for dividends paid (as defined in § 561 with certain modifications). Section 561 defines the deduction for dividends paid and applies the rules of § 562 to determine which dividends are eligible for the deduction for dividends paid. Section 562(c) provides that the amount of any distribution is not considered a dividend for purposes of computing the dividends paid deduction under § 561 unless the distribution is pro rata, does not prefer any share of stock of a class over any other share of stock of that same class, and does not prefer one class of stock over another class except to the extent that one class is entitled (without reference to waivers of their rights by shareholders) to the preference.

.02 Many RICs have issued groups of shares that represent interests in the same portfolio of securities but have different arrangements for shareholder services or the distribution of shares or both. Because the fees for these arrangements and services may vary, shareholders with equivalent investments in the same fund may receive different distributions. To permit open-end management investment companies to issue these groups of shares, the Securities and Exchange Commission (SEC) has adopted Rule 18f-3, 17 C.F.R. 270.18f-3, under the Investment Company Act of 1940, 15 U.S.C. 80a-1 to -64 (1940 Act).

SECTION 3. SCOPE

This revenue procedure applies to a corporation that meets all of the following requirements:

.01 The corporation is described in § 851(a) and § 851(b)(1).

.02 Groups of shares of the corporation have different arrangements for shareholder services or the distribution of shares or both (Qualified Groups). Expenses related to these arrangements are allocated to the Qualified Group of shares on behalf of which the expenses were incurred. The requirements in this subsection are to be interpreted in a manner consistent with the SEC's interpretation of analogous requirements in the rules under the 1940 Act. Thus, to determine whether groups of shares have different arrangements for shareholder services or the distribution of shares, see Rule 18f-3(a)(1)(i), 17 CFR 270.18f-3(a)(1)(i), and *Exemptions for Open End Management Investment Companies Issuing Multiple Classes of Shares*, Investment Company Act Release No. 20,915, 60 Fed. Reg. 11,876 at 11,878 (Mar. 2, 1995).

.03 Advisory fees and other expenses related to the management of the corporation's assets (including custodial fees and tax-return preparation fees) are allocated to all shares by net asset value, regardless of Qualified Group.

.04 Expenses other than those described in section 3.02 and 3.03 (for example, transfer agency fees) that are incurred on behalf of one or more Qualified Groups in a different amount or at a different rate from the amount or rate at which the expense is incurred on behalf of one or more other Qualified Groups are allocated either by net asset value, regardless of Qualified Group, or on the basis of the amount incurred on behalf of each Qualified Group.

.05 The rights and obligations of the shareholders of each Qualified Group are fixed in the corporation's organizing documents. Except as otherwise provided in this revenue procedure, each Qualified Group is entitled to distributions calculated under those documents in the same manner and at the same time as all other Qualified Groups. For purposes of this calculation, expenses are allocated under those documents to each Qualified Group at the same time as to all other Qualified Groups.

.06 Each Qualified Group separately meets the requirements of § 67(c)(2)(B) (defining the required characteristics of shares of a publicly offered RIC).

SECTION 4. PROCEDURE

If variations in distributions to shareholders of different Qualified Groups

exist solely as a result of the allocation of expenses in accordance with the applicable provisions of section 3 of this revenue procedure, those variations do not prevent the distributions from being dividends under § 562.

SECTION 5. EFFECTIVE DATE

This revenue procedure is effective September 6, 1996.

DRAFTING INFORMATION

The principal author of this revenue procedure is Arnold Golub of the Office of Assistant Chief Counsel (Financial Institutions and Products). For further information regarding this revenue procedure, contact Mr. Golub at (202) 622-3950 (not a toll-free call).

26 CFR 601.602: Tax forms and instructions.

Rev. Proc. 96-48

CONTENTS

PART A. GENERAL

- SECTION 1. PURPOSE
- SECTION 2. SCOPE
- SECTION 3. NATURE OF CHANGES
- SECTION 4. DEFINITIONS
- SECTION 5. GENERAL REQUIREMENTS FOR APPROVAL
- SECTION 6. HIGHLIGHTS OF PERMITTED CHANGES AND REQUIREMENTS
- SECTION 7. APPROVAL
- SECTION 8. OFFICE OF MANAGEMENT AND BUDGET (OMB) REQUIREMENTS FOR ALL SUBSTITUTE FORMS
- SECTION 9. GENERAL GUIDELINES
- SECTION 10. PHYSICAL ASPECTS AND REQUIREMENTS: PAPER
- SECTION 11. PHYSICAL ASPECTS AND REQUIREMENTS: PRINTING
- SECTION 12. PHYSICAL ASPECTS AND REQUIREMENTS: MARGINS
- SECTION 13. EXAMPLES OF APPROVED FORMATS
- SECTION 14. SPECIFICATIONS FOR FILING SUBSTITUTE FORMS
- SECTION 15. GUIDANCE FROM OTHER REVENUE PROCEDURES
- SECTION 16. ORDERING PUBLICATIONS

SECTION 17. ORDERING REPRODUCTION PROOFS
SECTION 18. READER LIST PROGRAM
SECTION 19. INTERNAL REVENUE INFORMATION SYSTEMS BULLETIN BOARD AND THE INTERNET
SECTION 20. FEDERAL TAX FORMS ON CD-ROM
SECTION 21. AGREEMENT

PART B. SPECIFIC

SECTION 1. GENERAL
SECTION 2. CONDITIONS - TAX RETURNS (FORMS 1040, 1040A, 1120, ETC.)
SECTION 3. CHANGES PERMITTED TO GRAPHICS (FORMS 1040A AND 1040)
SECTION 4. CHANGES PERMITTED TO FORM 1040A GRAPHICS
SECTION 5. OTHER CHANGES PROHIBITED
SECTION 6. CHANGES PERMITTED TO THE FORM 1040 GRAPHICS
SECTION 7. OTHER CHANGES PROHIBITED
SECTION 8. ACCEPTABLE FORMATS FOR COMPUTER-GENERATED FORMS AND SCHEDULES
SECTION 9. COMPUTER-GENERATED FORMS NOT SHOWN AS EXHIBITS IN THIS REVENUE PROCEDURE
SECTION 10. INSTRUCTIONS FOR FORMATTING COMPUTER-GENERATED SUBSTITUTES
SECTION 11. ADDITIONAL INSTRUCTIONS FOR ALL FORMS
SECTION 12. FILING SUBSTITUTE FORMS WITH THE SERVICE
SECTION 13. SPECIAL FORM 1040EZ OPTICAL CHARACTER RECOGNITION (OCR) REQUIREMENTS
SECTION 14. COMPUTER GENERATED ALTERNATIVE RETURNS, 1040PC FORMAT RETURN
SECTION 15. SPECIAL FORM 941 REQUIREMENTS - OCR SPECIFICATIONS
SECTION 16. SPECIAL FORM 941 REQUIREMENTS - BLACK AND WHITE SPECIFICATIONS
SECTION 17. PAPER SUBSTITUTES FOR FORM 1042-S

SECTION 18. SPECIFICATIONS FOR FILING SUBSTITUTE SCHEDULES K-1
SECTION 19. PROCEDURES FOR PRINTING INTERNAL REVENUE SERVICE ENVELOPES
SECTION 20. SPECIFICATIONS FOR OCR SCANNABLE APPLICATION FORMS FOR EMPLOYEE PLANS
SECTION 21. PROCEDURE FOR SUBSTITUTE FORM 5471 AND FORM 5472
SECTION 22. FORMS FOR ELECTRONICALLY FILED RETURNS
SECTION 23. FTD MAGNETIC TAPE PAYMENTS
SECTION 24. EFFECT ON OTHER DOCUMENTS

PART C. EXHIBITS

EXHIBIT A-1. SCHEDULE A (Preferred)
EXHIBIT A-2. SCHEDULE A (Acceptable)
EXHIBIT B-1. SCHEDULE B (Preferred)
EXHIBIT B-2. SCHEDULE B (Acceptable)
EXHIBIT CG-A. SCHEDULE A (Computer generated)
EXHIBIT CG-B. SCHEDULE B (Computer generated)
EXHIBIT BW-1. FORM 941 - Acceptable black and white substitute
EXHIBIT BW-2. SCHEDULE B, Form 941 - Acceptable black and white substitute
EXHIBIT L-1. LIST OF FORMS REFERRED TO IN REVENUE PROCEDURE
EXHIBIT L-2. PAYMENT VOUCHER SPECIFICATIONS

Rev. Proc. 96-48

PART A. GENERAL

SEC. 1. PURPOSE

The purpose of this revenue procedure is to provide the general requirements and conditions for the development, printing, and approval of all substitute tax forms to be acceptable for filing in lieu of official IRS produced and distributed forms. All IRS tax forms of the types identified in Section 2.03, whether or not specifically mentioned herein by title or form number, are covered by this general revenue procedure. Certain unique, specialized forms require the use of other additional revenue procedures to supplement this publica-

tion (see Part A, Sections 15 and 16 for a list of revenue procedures). Persons wanting to submit substitute Forms W-2 should first read Publication 1141, General Rules and Specifications for Private Printing of Substitute Forms W-2 and W-3.

SEC. 2. SCOPE

.01 The Service accepts quality substitute tax forms that are consistent with the official forms they represent, and that do not have an adverse impact on our processing. The IRS Substitute Forms Program administers the formal acceptance and processing of these forms nationwide. While this program deals primarily with paper documents, it also interfaces with other processing and filing media such as magnetic tape, optical character recognition, electronic filing, etc., within a totally integrated tax administration system.

.02 Only those substitute forms that comply fully with the requirements set forth herein are acceptable.

.03 The following forms are covered by this revenue procedure:

1 Tax returns and their related forms and schedules.

2 Applications for permission to file returns electronically and forms submitted as required documentation for electronically-filed returns.

3 Powers of Attorney.

4 Estimated tax payment vouchers.

5 Forms and schedules relating to partnerships, exempt organizations, and employee plans.

.04 The following forms are not covered:

1 Federal Tax Deposit (FTD) coupons.

2 Requests for information or documentation initiated by the Service.

3 Forms used internally by the Service.

4 State tax forms.

5 Forms developed by other agencies (except for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts).

.05 Exhibit L-1 lists the form numbers mentioned in this document and their titles.

.06 This revenue procedure is updated as required to reflect pertinent tax year form changes and to meet processing and/or legislative requirements.

SEC. 3. NATURE OF CHANGES

.01 Instructions for barcoding Forms 1040A and related schedules and attach-

ments, which appeared in Revenue Procedure 95-46, have not been added to this procedure. While barcodes will appear on the official forms, they are not required on substitute returns.

.02 Statement of Intention for Form 1040 processing deleted.

.03 Payment vouchers for Forms 1040, 941, 940, 940-EZ, 943, 945, and 2290 are required for tax year 1996 forms.

.04 Minor revisions have been made to the addresses for the Substitute W-2 Coordinator and the Employee Plans OCR Forms Coordinator.

.05 References to OMB expiration dates have been deleted. These dates are being phased out as forms are revised.

.06 Revision to preparer's information instructions. Preparer's data will now be preprinted on Page 2 of Form 1040EZ.

.07 Definition of conditional approval modified. Forms will not be accepted for conditional approval (i.e. based on drafts) after the final version has been published.

.08 Requirement to have forms which are filed quarterly approved each quarter has been deleted. Quarterly forms must be approved during the year if the form has been revised.

.09 Assignment of Forms Approval Number changed to assignment of Source Codes.

.10 Non-tax material (e.g., logos, firm names) may not be printed anywhere along the top margin.

.11 Paragraph referencing separate approval numbers for electronically filed returns deleted.

.12 Printing specifications now require that fill-in data (i.e. taxpayer entries) be no smaller than eight points in height.

.13 Form 3975, Tax Practitioner Annual Mailing List Application Update, may only be used to order Package X. Other publications may be ordered by phone.

.14 The reproduction proof and reader list programs are being discontinued as of October 1, 1996. Additional information has been added regarding the IRIS Bulletin Board, the Internet, and tax forms on CD-ROM.

.15 Graphics changes revised for Form 1040, Page 2.

.16 Additional information has been added to the specifications for substitute envelopes.

.17 The section on Form 945 requirements for scanning has been deleted.

.18 Reference added to Form 5471, Schedule J; reference deleted for Form 5471, Schedule P.

.19 The exhibit which lists the forms referenced in this document has been updated.

.20 An exhibit showing the specifications for payment voucher scanlines has been added.

.21 Various editorial changes.

SEC. 4. DEFINITIONS

.01 Substitute Form. A tax form (or related schedule) that differs in any way from the official version and is intended to replace the entire form that is printed and distributed by the Service. This term also covers those approved substitute forms exhibited in this revenue procedure.

.02 Printed (or Preprinted) Form. A form produced using conventional printing processes. Also, a printed form which has been reproduced by photocopying or similar processes.

.03 Preprinted Pin-Fed Form. A printed form that has marginal perforations for use with automated and high-speed printing equipment.

.04 Computer-Prepared Substitute Form. A preprinted form in which the taxpayer's tax entry information has been inserted by a computer, computer-printer or other computer type equipment, such as word-processing equipment.

.05 Computer-Generated Substitute Tax Return or Form. A tax return or form that is entirely designed and printed by the use of a computer printer, such as a laser printer, etc., on plain white paper. This return or form must conform to the physical layout of the corresponding Service form although the typeface may differ. The text should match the text on the officially-printed form as closely as possible; condensed text and abbreviations will be considered on a case-by-case basis. Exception: All jurats (perjury statements) must be reproduced verbatim.

.06 Manually-prepared form. A preprinted reproduced form in which the taxpayer's tax entry information is entered by an individual using a pen, pencil, typewriter, or other non-automated equipment.

.07 Computer-Generated Answer Sheet Format Tax Return. A tax return that contains the taxpayer's significant line entries only, and is formatted three columns per page with tax form head-

ings, a summary, and jurat. This return is printed on plain white paper using a computer printer.

.08 Graphics. Those parts of a printed tax form that are not tax amount entries nor called-for information. Generally, these are line numbers, captions, shadings, instructions, special indicators, borders, rules, and strokes created by typesetting, photographs, photocomposition, etc.

.09 Acceptable Reproduced Form. A legible photocopy of an original form.

.10 Supporting Statement (Supplemental Schedule). A document providing detailed information to support an entry for a line(s) on an official or approved substitute form and filed with (attached to) a tax return. (A supporting statement is not a tax form and does not take the place of an official form, unless specifically permitted elsewhere in this procedure.)

.11 Specific Forms Terms. The following terms are used throughout this revenue procedure in reference to all substitute forms, with the exception of the 1040PC "answer sheet format" tax return.

1 Format. The overall physical arrangement and general layout of a substitute form.

2 Sequence. The same numeric and logical placement order of data, as reflected on the official form version. Sequence is an integral part of the total format requirement.

3 Line Reference (Code). The line numbers, letters or alpha-numerics used to identify each captioned line on the official forms; and printed to the immediate left of each caption or data entry field.

4 Item caption. The textual portion of each line on the form, identifying the specific data elements required.

5 Data Entry Field. All areas designated on a form for the insertion of data, such as dollar amounts, quantities, responses, check-boxes, etc.

SEC. 5. GENERAL REQUIREMENTS FOR APPROVAL

.01 If you plan to change or modify any tax returns or forms per Section 7.01 below, you can, without further approval, generate your own substitutes of the tax forms. See Agreement in Section 21.

.02 If your changes are more extensive, you must get official approval before using substitute forms. These changes include the use of typefaces and

sizes other than those found on the official form and the condensing of line item descriptions to save space.

.03 Schedules

(a) Schedules are considered to be an integral part of a complete tax return when assigned consecutive page numbers and printed contiguously with page one of the return. Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return, is an example of this situation, where Schedules A through S have pages numbered as part of the basic return. For a Form 706 to be approved, the entire form including Schedules A through S must be submitted.

(b) However, Schedules 1, 2, and 3 of Form 1040A are examples of schedules that can be separately computer-generated. Although IRS-printed as a continuation of Form 1040A, none of these schedules have page numbers that require them to be filed with Form 1040A, and may, therefore, be separated from Form 1040A and submitted as computer-generated substitute schedules.

.04 The Service is continuing a program to identify and contact tax return preparers, forms developers, and software publishers who use or distribute unapproved forms that do not conform to this revenue procedure, and thus impede processing of the returns.

SEC. 6. HIGHLIGHTS OF PERMITTED CHANGES AND REQUIREMENTS

.01 METHODS OF REPRODUCING INTERNAL REVENUE SERVICE PRINTED TAX FORMS TO MAKE SUCH REPRODUCTIONS SUITABLE FOR USE AS SUBSTITUTE TAX FORMS WITHOUT PRIOR APPROVAL.

1 You can photocopy most tax forms and use them instead of the official ones. The entire substitute form, including entries, must be legible. However, some Service forms should never be reproduced as photocopies, or submitted on carbon copies, for use as substitute forms. These forms are input through OCR scanning equipment and substitutes must meet the specifications found in Part B of this revenue procedure or the appropriate revenue procedure referred to in Part A, Section 16.

(a) Forms W-2, W-2G, W-2AS, W-2GU, W-3, 1096, 1098, 1099-A, 1099-B, 1099-C, 1099-DIV, 1099-G, 1099-INT, 1099-MISC, 1099-OID, 1099-PATR, 1099-R, 1099-S, 5498,

8109, and 8109-B are the major forms that fall in this excluded category.

(b) Most of these forms have provisions for assessment of penalties for submitting non-OCR scannable substitute versions. For further information, see Publication 1179, Specifications for Paper Document Reporting and Paper Substitutes for Forms 1096, 1098, 1099 Series, 5498, and W-2G (revised annually).

(c) All payment vouchers (Forms 940-V, 940-EZ(V), 941-V, 943-V, 945-V, 1040-V, and 2290-V) must be reproduced. Substitute vouchers must be the same size as the officially printed vouchers. Vouchers that are prepared for printing on a laser printer may include a scanline. See Exhibit L-2 for scanline specifications.

2 You can reproduce any current tax form as cut sheets, snapsets, and marginally-punched, pin-fed forms so long as you use an official Service version as the master copy. Official versions are supplied by the Service, such as those in the taxpayer's tax package, those printed in revenue procedures, and over-the-counter forms available at IRS and other governmental public offices or buildings. Forms are also available on CD-ROM, and online via the IRS bulletin board and the Internet (see Sections 19 and 20).

3 If you reproduce either Form 1040, 1040A or 1040EZ as described in the preceding paragraph, you can adjust the graphics on specified areas to allow for computer-printed or word processor fill-in. Only the areas listed in Part B of this revenue procedure may be adjusted without specific prior approval.

4 You can reproduce a "signature form" as a valid substitute form. Many tax forms (including returns) have a taxpayer signature requirement as part of the form layout. The jurat/perjury statement/signature line areas must be retained and worded exactly as on the official form. The requirement for a signature by itself does not prohibit a tax form from being properly computer-generated.

5 You can computer-generate Answer Sheet Format Tax Returns on plain bond paper using IRS-accepted software for the 1040PC format for return types 1040EZ, 1040, 1040A, and attachments, forms, and schedules.

.02 THINGS YOU CANNOT DO TO INTERNAL REVENUE SERVICE PRINTED TAX FORMS TO MAKE THEM SUITABLE FOR USE AS SUBSTITUTE TAX FORMS.

1 You cannot, without prior Service approval, change any Internal Revenue Service tax forms or use your own (non-approved) versions, unless specifically permitted by this revenue procedure.

2 You cannot adjust any of the graphics on Forms 1040, 1040A and 1040EZ (except in those areas specified in Part B of this revenue procedure) without prior approval from the Service.

3 You cannot use your own pre-printed label on tax returns filed with the Service, unless you fully comply with the exception criteria specified in Part A, Section 14.02.

SEC. 7. APPROVAL

.01 Basic Requirements. Preparers who desire to file substitute privately designed and printed tax forms and/or computer-generated and computer-prepared tax forms must develop such substitutes using these guidelines. These substitutes, unless excepted by revenue procedure, must be approved by the Service before being filed. A software developer who wants to market, distribute, or use for its own clientele, a tax preparation package featuring the 1040PC tax return format, must first file an application to participate in the program. Only after successfully fulfilling test requirements will a developer's software package be accepted by the Service to produce 1040PC tax returns.

.02 Requests for Approval

1 The Service cannot grant final approval of your substitute form until the official form has been published. However, the Service usually releases advance proof copies of selected major tax forms that are subject to further changes and OMB approval before their release in final format for printing and distribution to the public. We encourage submission of proposed substitutes of these advance proof forms, and will grant conditional approval based solely on these early proofs. These advance proofs are subject to significant change before forms are finalized. If these advance proofs are used as the basis for your substitute forms, you will be responsible for subsequently updating your final forms to agree with the final official version before use. These revisions need not be submitted for further approval. Conditional approval will not be granted after the final version of an official form is published.

2 Submission of substitute forms must be based on the appropriate rev-

enue procedures. There is a list in Part A, Section 15. Any alteration of forms must be within the limits acceptable to the Service. It is possible that, from one filing period to another, a change in law or a change in internal need (processing, audit, compliance, etc.) may change the allowable limits for the alteration of the official form.

3 When specific approval of any substitute form (other than those specified in 7.02.4 and 7.02.5 below, or forms for which different instructions are published in other revenue procedures) is desired, a sample of the proposed substitute should be forwarded for consideration by letter to the Internal Revenue Service, Attention: Substitute Forms Program Coordinator, T:FP:S, Room 2712, 1111 Constitution Ave. NW, Washington, DC 20224. To expedite multiple forms approval, we prefer that your proposed forms be submitted in separate sets by return. For example, Forms 1040 and their normally related schedules or attachments should be submitted separately from Forms 1120, 1065, 5500 Series, etc., if at all possible. Schedules and forms (e.g., Forms 3468, 4136, etc.) that can be used with more than one type of return (e.g., 1040, 1041, 1120, etc.) should be submitted only once for approval, regardless of the number of different tax returns with which they may be ultimately associated. In addition, all pages of a multi-page form or return should be submitted in the same package.

4 The following forms should not be submitted to IRS (or the Social Security Administration, if applicable) for specific approval: W-2, W-3, 1096, 1098, 1099 Series, 5498, and W-2G. If you are uncertain of any specification set forth in the appropriate revenue procedures and want that specification clarified, you may submit a letter citing the specification in question, your interpretation of that specification, and an example of the form to the following addresses:

Forms W-2 and W-3:
Internal Revenue Service
Attn: Substitute Form W-2 Coordinator,
CP:CO:SC:A
1111 Constitution Avenue, NW,
Room 7238
Washington, DC 20224

Forms 1096, 1098, 1099 Series, 5498,
and W-2G:
Internal Revenue Service
Attn: IRP Coordinator, T:S:P:S
(Salubria Building)

1111 Constitution Avenue, NW
Washington, DC 20224

5 For Form 1040PC approval, see Part B, Section 14. For approval of OCR scannable application forms for Employee Plans, see Part B, Section 21.

6 As no Service office except the ones specified in this procedure are authorized to approve substitute forms, unnecessary delay may result if forms are sent elsewhere for approval. All forms submitted to any other office must be forwarded to the appropriate office for formal control, review, and official approval. No IRS office is authorized to allow deviations from this revenue procedure.

7 The Service does not review or approve the logic of specific software programs, nor confirm the calculations entered on forms output from these programs that are submitted for approval. The accuracy of the program itself remains the responsibility of the software package developer, distributor, or user. The Substitute Forms Program is primarily concerned with the pre-filing quality review of the final forms output, produced by whatever means, that are expected to be processed by IRS field offices. For the above reasons, it is suggested that you submit forms without including any "taxpayer" information such as names, addresses, monetary amounts, etc.

.03 When to Send Proposed Substitutes. Proposed substitutes which are required to be submitted per this Revenue Procedure should be sent to the address listed in .02 above, as much in advance of the filing period for the form as possible. This is to allow adequate time for analysis and response.

.04 Accompanying Statement. When the sample substitute is submitted, there should be an accompanying statement that lists the form number of each substitute requested and detail those items that deviate from the official form in position, arrangement, appearance, line numbers, additions, deletions, etc. Included with each of the items should be a detailed reason or justification for the change and an approximation of the number of forms expected to be filed.

.05 Approval/Non-Approval Letter. The Service will send either a formal letter of approval/non-approval or, when provided by the originator, a checksheet for the forms included in the package, provided no lengthy explanations are required. Approval letters may contain qualifications for use of the substitutes.

Non-approval letters may specify the changes required for approval, but also may require resubmission for approval. Telephone contact is used when possible.

.06 Duration of Approval

1 Most signature tax returns and many of their schedules and related forms have the tax (liability) year printed in the upper right hand corner. Approvals for these forms are usually good for one calendar year (January through December of the year of filing) or, in the case of corporation tax forms (with the exception noted below), for the remainder of the quarters in the calendar year. Quarterly tax forms in the 94X series require approval for any quarter in which the form has been revised.

2 If the preprinted year is the only change made to a form described in 1 above, the form for the upcoming year is not subject to review. Otherwise each new filing season requires a new approval. Limited continued use of a change approved for one tax year may be allowed for the same form in the following tax year. See .07 below for the limitations and for other requirements. Examples of such changes are the use of abbreviated words, revised form spacing, compressed text lines, shortened captions, etc., which do not change the consistency of lines or text on the official forms.

3 Other forms may have expiration dates displayed in the upper right hand corner. Approval of these forms is usually valid through the expiration date. Occasionally, these forms or their instructions will be revised before the expiration date. If substantial change is made to the form, new substitutes must be submitted for approval. If the expiration date changes due to revisions to the instructions, minor editorial changes to the form or to extend the date without revision to the form, it is not subject to review.

.07 Limited Continued Use of an Approved Change

1 If you received written approval of a previous tax year substitute form governed by this revenue procedure and continue to use the approved change on your current tax year substitute form, you may revise your form to include this change and, without additional written approval, use it as a current tax year substitute form, provided you comply with the requirements in this revenue procedure. See exception in 3 below.

2 If you received written approval for a specific change on a specific form last year, such as deleting the vertical lines used to separate dollars and cents on some forms and schedules e.g., Schedules A & B of Form 1040, you may again make the same change on the same form this year if the item changed is present on this year's official form. Thus, the change allowed in last year's approved substitute Schedule A, for example, can be continued in your new substitute for this year. The new substitute does not have to be sent to the IRS and written approval is not required. However, the new substitute must conform to the official current year IRS form in other respects: date, Office of Management and Budget (OMB) approval number, attachment sequence number, Paperwork Reduction Act Notice Statement, arrangement, item caption, line number, line reference, data sequence, etc. It must also comply with this revenue procedure—which may have eliminated, added to, or otherwise changed the guideline(s) which affected the change approved last year. Additionally, you will be bound by the "Agreement" in Section 21.

3 Exception: Those written approvals which state that the approved change or form would not be allowed in any other tax year, or for a temporary, limited, or interim approval pending resolution of a failure to meet one or more Service-prescribed requirements.

4 This authorization for continued use of an approved change is limited to the continuation of design logic from an immediately prior tax year substitute form to a current tax year substitute form.

.08 Requested Copies. Generally, you must send us one copy of each form being submitted for approval. However if you are producing forms for different computer systems (e.g., IBM (or compatible) vs. MacIntosh) or different types of printers (laser vs. dot matrix), and these forms differ significantly in appearance, submit one copy for each type of system or printer.

.09 Responsibility. Following the receipt of initial approval for a substitute forms package, or of a software output program to print substitute forms, it is the responsibility of the originator (designer or distributor) to provide each subsequent client firm or individual with the pertinent Service forms requirements which must be met for continuing acceptability. Examples of this responsibility include the use of prescribed print

paper, font size, legibility, state tax data deletion, the legal requirements of the Paperwork Reduction Act Notice for informing all users of substitute forms of the official use and collection requirements stated in the instructions for the official IRS forms, completion of documents, etc.

.10 Source code (formerly) Forms Approval Number. The Substitute Forms Program Coordinator Office, T:FP:S, will assign a unique source code to each firm that submits substitute paper forms for approval. This will be a permanently assigned control number that should be used on every form created by a particular firm.

1 This number should be printed at the bottom left margin area on the first page of every approved substitute paper form.

2 The source code for paper returns consists of three alpha characters.

3 This number should not be used on optically scanned (OCR) forms, except for certain specified Forms 1040-ES.

SEC. 8. OFFICE OF MANAGEMENT AND BUDGET (OMB) REQUIREMENTS FOR ALL SUBSTITUTE FORMS

.01 Legal Requirements of the Paperwork Reduction Act of 1995 ("Act"). Public Law 104-13 requires that: (1) OMB approve all Service tax forms that are subject to the Act; (2) each IRS form contains (in the upper right corner) the OMB number, if any; and, 3) each IRS form (or its instructions) states why IRS is the information, how it will be used, and whether or not the information is required to be furnished. This information must be provided to every user of any official or substitute tax forms.

.02 Application of Act to Substitute Forms.

1 OMB Number Is Required. All substitute forms must contain in the upper right corner (see marginal Printing, Part A, Sec. 13.02.1(c)) the OMB number that is on the official form.

2 Format Required - OMB No. XXXX-XXXX (Preferred) or OMB # XXXX-XXXX.

3 Required Explanation to Users of Substitute Forms. You must also inform the users of your substitute forms of the Service use and collection requirements stated in the instructions for the official Service form.

(a) If you provide your users or customers with the official IRS instructions, page 1 of each form must retain either

the Paperwork Reduction Act Notice, or a reference to it as on the official forms (usually in the lower left corner of the forms).

(b) If the Service instructions are not provided to users of your forms, the exact text of the Paperwork Reduction Act Notice must be furnished on the form or separately. This notice reads, in part, "We ask for this information to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to insure that you are complying with these laws and to allow us to figure and collect the right amount of tax. . . ." You must also include a copy of the alternative statement provided to users of your forms with the forms you submit for approval.

.03 Obtaining OMB Number and Notice. The OMB number and Paperwork Reduction Act Notice may be obtained from the official printed form (or its instructions), any format produced by the Service (e.g. CD or BBS download) or directly from the Service.

SEC. 9. GENERAL GUIDELINES

.01 The Official Form is the Standard. Because a substitute form is a variation from the official form, you should know the requirements of the official form for the year of use before you modify it to meet your needs. The Service provides several means of obtaining the most frequently used tax forms. These include the sale of a CD-ROM, and access to an electronic forms bulletin board (See Part A, Section 17-19).

.02 Design. Each form must follow the design of the official form as to format arrangement, item caption, line numbers, line references, and sequence.

.03 State Tax Information Prohibited. State tax information must not appear (be visible) on the federal tax return or associated form or schedule which is filed with the Internal Revenue Service, except where amounts are claimed on or required by the federal return, e.g., line 5, Schedule A (Form 1040). (See Part A, Sec. 14.03 Block Out Methods.)

.04 Federal and State Columns. When a form is designed with both federal and state columns, the federal column must be to the left of the state column and adjacent to the line caption. Again, state tax information must not be on a federal tax form.

.05 Vertical Alignment of Amount Fields.

1 When a form is to be computer-prepared, you may remove the vertical line in the amount field that separates dollars from cents. When a form is to be computer-generated, vertically align the amount entry fields where possible. You must also use one of the ten-character amount formats shown in Part B, Sec. 3.04.

2 If the possibility exists that a form may be manually prepared, the federal column must have a vertical line or some type of indicator in the amount field to separate dollars from cents if the official form has a vertical line. The cents column must be at least $\frac{1}{10}$ inch wide.

.06 Attachment Sequence Number. Please note that most individual income tax forms have an "attachment sequence number" located just below the year designation in the upper right corner of the form. The Service uses this number to indicate the order in which forms are to be attached to the tax return so they may be processed in that order. On computer-prepared forms it must be printed in no less than 12-point bold-face type and centered below the form's year designation. On computer-generated forms, place the sequence number following the year designation for the tax form and separate with an asterisk. It is not necessary to duplicate the "Attachment Sequence Number" wording, except for the actual number. (See Forms Exhibits at end of this Revenue Procedure.)

.07 Attachment Sequence Numbers Required. The attachment sequence number is required on most IRS forms. Please note that some of the numbers necessarily change each year. The specific sequence numbers used on official IRS forms must be duplicated on the representative substitute form. If a sequence number is not provided on the official form, it is not required on a substitute of that form either.

.08 Paid Preparer's Information and Signature Area. On Forms 1040EZ, 1040A, 1040, and 1120, etc., the "Paid Preparer's Use Only" area may not be rearranged or relocated. You may, however, add three extra lines to the paid preparer's address area without prior approval. This applies to other tax forms as well. Please note that the preparer's area on Form 1040EZ is on the bottom of Page 2. Substitute Forms 1040EZ with the preparer area on Page 1 or in a different location on Page 2 will not be accepted.

.09 Assembly of Forms. If developing software or forms for use by others, please inform your customers/clients that the order in which the forms are arranged may affect the processing of the package. A return must be arranged in this order: (1) the tax return, (2) Form 1040: schedules and forms in sequence number order; all others (Forms 1120, 1120S, 1065, 1041, etc.): lettered schedules (Schedule D, etc.) in alphabetical order and numbered forms in numerical order (Forms 2220, 4626, etc.), (3) supporting statements in the same sequence as the forms they support, and (4) additional information required or voluntarily submitted. In this way, they are received in the order in which they must be processed. If you do not send them to us in this order, the Service has to delay the return package to disassemble them and place them in this order before processing is continued.

SEC. 10. PHYSICAL ASPECTS AND REQUIREMENTS: PAPER

.01 Paper Content. The paper must be:

1 Chemical wood writing paper that is equal to or better than the quality used for the official form;

2 at least 18 pound (17" x 22", 500 sheets) or

3 at least 50 pound offset book (25" x 38", 500 sheets).

.02 Paper Prohibited. Carbon-bonded paper is prohibited from use for all substitute forms filed with the Service.

.03 Paper with Chemical Transfer Properties - Limited Use. Chemical transfer paper for all substitute forms may be used only when the following specifications are met.

1 Each ply within the chemical transfer set of forms must be labeled.

2 Only the top ply (ply one and white in color), the one which contains chemical on the back only (coated back), may be filed with the Service. For example, a set containing three plies would be constructed as follows: ply one (coated back), "Federal Return, File with IRS"; ply two (coated front and back), "Taxpayer's copy", and ply three (coated front), "Preparer's copy."

3 The file designation, "Federal Return, File with IRS," for ply one must be printed in the bottom right margin (just below the last line of the form) in 12-point, bold-face type. It is not mandatory, but recommended, that the file

designation, "Federal Return, File with IRS," be printed in a contrasting ink for visual emphasis.

.04 Carbon Paper. We prefer that you do not attach any carbon paper to any return you file with the Service.

.04 Paper and Ink Color. We prefer that the color and opacity of paper substantially duplicates that of the original form. This means that your substitute must be printed in black ink and may be on white or on the color paper the Service form is printed on. (See Part B for exceptions regarding scannable documents). Forms 1040A and 1040 substitute reproductions may be in black ink without the colored shading. The only exception to this rule is Form 1041-ES, which should always be printed with a very light gray shading in the color screened area. This is necessary to assist us in expeditiously separating this form from the very similar Form 1040-ES.

.05 Page Size. Substitute or reproduced forms and computer prepared/generated substitutes may be the same size as the official form (8" x 11", in most cases) or they may be the standard commercial size (8½" x 11") exclusive of pin-feed holes. The thickness of the stock cannot be less than .003 inch.

SEC. 11. PHYSICAL ASPECTS AND REQUIREMENTS: PRINTING

.01 Printing Medium. The private printing of all substitute tax forms must be by conventional printing processes, photocopying, computer-graphics, or similar reproduction processes.

.02 Legibility.

1 All forms must have a high standard of legibility, both as to printing and reproduction and as to fill-in matter. Entries of taxpayer data may be no smaller than eight points.

2 The Service reserves the right to reject those with poor legibility. The ink and printing method used must ensure that no part of a form (including text, graphics, data entries, etc.) develops "smears" or similar quality deterioration, including any subsequent copies or reproductions made from an approved master substitute form, either during preparation or during Service processing.

.03 Type Font. Many federal tax forms are printed using "Helvetica" as the basic type font. We request that you use this type font when composing substitute forms.

.04 Print Spacing. Substitute forms should be printed using a 6 lines/inch vertical print option. They should also be printed horizontally in 10 pitch pica (i.e., 10 print characters per inch) or 12 pitch elite (i.e., 12 print positions per inch).

.05 Image Size. The image size of printed substitute forms should be as close as possible to that of the official form. You may omit any text on both computer-prepared and computer-generated forms that is solely instructional.

.06 Title Area Changes. To allow a large top margin for marginal printing and more lines per page (see Sec. 13 below), the title line(s) for all substitute forms (not including the form's year designation and sequence number, when present), may be photographically reduced by 40 percent or reset as one line of type. When reset as one line, the type size may be no smaller than 14-point. You may omit "Department of the Treasury, Internal Revenue Service" and all reference to instructions in the form's title area.

.07 Remove Government Printing Office Symbol. When privately printing substitute tax forms, the Government Printing Office symbol and/or jacket number must be removed. In the same place, using the same type size, print the Employer Identification Number (EIN), the Social Security Number (SSN) of the printer or designer, or the IRS assigned source code. (We prefer this last number be printed in the lower left area of the first page of each form.) Also remove the IRS Catalog Number, if one is present in the bottom center margin, and the Recycle Symbol, if the substitute is not produced on recycled paper.

.08 Printing On One Side of Paper. While it is preferred that both sides of the paper be used for substitute and reproduced forms, resulting in the same page arrangement as that of the official form or schedule, the Service will not object if only one side of the paper is used.

.09 Photocopy Equipment. The Service does not undertake to approve or disapprove the specific equipment or process used in reproducing official forms. Photocopies of forms must be entirely legible and satisfy the conditions stated in this and other revenue procedures.

.10 Reproductions. Reproductions of official forms and substitute forms which do not meet the requirements of

this revenue procedure may not be filed instead of the official forms. Illegible photocopies are subject to being returned to the filer for resubmission of legible copies.

.11 Removal of Instructions. You may remove all references to instructions. No prior approval is needed. One exception is that the statement, "For Paperwork Reduction Act Notice, See Instructions", must be retained or a similar statement provided on each form.

SEC. 12. PHYSICAL ASPECTS AND REQUIREMENTS: MARGINS

.01 Margin Size.

1 The format of a reproduced tax return when printed on the page must have margins on all sides at least as large as the margins on the official form. This allows room for Service employees to make the necessary entries on the form during processing.

2 A one-half to one-quarter inch margin must be maintained across the top, bottom, and both sides (exclusive of any pin-fed holes) of all computer-generated substitutes. The margin area is also used by Service employees to make necessary entries on the form during processing.

3 The marginal, perforated strips containing the pin-fed holes must be removed from all forms prior to filing with the Service.

.02 Marginal Printing.

1 Non-Tax Material Allowed in Limited Areas.

(a) Printing is never allowed in the top margin of the tax return form (i.e., Forms 1040, 1040A, 1040EZ, 1120, 940, 941, 5500 Series, etc.). The Service uses this area to imprint a Document Locator Number and a DPS Unique Submission Identifier for each return.

(b) With the exception of the actual tax return forms (i.e., Forms 1040, 1040A, 1040EZ, 1120, 940, 941, etc.), you may print in the left vertical margin and in the left half of the bottom margin, except for the substitute forms source code, which must be placed in the lower left area of Page 1.

2 Prior Approval Not Required. Prior approval is not required for the marginal printing allowed in 1 above when printed on an official form, on a photocopy of an official form, or on an (unchanged) IRS reproduction proof.

3 Prior Approval Required. The marginal printing allowance in 1 above is also the guide for the preparation of acceptable substitute forms. There is no

exception to the requirement that no printing is allowed in the top margin of the tax return form.

SEC. 13. EXAMPLES OF APPROVED FORMATS

.01 Examples. Two sets of exhibits (Exhibits A-1, B-1, A-2 and B-2) are at the end of this revenue procedure. These are examples of how the guidelines in this revenue procedure may be used in some specific cases. Vertical spacing is six (6) lines to the inch. These examples are from a prior year and are not to be used as substitute forms.

.02 No State Tax Information. No state tax information can appear on these forms when filed with the Form 1040. The state column may be present but the state tax information must not be visible when filed with the Service. We prefer that the entire state column be completely blocked out.

.03 BLOCK OUT METHODS. A suggested method to block out state tax information is: (1) place the substitute form in a clear plastic folder, (2) on the folder, place a strip of opaque material the exact width and length of the column you wish to block out, then (3) photocopy the substitute form while still in the folder. The result will be a form with only the federal tax information visible. Another method is to take a black marking pen and, using either vertical or horizontal strokes, cross out the state figures. Carbon interleaved sets may be used where the amounts entered in the state column are filled in with black carbon overprint. This copy may be filed with the return.

.04 Examples of acceptable computer-generated formats are also shown in the Exhibits section of this revenue procedure. The exhibits are for Schedules A and B. Vertical spacing is six (6) lines to the inch. You may also refer to them as examples of how the guidelines in this revenue procedure may be used in specific cases.

1 A combination of upper and lower case print fonts is acceptable in producing the computer-generated forms included in this procedure.

2 This same logic for computer-generated forms can be applied to any Service form that is normally reproducible as a substitute form, with the exception of tax return forms as discussed elsewhere.

SEC. 14. SPECIFICATIONS FOR FILING SUBSTITUTE FORMS

.01 Filing Substitute Forms. To be acceptable for filing, a substitute return or form must print out in a format that will allow the party submitting the return to follow the same instructions as for filing official forms. These instructions are in the taxpayer's tax package, or in the related form instructions. The form must be on the appropriate size paper, be legible, and include a jurat where one appears on the published form.

1 Note to software publishers: The Service has received returns produced by software packages with approved output where either the form heading was altered or the lines were spaced irregularly. This produces an illegible or unrecognizable return or a return with the wrong number of pages. We realize that many of these problems are caused by individual printer differences but they may delay input of return data and, in some cases, generate correspondence to the taxpayer. Therefore, in the instructions to the purchasers of your product, both individual and professional, please stress that their returns will be processed more efficiently if they are properly formatted. This includes:

(a) having the correct form numbers and titles at the top of the return and

(b) submitting the same number of pages as if the form were an official IRS form, with the line items on the proper pages.

.02 Use Preaddressed Internal Revenue Service Label. If you are a practitioner filling out a return for a client or a software publisher who prints instruction manuals, stress the use of the preaddressed label provided in the tax package the Service sent to the taxpayer, when available. The use of this label (or its precisely duplicated label information) is extremely important for the efficient, accurate, and economical processing of a taxpayer's return. Labeled returns indicate that a taxpayer is an established filer and permits us to automatically accelerate processing of those returns. This results in quicker refunds, accurate names/addresses and postal deliveries, and less manual review by IRS functions.

1 If you are producing a software package that generates name and address data onto the tax return, do not under any circumstances program either the Service preprinted check digits or a

practitioner-derived Name Control to appear on any return prepared and filed with the Service.

3 If programming to print forms, use only the following label information format for single filers:

000-00-0000	JOHN Q. PUBLIC
	310 OAK DRIVE
	HOMETOWN, STATE 94000
4	Use only the following information for joint filers:
000-00-0000	000-00-0000
	JOHN Q. PUBLIC
	MARY I. PUBLIC
	310 OAK DRIVE
	HOMETOWN, STATE 94000

SEC. 15. GUIDANCE FROM OTHER REVENUE PROCEDURES

.01 Guidance for the substitute tax forms not covered in this revenue procedure and the revenue procedures which govern their use, are as follows:

1 Revenue Procedure 94-79, IRS Publication 1355, Requirements and Conditions for the Reproduction, Private Design, and Printing of Substitute Forms 1040-ES.

2 Revenue Procedures 96-24 and 96-24a, IRS Publication 1141, General Rules and Specifications for Private Printing of Substitute Forms W-2 and W-3.

3 Revenue Procedure 96-42, IRS Publication 1179, Specifications for Paper Document Reporting and Paper Substitutes for Forms 1096, 1098, 1099 Series, 5498, and W-2G.

4 Revenue Procedure 96-11, IRS Publication 1187, Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, on Magnetic Tape.

5 Revenue Procedure 96-36, IRS Publication 1220, Specifications for Filing Forms 1098, 1099, 5498, and W-2G Magnetically or Electronically.

6 Revenue Procedure 95-18, IRS Publication 1223, Specifications for Private Printing of Substitute Forms W-2c and W-3c.

SEC. 16. ORDERING PUBLICATIONS

.01 In 1996, Form 3975, Tax Practitioner Annual Mailing List Application/Update, which is available in Publication 1045, Information for Tax Practitioners, may be only be used to order Package X, Informational Copies of Tax Forms and Instructions. The revenue procedures listed below may be

ordered by calling 1-800-TAX-FORM (1-800-829-3676). Identify the requested document by IRS publication number. The following publications address the filing of substitute forms, as well as documents on magnetic tape:

1 Pub. 1141, the revenue procedure on specifications for private printing for Forms W-2 and W-3.

2 Pub. 1167, the revenue procedure on substitute printed, computer-prepared, and computer-generated tax forms and schedules.

3 Pub. 1179, the revenue procedure on paper substitute information returns (Forms 1096, 1098, 1099 series, 5498, and W-2G).

4 Pub. 1192, Catalog of Reproducible Forms and Instructions.

5 Pub. 1220, the revenue procedure on electronic or magnetic tape and magnetic diskette reporting for information returns (Forms 1098, 1099 series, 5498, and W-2G).

6 Pub. 1223, the revenue procedure on substitute Forms W-2c and W-3c.

7 Pub. 1239, Specifications for Filing Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, on Magnetic Tape.

8 Pub. 1245, Magnetic Tape Reporting for Forms W-4.

9 Pub. 1345, Handbook for Electronic Filers of Individual Income Tax Returns (Tax Year 1996). (This is an annual publication; tax year is subject to change.)

10 Pub. 1345-A, Handbook for Electronic Filers of Individual Income Tax Returns (Tax Year 1996). This publication, printed in the late fall, supplements Publication 1345.

11 Pub. 1355, the revenue procedure on the requirements for substitute Form 1040-ES.

.02 If you are mailing your order, the address to use is determined by your location. If you are located in:

1 Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Montana, Nevada, New Mexico, Oklahoma, Oregon, Utah, Washington, Wyoming, Guam, Northern Marianas, or American Samoa, mail your request to:

Western Area Distribution Center
Rancho Cordova, CA 95743-0001

2 Alabama, Arkansas, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, Texas, or Wisconsin, mail your request to:

Central Area Distribution Center
P.O. Box 8903
Bloomington, IL 61702-8903
3 Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, as well as all foreign countries and Puerto Rico, mail your request to:
Eastern Area Distribution Center
P.O. Box 85074
Richmond, VA 23261-5074

4 Taxpayers in the Virgin Islands should mail their requests to:
V.I. Bureau of Internal Revenue
9601 Estate Thomas
Charlotte Amalie, St. Thomas, VI 00802

SEC. 17. ORDERING REPRODUCTION PROOFS

The reproduction proof program will be discontinued in October 1996. Forms are available on the IRS BBS, the Internet and on CD-ROM. See Sections 19 and 20.

SEC. 18. READER LIST PROGRAM

The reader list program will be discontinued in October 1996. Forms are available on the IRS BBS, the Internet and on CD-ROM. See Sections 19 and 20.

SEC. 19. INTERNAL REVENUE INFORMATION SYSTEMS BULLETIN BOARD AND THE INTERNET

.01 Copies of tax forms and some publications may be downloaded as print files from the Internet or from the Internal Revenue Information Systems (IRIS) Bulletin Board. Forms can be downloaded in several file formats. Those choosing to use the portable document file format (.pdf files) for viewing in Microsoft Windows or on a Macintosh can also download a free copy of the Adobe Acrobat Reader.

.02 Access the Internet via one of the following: World Wide Web - <http://www.irs.ustreas.gov>, FTP = <ftp://irs.ustreas.gov>, or Telnet - [iris.irs.ustreas.gov](telnet://iris.irs.ustreas.gov). This service is free but time on the Internet is subject to the fees charged by your Internet provider.

.03 IRIS can be reached via FedWorld, an aggregation of federal BBS maintained by the Department of Commerce. IRIS can be reached directly by modem at (703) 321-8020; FedWorld's main number is (703) 321-3339. These are toll calls.

SEC. 20. FEDERAL TAX FORMS ON CD-ROM

.01 The IRS also offers access to current and prior year tax forms and instructions through its Federal Tax Forms CD-ROM. The CD will be issued in two cumulative releases for the 1996 tax year.

.02 The CD will contain over 600 current year tax forms, instructions, and Taxpayer Information Publications (TIPs). Also included are prior year forms and instructions from 1991 and TIPs from 1994. All necessary software to view the files must be installed from the CD-ROM. Software for Microsoft Windows 3.x and Macintosh System 7.5 and later is included on the disk. The software will also run under Windows 95.

.03 All products are presented in Adobe's Portable Document Format (PDF). A copy of the Adobe Acrobat Reader is on the CD. In addition, the TIPs will be provided in the Standard Generalized Markup Language (SGML).

.04 For system requirements and to order the 1996 Federal Tax Forms CD-ROM (stock number 648-096-00004-6), contact the Government Printing Office's (GPO) Superintendent of Documents:

1 by telephone - (202) 512-1800; select option 1;

2 by fax - (202) 512-2250;

3 through GPO's Federal Bulletin Board - (202) 512-1387; after signon type "go irs";

4 through GPO's World Wide Web site at http://www.gpo.gov/su_docs;

5 by mail using the order form contained in IRS Publication 1045 (Information for Tax Practitioners); or

6 by mail to Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954.

.05 The cost of the CD is \$25 and it will be released in February 1997. Please reference stock number 648-096-00004-6. Those who order before December 2, 1996 will also receive the January early release CD containing tax products issued to that point.

SEC. 21. AGREEMENT

Any person or company who uses substitute forms and makes all or part of the changes specified in this revenue procedure, agrees to the following stipulation: The Service presumes the changes are made in accordance with these procedures and, as such, will be noninterruptive to the processing of the

tax return. Should any of the changes prove to be not exactly as described, and as a result become disruptive to the Service during processing of the tax return, the person or company agrees to accept the determination of the Service as to whether or not the form may continue to be used during the filing season, and also agrees to work with the Service in correcting noted deficiencies. Notification of deficiencies may be made by letter, phone contact, or both and may include the return of unacceptable forms for resubmission of acceptable forms.

PART B. SPECIFIC

SEC. 1. GENERAL

The specifications contained in this part of the revenue procedure define specific, detailed requirements for certain forms and conditions. These specifications must be adhered to in producing acceptable substitute forms as defined herein.

SEC. 2. CONDITIONS-TAX RETURNS (FORM 1040, 1040A, 1120, ETC.)

.01 Acceptable Forms.

1 Computer-Generated Versions. Computer-generated versions of a tax return form (e.g., Form 1040, 1040A, 1120, etc., which requires a signature and that establishes tax liability) are permitted under the following conditions:

(a) These substitute returns must be printed on plain white paper.

(b) Substitute returns and forms must conform to the physical layout of the corresponding Service form although the typeface may differ. The text should match the text on the officially-published form as closely as possible; condensed text and abbreviations will be considered on a case-by-case basis. Exception: All jurats (perjury statements) must be reproduced verbatim. No text can be added, deleted, or changed in meaning. It must be readily identifiable as a valid tax return.

(c) Various computer-graphic print media such as laser printing, dot matrix addressable printing, etc., may be used to produce the substitute forms.

(d) The substitute return must be the same exact number of pages, and contain the same line text as the official return.

(e) All computer-generated tax returns MUST be submitted for approval

prior to their original use. Should you receive an approval letter for a return and the following year's return has no changes except the preprinted year, the latter return is not subject to approval. Exception: If the approval letter specifies a one-time exception for your return, the next year's return must be approved.

2 Computer Generated Condensed Format Versions. The accepted condensed print format version for individual returns is the 1040PC "answer sheet format" tax return.

.02 Prohibited Forms.

1 Tax returns (e.g., Forms 1040, etc.) CANNOT be computer-generated on lined or color-barred paper, using the basic non-graphic layouts acceptable for all other (non-tax return) substitute forms and schedules.

2 Tax returns that differ from the official IRS forms in a manner that makes them non-standard or unprocessable.

.03 Changes Permitted To The Forms 1040 and 1040A.

1 Certain changes (listed below) are permitted to the graphics of the form without prior approval, but these changes apply only to preprinted forms as described in .01 above.

2 Changes not requiring prior approval are good only for the annual filing period, which is the current Tax Year. Such changes are valid in subsequent years only if the official form does not change.

3 Other Changes Not Listed. All changes not listed here require prior approval from the Service BEFORE the form may be filed with the Service.

SEC. 3. CHANGES PERMITTED TO GRAPHICS (FORMS 1040A AND 1040)

.01 Adjustments

You may make minor vertical and horizontal spacing adjustments to allow for computer or word-processing printing. This includes widening the amount columns or tax entry areas so long as the adjustments do not exceed other provisions stated in revenue procedures. No prior approval is needed for these changes. However, the users of forms with such changes are bound by the "Agreement" in Part A, Section 21.

.02 Name and Address Area.

1 The horizontal rules and instructions within the name and address area may be removed and the entire area left blank; no line or instruction can remain

in the area. However, the statement regarding use of the IRS mail label should be retained.

2 The heavy ruled border (when present) that outlines the name and address area must not be removed, relocated, expanded or contracted.

3 Required Format

(a) When the name and address area is left blank, as provided in 1 above, the following format must be used when printing the taxpayer's name and address. Otherwise, unless the taxpayer's preprinted label is affixed over the information entered in this area, the lines must be filled-in as shown

1st name line (35 characters maximum)

2nd name line (35 characters maximum)

In-care-of name line (35 characters maximum)

City, State (24 char. max.), one blank char., & ZIP (five char.)

(b) When there is no in-care-of name line, the name and address will consist of only three lines (single filer) or four lines (joint filer). Examples of the formats follow:

Example of name and address (joint filer) with no in-care-of name line:

JOHN Z. JONES

MARY I. JONES

1234 ANYWHERE ST., APT 111

ANYTOWN, STATE 12321

Example of name and address (single filer) with in-care-of name line:

JOHN Z. JONES

C/O THOMAS A. JONES

4311 SOMEWHERE AVE.

SAMETOWN, STATE 54345

.03 Social Security Number (SSN) and Employer Identification Number (EIN) Area.

1 The vertical lines separating the format arrangement of the SSN/EIN may be removed.

2 When the vertical lines are removed, the SSN and EIN formats must be 000-00-0000 or 00-0000000, respectively.

.04 Cents Column.

1 You may remove the vertical rule that separates the dollars from the cents.

2 All entries in the amount column should have a decimal point following the whole dollar amounts whether or not the vertical line that separates the dollars from the cents is present.

3 You may omit printing the cents, but all amounts entered on the form must follow a consistent format. You are strongly urged to round off the figures to whole dollar amounts, following the

official return instructions. Where several amounts are summed together, the total should be rounded off subsequent to the addition (i.e., individual amounts should not be rounded off for computation purposes).

4 When printing money amounts, you must use one of the following ten-character formats: (a) 0,000,000. (b) 000,000.00

5 When there is no entry for a line leave the line blank.

.05 "Paid Preparer's Use Only" Area.

1 On all forms, the paid preparer's information area may not be rearranged or relocated.

2 You may add three lines and remove the horizontal rules in the preparer's address area.

SEC. 4. CHANGES PERMITTED TO FORM 1040A GRAPHICS

No prior approval is needed for the following changes (for use with computer-prepared forms only):

.01 Line 4.

This line may be compressed horizontally (to allow for same line entry for the name of the qualifying child) by using the following caption: "Head of household; child's name" (name field).

.02 Other Lines.

Any line whose caption takes up two or more vertical lines may be compressed to one line by using contractions, etc., and by removing instructional references.

.03 Page 2 (Form 1040A).

All lines must be present and numbered in the order shown on the official form. These lines may also be compressed as in .02 above.

.04 Color Screening.

It is not necessary to duplicate the color-screening used on the official form. A substitute Form 1040A may be printed in black and white only, with no color screening.

SEC. 5. OTHER CHANGES PROHIBITED

No other changes to the Form 1040A graphics are allowed without prior approval, except for the removal of instructions and references to instructions.

SEC. 6. CHANGES PERMITTED TO THE FORM 1040 GRAPHICS

No prior approval is needed for the following changes (for use with computer-prepared forms only):

.01 Line 4.

This line may be compressed horizontally (to allow for a larger entry area for the name of the qualifying child) by using the following caption: "Head of household; child's name" (name field).

.02 Line 6c.

The vertical lines separating columns (1) through (4) may be removed. The captions may be shortened to allow a one-line caption for each column.

.03 Other Lines.

Any other line whose caption takes up two or more vertical lines may be compressed to one line by using contractions, etc., and by removing instructional references.

.04 Line 21 - Other Income.

1 The fill-in portion of this line may be expanded vertically to three lines.

2 The amount entry box must remain a single entry.

.05 Line 38 - Tax

You may change the line caption to read "Tax" and computer-print the words "Total includes tax from" and either "Forms(s) 8814", "Form 4970", or "Form 4972".

.06 Line 42

You may change the caption to read: "Other credits from Form" and computer-print only the form(s) that apply.

.07 Color Screening.

It is not necessary to duplicate the color-screening used on the official form. A substitute Form 1040 may be printed in black and white only, with no color screening.

SEC. 7. OTHER CHANGES PROHIBITED

No other changes to the Form 1040 graphics are permitted without prior approval except for the removal of instructions and references to instructions.

SEC. 8. ACCEPTABLE FORMATS FOR COMPUTER-GENERATED FORMS AND SCHEDULES

.01 Exhibits of acceptable computer-generated formats for the schedules usually attached to the Form 1040 are shown in the Exhibits section of this revenue procedure.

.02 Use of Acceptable Formats. If your computer-generated forms appear exactly like the exhibits, no prior authorization is needed.

SEC. 9. COMPUTER-GENERATED FORMS NOT SHOWN AS EXHIBITS IN THIS REVENUE PROCEDURE

.01 Those desiring to computer-generate forms not shown here may do so, but they must design such forms themselves by following the manner and style of those in the Exhibits section of this revenue procedure, and by taking care to observe other requirements and conditions stated here.

.02 Computer-generated forms so designed do not require prior approval from the Service. However, the user of such forms is bound by the "Agreement" in Part A, Sec. 21 above. The Service encourages the submission of all proposed forms for review and approval.

.03 If you wish, you may submit any substitute form to the Service for approval consideration, if the proposed form is covered in Part A, Section 2.03.

SEC. 10. INSTRUCTIONS FOR FORMATTING COMPUTER-GENERATED SUBSTITUTES

.01 Format Arrangement

The format of each substitute schedule or form must follow the format of the official schedule or form as to item captions, line references, line numbers, sequence, form arrangement and format, etc. Basically try to make the form look like the official one, with readability and consistency being primary factors. You may use periods and/or other similar special characters to separate the various parts and sections of the form. DO NOT use alpha or numeric characters for these purposes. With the exceptions in .02 below, all line numbers and items must be printed even though an amount is not entered on the line.

.02 Line Numbers.

1 When a line on an official form is designated by a number or a letter, that designation (reference code) must be used on the substitute form.

2 The reference code must be printed to the left of the corresponding captioned line and also immediately preceding the data entry field even if there is no reference code immediately preceding the data entry field on the official form. If an entry field contains multiple lines but shows the line references only one time on the left and right side of the form, do not use more than the same number of line references on the substitute return.

3 In addition, the reference code that is immediately before the data field

must either be followed by a period or enclosed in parentheses. There also must be at least two blank spaces between the period or the right parenthesis and the first digit of the data field. (See example below.)

4 A decimal point (i.e., a period) should be used for each money amount regardless of whether the amount is reported in dollars and cents or in whole dollars, or whether or not the vertical line that separates the dollars from the cents is present. The decimal points must be vertically aligned when possible.

Example:

5 STATE & LOCAL INC.
TAX.....5. 495.00

6 REAL ESTATE
TAXES6.

7 PERSONAL PROPERTY
TAXES7. 198.00
or

5 STATE & LOCAL INC.
TAX.....(5) 495.00

6 REAL ESTATE
TAXES(6)

7 PERSONAL PROPERTY
TAXES(7) 198.00
.03 Multiple Page Forms.

When submitting multiple page forms, send all pages of the form in the same package.

SEC. 11. ADDITIONAL INSTRUCTIONS FOR ALL FORMS

.01 Internal control numbers and identifying symbols of the computer preparer may be shown on the substitute, if the use of such numbers or symbols is acceptable to the taxpayer and the taxpayer's representative. If shown, such information must not be printed in the top one-half inch clear area of any form or schedule requiring a signature. With the exception of the actual tax return form (i.e., Forms 1040, 1120, 940, 941, 5500 Series, etc.), you may print in the left vertical and bottom left margins. The bottom left margin you may use extends 3½ inches from the left edge of the form. (See Part A, Sec. 12 for more information on this subject.)

.02 Descriptions for captions, lines, etc., appearing on the substitute forms may be limited to one print line by using abbreviations and contractions, and by omitting articles, prepositions, etc. However, sufficient key words must be retained to permit ready identification of the caption, line or item.

1 Explanatory detail and/or intermediate calculations for derivation of final line totals, may be included on the substitute. We prefer that such calculations be submitted in the form of a supporting statement. If intermediate calculations are included on the substitute, the line on which they appear may not be numbered or lettered. Intermediate calculations may not be printed in the right column. This column is reserved for official numbered and lettered lines that correspond to the ones on the official form. If a supporting statement is submitted, intermediate calculations or subtotals may be formatted at the preparer's option.

2 Text prescribed for the official form, which is solely instructional in nature, e.g., "Attach this schedule to Form 1040," "See instructions," etc., may be omitted from the substitute form.

3 Information for more than one schedule or form may not be shown on the same printout page. It is strongly recommended that a substitute form not exceed the same number of pages used for the official form.

(a) Both sides of the paper may be printed for multiple page official forms; but it is unacceptable to intermix single page schedules of forms, except for Schedules A and B which are printed back to back by the Service. For example, Schedule E can be printed on both sides of the paper, because the official form is multiple page, with page two continued on the back. However, for example, do not print Schedule E on the front page and Schedule SE on the back, or Schedule A on the front and Form 8615 on the back, etc. Both pages of a substitute form must match the official form version it represents, except that the back page may be blank if the Service form only contains the instructions thereon.

4 Identify all computer-prepared substitutes clearly; print the form designation one-half inch from the top margin and one and one-half inches from the left margin; print the title centered on the first line of print; and print the taxable year and, where applicable, the sequence number on the same line one-half to one inch from right margin. Include the taxpayer's name and SSN on all forms and attachments. Also print the OMB number as reflected on the official form.

5 The state tax column may be present, but the state tax information must NOT be visible on the copy filed

with the Service. When a form is designed with both federal and state columns, the federal column must be to the left of the state column and adjacent to the line caption.

6 Negative (or loss) monetary amount entries should be enclosed in brackets, or signed minus, to assist in the accurate computation and input of form data. On many official forms the Service pre-prints brackets in selected negative data fields, and these designations should be retained or inserted on affected substitute forms.

SEC. 12. FILING SUBSTITUTE FORMS WITH THE SERVICE

Instruct the taxpayer to follow the same instructions as for filing official forms, unless filing the forms as a tax preparer. These instructions are in the taxpayer's tax package.

SEC. 13. SPECIAL FORM 1040EZ OPTICAL CHARACTER RECOGNITION/IMAGE CHARACTER RECOGNITION (OCR/ICR) REQUIREMENTS

.01 The Form 1040EZ is designed in OCR/ICR format. IRS has the capability to machine read this form by optical character recognition/image character recognition (OCR/ICR) equipment. Form 1040EZ data may also be filed electronically or on Form 1040PC.

.02 An acceptable substitute OCR/ICR Form 1040EZ must generally be an exact replica of the official OCR/ICR reproduction proof with respect to layout, content and required OCR/ICR characteristics.

.03 The specific paper requirements which must be met for the development of a substitute (privately printed) OCR/ICR Form 1040EZ include the following:

1 Color and quality of paper—Paper must be white, OCR/ICR grade bond, with no fluorescent additives or water marks, and with zero rag content.

2 Reflectivity of paper—Must be 80% or greater.

3 Opacity—The paper opacity ratio must be 80% or more.

4 Paper Weight—Specified paper weight is 20 lb. OCR/ICR bond (.0035").

5 Dirt—Must not exceed 10 parts per million.

6 Finish (smoothness)—Must be between 90 and 160 units (Sheffield).

7 Porosity—Paper should have a Gurley reading between 15 and 95.

8 Gloss—Paper with shiny or lustrous appearance (glossy) should be avoided.

9 Size—Form trim size must be 8" x 11".

.04 The specific ink requirements which must be met for this form include the following:

1 Print Color—The face of the form prints in black and green, the back prints in black only (70% screen).

2 Ink—Green ink used must be highly reflective OCR/ICR type, such as Flint J-27975, or an exact match. Black ink used must be non-reflective.

3 Face Registration—Black to green must be .02" (plus or minus) both horizontally and vertically.

4 Face Screen—Forms contain a green screened background equal to a 15% tone of 110-line screen. Follow registration marks on repro-proof for screen positioning. Handprinted boxes are included on Page 1 of the reproduction proof and should be printed as a 50% value of the recommended OCR/ICR green ink. Inks used for handprinted boxes must reflect at least 90% of the background on which it is printed as measured in the visible range.

5 Face Margins—Approximately $\frac{1}{8}$ " head from top trimmed edge to screen ($\frac{1}{2}$ " to black image). $\frac{1}{16}$ " outside from trimmed edges to screen.

6 Back Margins— $\frac{1}{2}$ " head, $\frac{5}{16}$ " foot, and $\frac{5}{16}$ " sides.

7 Back Screen—Back copy should be screened for 70% tone value.

.05 Typography

Type must be substantially identical in both size and shape with corresponding type on the official form reproduction proof.

.06 To assure proper alignment and position of hand-printed characters representing return lines 1 through 10 tax data, they must be handprinted (entered) into the preprinted amount field boxes on the form. A #2 lead wooden pencil, or blue, and/or black ink pen (ball point, fountain, or felt-tipped) is recommended as the writing tool which will consistently provide the required stroke width and print contrast on entered characters.

.07 Reading of handprinted characters requires adherence to the following techniques.

1 Enter numeric amount digits carefully and clearly. Fill at least $\frac{2}{3}$ of the individual character box height, keeping the character within the box with no overlapping or touching characters. Specific required digit constraints are shown below.

2 When entering "fours", keep the top open.

3 When entering "ones", do not use serifs.

4 When entering "twos", do not add extra loops.

5 All character lines must be connected, with no gaps.

.08 All the general and detailed provisions of this Revenue Procedure apply (in addition to this specific OCR/ICR Section) for the development of substitute OCR/ICR Forms 1040EZ.

SEC. 14. COMPUTER GENERATED ALTERNATIVE RETURNS, FORM 1040PC FORMAT RETURN

.01 The Internal Revenue Service is offering a new approach for filing individual income tax returns. The 1040PC Format Return is an alternative to the conventional preprinted tax return. The 1040PC is an answer sheet return, generated on a personal computer, in three-column format that prints only tax data that is input into the software. Tax returns are filed by tax preparers and taxpayers using commercially available tax preparation software packages that include the 1040PC Format Return print option.

1 1040PC Format Returns are computer-prepared, printed on plain white paper, signed and mailed to the designated processing center and are processed like any other conventionally filed return.

2 Preparers, or taxpayers, must purchase IRS accepted tax preparation software packages that include the 1040PC print option. All that is necessary to participate in 1040PC is a personal computer, accepted software, a printer, and plain white paper. 1040PC is attractive to tax preparers and taxpayers who might not be interested or capable of Electronic Filing.

3 The Direct Deposit option is available to taxpayers filing 1040PC returns. Balance due returns may also be filed using 1040PC. The payment may be forwarded to the Service Center with a separate payment voucher (Form 1040-V).

4 All software used to generate the 1040PC Format Return must be tested and accepted by the Internal Revenue Service. Testing will validate 1040PC returns generated by the software and that the software program is in compliance with validity and consistency checks in the IRS 1040PC Project specifications. Software developers who wish

to participate in the 1040PC program must submit Form 9356, Application for Software Developers to Participate in the 1040PC Answer Sheet for Individual Income Tax Returns, to the 1040PC Filing Section.

5 Upon successful completion of software acceptance testing, the software developer will be issued a software acceptance code that will be embedded into the software and print on every 1040PC return generated. This is not the same as the Forms Approval Number which is referenced in Part A, Section 8, or the approval number which is generated for OCR Scannable Application Forms for Employee Plans in Part B, Section 19.

6 The Internal Revenue Service believes that 1040PC will prove beneficial to taxpayers, tax preparers, and the Service. For specific information about the alternative computer generated 1040PC Format Return, refer to Publication 1678, Project 1040PC, Handbook for 1040PC Format Preparers and Publication 1630, Project 1040PC, Specifications for Software Developers. You may also call (202) 283-0180 or write:

Internal Revenue Service
1040PC Filing Office, T:S:P:I
1111 Constitution Ave. NW
Washington, DC 20224

SEC. 15. SPECIAL FORM 941 REQUIREMENTS - OCR SPECIFICATIONS

.01 The official Form 941 and Schedule B (Form 941) are designed in OCR/ICR format. The Service has the capability to machine read these forms by optical character recognition/image character recognition (OCR/ICR) equipment (Scan-optics 9000 Series), if submitted in acceptable OCR/ICR format.

.02 Form 941 and Schedule B (Form 941) may be produced either in OCR/ICR scannable format or as black and white substitute forms which can be recognized by the scanning equipment. The specific criteria in .03 and .04 apply if the substitute form is to be produced for OCR processing. Specification for black and white substitutes are in Section 16.

.03 An acceptable substitute OCR/ICR Form 941 or Schedule B must be an exact replica of the official reproduction proof with respect to layout, content, and required OCR/ICR characteristics.

.04 The specific paper requirements which must be met for the development

of substitute (privately printed) forms generally duplicate those specified in Part B, Section 13, with the following exception:

1 Size—Form 941 trim size must be 8½" X 11".

.05 The specific ink requirements which must be met for these forms include the following:

1 Print Color—Black and Red

2 Ink—Red ink must be a highly reflective (not less than 80%) OCR/ICR type ink, such as Sinclair/Valentine J6983 or an exact match. Black ink reflectance must not be greater than 15%.

3 Handprinted Boxes (including the numbers outside the boxes)—These handprinted boxes (for IRS entries and use only) are included on the reproduction proof, and should be printed as a 50% screen value of the recommended OCR/ICR red ink. Inks used for handprinted boxes must be 15% or less when tested using the MacBeth or Kidder testers (see #5 below).

4 Face Margins—Minimum margins require ½" head; center sides; and 5/16" foot.

5 Testers—The following two print testers may be used for Form 941. Any other type tester must first be approved by the IRS.

(a) MacBeth PCM-II

Use "C" scale. The Print Contrast Signal (PCS) must range between .01 minimum to .06 maximum.

(b) Kidder 082 A

Use infrared scale. PCS values must fall in the range of .12 minimum to .21 maximum. White calibration disk must be set at 100%. Sensitivity must be set at "1".

SEC. 16. SPECIAL FORM 941 REQUIREMENTS - BLACK AND WHITE SPECIFICATIONS

Note: This requirement will take effect at a future date. Until written notice is given, either this version or a duplicate of the current Form 941 in black and white is acceptable.

.01 Exhibits BW-1 and BW-2 are exhibits of acceptable black and white substitutes Forms 941 and Schedule B. The general specifications for black and white substitutes are as follows:

(a) No vertical or horizontal rules, except for the IRS internal use boxes in the upper right corner of Form 941 and the signature line.

(b) The ID code ("4141" or "5151") must be printed in OCR-A or Courier

font and data fields must be printed in a non-proportional typeface (preferably Courier).

(c) All data positions in the instructions that follow include the margins. Character positions are counted from the left edge based on 10 characters per inch; print lines are counted from the top edge based on six lines per inch.

(d) The boxes labeled "IRS Use" on Form 941 must be displayed as shown on the official form. If possible, use dotted or broken lines. The boxes start in position 17 and cover print lines 19 through 21.

.02 The other checkboxes on Form 941 must not be displayed. The form must be programmed to display non-numeric data at the following locations:

(a) ID Code - starts in line 6, position 19.

(b) Taxpayer identification (entity) data (name, address, etc.) - starts in line 9, position 20.

(c) State Deposit Code - line 11, position 12.

(d) Different address checkbox - line 21, position 13.

(e) Final Return Checkbox - line 23, position 39.

(f) Seasonal employer checkbox - line 24, position 62.

(g) Social Security and Medicare taxes checkbox - line 35, position 60.

(h) Overpayment boxes (line 16) - line 51, positions 23 and 43.

(i) Semiweekly depositors checkbox - line 53, position 77.

(j) Monthly depositors checkbox - line 54, position 77.

.03 Amount fields - Do not reproduce the dollar signs on lines 6a, 6b, 7, or 9. The decimal point for the first amount on lines 6a, 6b, and 7 must be placed in position 48. The decimal point for amounts in items 2 through 15 (righthand column) must be placed in position 75. The print lines for the amounts are:

Item	Print Line	Item	Print Line
2	26	9	37
3	27	10	39
4	28	11	41
5	30	12	43
6a	31	13	45
6b	32	14	47
7	33	15	49
8	35		

.04 The monthly summary amounts on line 17 must be displayed on print line 58. Decimal points must be dis-

played in positions 19, 37, 56, and 74 for columns (a) through (d), respectively.

.05 Schedule B (Form 941)

(a) Display the ID Code (5151) on print line 6, position 20. Display the name (positions 9-49), EIN (53-66), and quarter ended (69-78) on print line 9.

(b) The daily amounts appear on the following print lines:

First month - lines 15, 17, 19, 21, 23, 25, and 27

Second month - lines 31, 33, 35, 37, 39, 41, and 43

Third month - lines 47, 49, 51, 53, 55, 57, and 59

Subtotal A - line 28

Subtotal B - line 44

Subtotal C - line 60

Total D - line 61

(b) The body of this form has five columns. The following character positions refer to the placement of a decimal point in the amount. The amounts will expand two characters to the right for cents and a variable number to the left for dollars.

Column 1 - days 1 through 7 - position 17

Column 2 - days 8 through 14 - position 32

Column 3 - days 15 through 21 - position 46

Column 4 - days 22 through 28 - position 61

Column 5 - days 29 through 31 and totals - position 76

Please do not fill in the area under day 31.

SEC. 17. PAPER SUBSTITUTES FOR FORM 1042-S

.01 Paper substitutes for Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, that totally conform to the specifications contained in this procedure may be privately printed without prior approval from the Internal Revenue Service. Proposed substitutes not conforming to these specifications must be submitted for consideration.

1 The request should be submitted by November 15 of the year prior to the year the form is to be used. This is to allow the Service adequate time to respond and the submitter adequate time to make any corrections. These requests should contain a copy of the proposed form, the need for the specific devia-

tion(s), and the number of information returns to be printed.

2 Form 1042-S is subject to annual review and possible change. Withholding agents and form suppliers are cautioned against overstocking supplies of the privately printed substitutes.

3 Copies of the official form for the reporting year may be obtained from most Service offices. The Service provides only cut sheets (no carbon interleaves) of these forms. Continuous fan-fold/pin-fed forms are not provided.

.02 Instructions for Withholding Agents

1 Only original copies may be filed with the Service. Carbon copies and reproductions are not acceptable.

2 The term "Recipient's U.S. taxpayer identification number," for an individual means the social security number (SSN) or individual taxpayer identification number (ITIN), consisting of nine digits separated by hyphens as follows: 000-00-0000. For all other recipients, the term means employer identification number (EIN). The EIN consists of nine digits separated by one hyphen as follows: 00-0000000. The taxpayer identification number must be in one of these formats.

3 Withholding agents are requested to type or machine print whenever possible, provide quality data entries on the forms (that is, use black ribbon, insert data in the middle of blocks well separated from other printing and guidelines), and take other measures to guarantee a clear, sharp image. Withholding agents are not required, however, to acquire special equipment solely for the purposes of preparing these forms.

4 On corrected returns, the words CORRECTED RETURN must be typed in all capital letters in the top 1/4 inch, right of center margin. All required information must be completed on a corrected return since it replaces and supersedes the information return previously filed.

5 Substitute forms prepared in continuous or strip form must be burst and stripped to conform to the size specified for a single form before they are filed with the Service. The dimensions are found below.

(a) Computer cards are acceptable, provided they meet all requirements regarding layout, content, and size.

.03 Substitute Forms Format Requirements

1 Privately printed substitute Forms 1042-S must be exact replicas of the official forms with respect to layout and

contents. Only the dimensions of the substitute form may differ and the printing of the Government Printing Office symbol must be deleted. The exact dimensions are found below.

2 Line 1 must be present, line 2 may be omitted if it is not needed. If line 2 is omitted, also omit line 3.

3 None of the boxes can be omitted. Each box (a through h) must be present and in the exact order. The box for each payment amount must contain the appropriate caption.

4 Color and Quality of paper.

(a) Paper for Copy A must be white chemical wood bond, or equivalent, 20 pound (basis 17 x 22-500), plus or minus 5 percent; or offset book paper, 50 pound (basis 25 x 38-500). No optical brighteners may be added to the pulp or paper during manufacture. The paper must consist of principally bleached chemical woodpulp or recycled printed paper. It also must be suitably sized to accept ink without feathering.

(b) Copies B, C, D (for Recipient), and E (for Withholding Agent) are provided in the official assembly solely for the convenience of the withholding agent. Withholding agents may choose the format, design, color and quality of the paper used for these copies.

5 Color and Quality of Ink—All printing must be in a high quality non-gloss black ink. Bar codes should be free from picks and voids.

6 Typography—Type must be substantially identical in size and shape to corresponding type on the official form. All rules on the document are either 1 point (0.015 inch) or 3 point (0.045 inch). Vertical rules must be parallel to the left edge of the document; horizontal rules, parallel to the top edge.

7 Dimensions—The official form is 8 inches wide X 5½ inches deep, exclusive of a ½ snap stub on the left side of the form. The snap feature is not required on substitutes.

(a) The width of a substitute Copy A must be a minimum of 7 inches and a maximum of 8 inches, although adherence to the size of the official form is preferred. If the width of the substitute Copy A is reduced from that of the official form, the width of each field on the substitute form must be reduced proportionately. The left margin must be ½ inch and free of all printing other than that shown on the official form.

(b) The depth of a substitute Copy A must be a minimum of 5 ½ inches and a maximum of 5½ inches.

8 Carbonized forms or “spot carbons” are not permissible. Interleaved carbons, if used, must be of good quality to preclude smudging and should be black.

9 Other Copies—Copies B, C, and D are required to be furnished for the convenience of payees who are required to send a copy of the form with other federal and state returns they file. Copy E may be desired as a withholding agent's record/copy.

.04 Additional Instructions

1 Arrangement of Assembly—if all five parts are present, the parts of the assembly shall be arranged from top to bottom as follows: Copy A (Original) “For Internal Revenue Service,” Copies B, C, and D “For Recipient,” and Copy E “For Withholding Agent.”

SEC. 18. SPECIFICATIONS FOR FILING SUBSTITUTE SCHEDULES K-1

Prior approval is NOT required for a substitute Schedule K-1 that accompanies Form 1065 (for partnership), a Form 1120S (for small business corporation), or a Form 1041 (for fiduciary) when the substitute Schedule K-1 meets all of the following requirements.

.01 The Schedule K-1 must contain the payer and recipient's name, address and SSN/EIN.

.02 The Schedule K-1 must contain all line items required for use by the taxpayer.

.03 The line items must be in the same order and arrangement as those on the official form.

.04 The line items must be numbered, titled, and/or captioned exactly as shown on the official form.

.05 Each taxpayer's information must be on a separate sheet of paper. Therefore, all continuously printed substitutes must be separated, by taxpayer, before filing with the Service.

.06 Schedules K-1 for recipients must have instructions for required line items attached.

.07 You may be subject to penalties if you file Schedules K-1 with the Service and furnish Schedules K-1 to partners, shareholders, or beneficiaries that do not conform to the specifications of this revenue procedure.

.08 The amount of each partner's, shareholder's or beneficiary's share of each line item must be shown. The furnishing of a total amount for each line item and a percentage (or decimal equivalent) to be applied to such total

amount by the partner, shareholder, or beneficiary does not satisfy the law and the specifications of this revenue procedure.

.09 If you file Schedules K-1 not conforming to the above specifications, IRS may consider these as not processable and return them to you to be filed correctly. You may also be subjected to the penalty as mentioned in .07 above.

SEC. 19. PROCEDURES FOR PRINTING INTERNAL REVENUE SERVICE ENVELOPES

.01 Organizations are now permitted to produce substitute tax return envelopes. Use of substitute return envelopes that comply with the requirements set forth in this section will assist in delivery of mail by the U.S. Postal Service and facilitate internal sorting once the envelopes are received at the Internal Revenue Service Centers. The permanent five digit ZIP codes assigned to the ten service centers are listed below. These ZIP codes must be utilized when mailing returns to the prescribed service center:

ATLANTA GA 39901
KANSAS CITY MO 64999
AUSTIN TX 73301
PHILADELPHIA PA 19255
MEMPHIS TN 37501
ANDOVER MA 05501
CINCINNATI OH 45999
HOLTSVILLE NY 00501
OGDEN UT 84201
FRESNO CA 93888

.02 The sorting of returns by form type is accomplished by the preprinted bar codes on return envelopes that are included in each specific type of form or package mailed to the taxpayer. The 32 bit bar code located to the left of the address on each envelope identifies the type of form that person is filing and assist the Service in consolidating like returns together for processing. Failure to use the envelopes furnished by the Service results in additional processing time and effort, and possibly delays the timely deposit of funds, processing of returns, and issuance of refund checks.

.03 The Internal Revenue Service will not furnish or sell bulk quantities of preprinted tax return envelopes to taxpayers or tax practitioners. A suitable alternative has been developed which will accommodate the sorting needs of both the IRS and the U.S. Postal Service. The new alternative is based on the use of ZIP + 4 or 9 digit ZIP codes for mailing various types of tax returns

to the different area service centers. Essentially, the Postal Service will utilize the last four digits to identify and sort the various form types into separate groups for processing. The list of add-on four digits or + 4 portion of the 9 digit ZIP codes with the related form designations is provided below and is to become a permanent part of the five digit service center ZIP codes shown above.

FORM ZIP + FOUR	PACKAGE
XXXXX-0001	Reserved
XXXXX-0002	1040
XXXXX-0005	941
XXXXX-0006	940
XXXXX-0008	943
XXXXX-0011	1065
XXXXX-0012	1120
XXXXX-0013	1120S
XXXXX-0014	1040EZ
XXXXX-0015	1040A
XXXXX-0020	5500-C/R
XXXXX-0024	5500EZ
XXXXX-0027	990
XXXXX-0031	2290
XXXXX-0044	5500

.04 The Reproducible Program that in past years supplied the envelope Reproduction Proofs will be abolished September 30, 1996. The IRS will no longer provide camera copy to practitioners for the production of envelopes. Practitioners must develop their own camera copy.

.05 Use of preparer company names, addresses, and logos is permissible so long as prescribed clear areas are not invaded. The government recommends that the envelope stock have an average opacity not less than 89 percent and contain a minimum of 50 percent waste paper. Use of carbon based ink is essential for effective address and bar code reading. Envelope construction can be of side seam or diagonal seam design. The government recommends that the size of the envelope should be 5 $\frac{3}{4}$ " by 9". Continuous pin-fed construction is not desirable, but is permissible if the glued edge is at the top. This requirement is firm as mail opening equipment is designed to slice or otherwise open the bottom edge of each envelope.

.06 The above procedures or guidelines are written for the user having envelopes preprinted. Many practitioners may not wish to have volumes of the different envelopes with differing ZIP codes/form designations preprinted for reasons of low volume, warehousing, waste, etc. In this case, the practitioner can type or machine print the addresses with the appropriate ZIP codes to ac-

commodate sorting. If the requirements/guidelines outlined in this section cannot be met, then use of only the appropriate five digit service center ZIP code is needed.

SEC. 20. SPECIFICATIONS FOR OCR SCANNABLE APPLICATION FORMS FOR EMPLOYEE PLANS

.01 Forms 4461, 4461-A, 4461-B, 5300, 5303, 5307, 5310, 5310-A, and 6406 are OCR scannable documents submitted to key district offices for employee plans matters. They may be submitted as Computer-generated substitute forms if the requirements of this section are satisfied.

.02 An OCR data sheet must be generated according to the following requirements:

1 Set at least 1" margin at top, bottom, and both sides.

2 A data element consists of a less than sign, information or at least 5 blank spaces, and a greater than sign (delimiters). All data elements from page one of the application forms in .01 above must be printed on the OCR data sheet, even if no information is entered between the delimiters.

3 Add at least 2 spaces before and after each delimiter.

4 Each data element must start at the left margin.

5 One line for each data field, except employer and plan name fields may be two lines. However, only one set of delimiters may bracket the field, even if the field is on two lines.

6 Each data element must appear on the OCR data sheet in the same sequence as printed on the preprinted form, reading top to bottom and from left to right.

7 Each data field must be sequentially numbered at left commencing with 1. See Notice 90-38 for examples of the acceptable format.

8 The data sheet must be printed on 8 $\frac{1}{2}$ " X 11" white nonrecycled paper suitable for use with printing equipment and duplicating machines. A photocopy is not acceptable. Heavyweight bond paper and onion skin paper are not acceptable.

9 Use 10 pitch type in a standard business font (e.g., courier, elite, pica).

10 Add at least two spaces before and after each less than and greater than sign (delimiters).

.11 Do not fold or staple the OCR data sheet. It may remain loose, or be paper or spring clipped to the application.

.12 At the top of the OCR data sheet add the heading "OCR Data Sheet, File With Application Form, Approval Number (leave nine spaces for approval number)".

.03 The OCR data sheet must be submitted for approval to: EP OCR Forms Coordinator, E:EP:FC, Room 2232, 1111 Constitution Ave., N.W., Washington, DC 20224.

.04 The OCR data sheet must be submitted with a complete word-for-word identical copy of the application form except as described in .05 below. This copy may be a photocopy, or a Computer-Generated Substitute Form. Computer-generated substitute forms may be submitted for approval to the address in .03 above. However, except for the OCR data sheet, such approval is not required if the requirements of this Revenue Procedure are satisfied. If approval is requested, leave nine spaces for the approval number above the OMB approval number.

.05 The OCR data sheet replaces one copy of page one of the application which must otherwise be submitted in duplicate. To avoid confusion when generating the OCR data sheet, the following wording should be deleted from the first page of the application, "File page 1 of the form in duplicate" and "Both copies of this page must be signed". If the Procedural Requirements Checklist is being generated, the following line items should be modified as indicated. Item (e) or (f) "Have you submitted page 1 in duplicate?" should be modified to read, "Have you submitted the OCR data sheet?", and item (f) or (g) "Have you signed both copies of page 1 of the application?" should be modified to read, "Have you signed the application?"

.06 Nonscannable EP application forms, e.g., Form(s) 5305 and 5306, may be computer-generated. They need not be submitted for approval if the requirements of this Revenue Procedure are satisfied. If approval is desired, these forms may be submitted to the address in .03 above.

SEC. 21. PROCEDURE FOR SUBSTITUTE FORM 5471 AND FORM 5472

.01 Instructions for Preparing Substitute Forms 5471, Information Return of

U.S. Persons With Respect To Certain Foreign Corporations, and their accompanying Schedules J, M, N, and O, and Forms 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged In a U.S. Trade or Business (Under Sections 6038A and 6038C of the Internal Revenue Code).

1 Paper and Computer-Generated Substitutes for Form 5471 and the accompanying Schedules J, M, N, and O, and Form 5472 that totally conform to the specifications contained in this procedure may be privately printed, but must have prior approval and are subject to annual review from the Internal Revenue Service.

2 Copies of the official forms for the reporting year may be obtained from most Service offices. The Service provides only cut sheets of these forms. Continuous fan-folded/pin-fed forms are not provided.

3 The Service will accept QUALITY substitute tax forms that are consistent with the official forms they represent, AND that do not have an adverse impact on our processing. Therefore, only those substitute forms that conform to, and do not deviate from the corresponding official forms, are acceptable.

.02 Computer-Prepared Tax Forms

If the substitute returns and schedules meet the guidelines prescribed herein, the Service will for filing purposes accept computer-prepared Forms 5471 and 5472 filled in by a computer, word processing equipment or similar automated equipment or a combination of computer-prepared/generated and filled in information, filed separately or attached to individual or business income tax returns.

.03 Format Arrangement

1 The substitute must follow the design of the official form as to format, arrangement, item caption, line numbers, line references, and sequence. It must be an exact textual and graphic MIRROR image of the official form for it to be acceptable.

2 The filer must use one of the official ten character amount formats. All entries in the amount column should have a decimal point following the whole dollar amounts whether or not the vertical line that separates the dollars from the cents is present. It must follow a consistent format.

3 The reference code must be printed to the left of the corresponding captioned line and also immediately preceding the data entry field EVEN if there is

no reference code preceding the data entry field on the official form. The reference code that is immediately before the data field must either be followed by a period or enclosed in parentheses. There also must be at least two blank spaces between the period or the right parenthesis and the first digit of the data field.

4 The size of the page must be the same as the official form (8½" X 11").

5 The acceptable print is "Helvetica".

6 The spacing of the print must be 6 lines/inch vertical, 10 or 12 print characters per inch horizontally.

7 A ½ to ¼ inch margin must be maintained across the top, bottom, and both sides (exclusive of any pin feed holes).

8 The substitute form must be of the same number of pages as the official one.

9 The preprinted brackets in the money fields should be retained.

10 The filer must COMPLETELY fill in all the specified numbers or referenced lines as they appear on the official form, (not just totals), BEFORE attaching any supporting statement.

11 Supporting statements are NEVER to be used until the required official form they support are first totally filled in (completed). A blank or incomplete form that refers to a supporting statement, in lieu of completing a tax return is unacceptable.

12 Descriptions for captions, lines, etc., appearing in the substitute forms may be limited to one print line by using abbreviations and contractions, and by omitting articles, prepositions, etc. However, sufficient key words must be retained to permit ready identification of the caption, line or item.

13 Text prescribed for the official form, which is solely instructional in nature, e.g., "Attach this schedule to Form 1040", "See instructions," etc., may be omitted from the form.

.04 Filing Instructions

Instructions for filing substitute forms are the same as for filing official forms.

SEC. 22. FORMS FOR ELECTRONICALLY FILED RETURNS

.01 Since the 1986 filing season, the Service has been accepting current processing year electronically filed refund returns. Since tax year 1991, we accept balance due returns that are filed electronically. Electronic filing is a method by which qualified filers transmit tax

return information directly to an IRS Service Center over telephone lines, in the format of the official Internal Revenue Service forms.

Anyone wishing to participate in the Electronic Filing Program for individual income tax returns must submit a Form 8633, Application to Participate in the Electronic Filing Program. (Note: For Business returns, prospective participants must submit a Form 9041, Application for Electronic/Magnetic Media Filing of Business and Employee Benefit Plan Returns.)

.02 The taxpayer signature does not appear on the electronically transmitted tax return and is obtained by the qualified electronic filer on Form 8453, U. S. Individual Income Tax Declaration for Electronic Filing, for Forms 1040, 1040A and 1040EZ. Form 8453, which serves as a transmittal for the associated non-electronic (paper) documents, such as Forms W-2, W-2G, and 1099-R, is a one-page form and can only be approved through the Substitute Forms Program in that format. For specific information about electronic filing, refer to Publication 1345, Handbook for Electronic Filers of Individual Income Tax Returns. (NOTE: For Business returns, the electronic/magnetic media participants must use the official Form 8453-E, F or P, or an approved substitute that duplicates the official form in language, format, content, color and size.)

.03 A participant in the electronic filing program who wants to develop a substitute form should follow the guidelines for preparing substitute forms throughout this publication, and send a sample of the form for approval to the Substitute Forms Coordinator at the address in Part A, Section 7. Forms 8453 prepared using a font where all IRS-approved wording will not fit on a single page will not be accepted as substitute forms. This applies primarily to dot-matrix printers, although forms prepared similarly on laser and inkjet printers will also be rejected. PLEASE NOTE: Use of unapproved forms could result in suspension of the participant from the electronic filing program.

SEC. 23 FTD MAGNETIC TAPE PAYMENTS

.01 REVENUE PROCEDURE 89-48 (IRS PUBLICATION 1315) provides the requirements and instructions for reporting agents who submit Federal Tax Deposits (FTD) payment information on

magnetic tape. Magnetic tape submissions for FTD can be made for Forms 940, 941, 942, 943, 720, CT-1, 990-PF, 990-T, 990-C, 1042, 1120, and Schedule A (Form 941) Backup Withholding.

.02 Revenue Procedure 89-49 (Pub.

1374) provides the requirements and instructions for certain banks and fiduciaries to submit quarterly Form 1041-ES payments on magnetic tape through the Federal Tax Deposit (FTD) system.

SEC. 24. EFFECT ON OTHER DOCUMENTS

This revenue procedure supersedes Revenue Procedures 95-16, I.R.B. 1995-8, and 95-46, I.R.B. 95-46.

Exhibit A-1 (Preferred Format)
SCHEDULES A&B
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Schedule A—Itemized Deductions
(Schedule B is on back)

► Attach to Form 1040. ► See Instructions for Schedules A and B (Form 1040).

Name(s) shown on Form 1040

OMB No. 1545-0074

1995

Attachment
Sequence No. 07

Your social security number
[Redacted]

Medical and Dental Expenses	Caution: Do not include expenses reimbursed or paid by others.		
	1	[Redacted]	[Redacted]
	2	[Redacted]	[Redacted]
	3	[Redacted]	[Redacted]
4	[Redacted]	[Redacted]	
Taxes You Paid (See page A-1.)	5	[Redacted]	[Redacted]
	6	[Redacted]	[Redacted]
	7	[Redacted]	[Redacted]
	8	[Redacted]	[Redacted]
9	[Redacted]	[Redacted]	
Interest You Paid (See page A-2.)	10	[Redacted]	[Redacted]
	11	[Redacted]	[Redacted]
	12	[Redacted]	[Redacted]
	13	[Redacted]	[Redacted]
14	[Redacted]	[Redacted]	
Gifts to Charity <small>If you made a gift and got a benefit for it, see page A-3.</small>	15	[Redacted]	[Redacted]
	16	[Redacted]	[Redacted]
	17	[Redacted]	[Redacted]
	18	[Redacted]	[Redacted]
Casualty and Theft Losses	19	Casualty or theft loss(es). Attach Form 4684. (See page A-4.)	
Job Expenses and Most Other Miscellaneous Deductions <small>(See page A-5 for expenses to deduct here.)</small>	20	Unreimbursed employee expenses—job travel, union dues, job education, etc. If required, you MUST attach Form 2106 or 2106-EZ. (See page A-5.) ►	
	21	[Redacted]	[Redacted]
	22	[Redacted]	[Redacted]
	23	[Redacted]	[Redacted]
24	[Redacted]	[Redacted]	
25	[Redacted]	[Redacted]	
26	[Redacted]	[Redacted]	
27	[Redacted]	[Redacted]	
Total Itemized Deductions	28	Is Form 1040, line 32, over \$114,700 (over \$57,350 if married filing separately)? NO. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter on Form 1040, line 34, the larger of this amount or your standard deduction. YES. Your deduction may be limited. See page A-5 for the amount to enter.	

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule A (Form 1040) 1995

Exhibit A-2 (Acceptable Format)

SCHEDULES A&B

(Form 1040)

Department of the Treasury
Internal Revenue Service (99)**Schedule A—Itemized Deductions**

(Schedule B is on back)

► Attach to Form 1040. ► See Instructions for Schedules A and B (Form 1040).

OMB No. 1545-0074

1995Attachment
Sequence No. 07

Name(s) shown on Form 1040

Your social security number

Medical and Dental Expenses (See page A-1.)	1	Caution: Do not include expenses reimbursed or paid by others.	1
	2	Medical and dental expenses (see page A-1). Enter amount from Form 1040, line 32.	2
	3	Multiply line 2 above by 7.5% (.075).	3
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0.	4
Taxes You Paid (See page A-1.)	5	State and local income taxes	5
	6	Real estate taxes (see page A-2)	6
	7	Personal property taxes	7
	8	Other taxes. List type and amount ►	8
	9 Add lines 5 through 8.	9	
Interest You Paid (See page A-2.)	10	Home mortgage interest and points reported to you on Form 1098	10
	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-3 and show that person's name, identifying no., and address. ►	11
	12	Points not reported to you on Form 1098. See page A-3 for special rules.	12
	13	Investment interest. If required, attach Form 4952. (See page A-3.)	13
	14 Add lines 10 through 13.	14	
Gifts to Charity If you made a gift and got a benefit for it, see page A-3.	15	Gifts by cash or check. If you made any gift of \$250 or more, see page A-3	15
	16	Other than by cash or check. If any gift of \$250 or more, see page A-3. If over \$500, you MUST attach Form 8283	16
	17	Carryover from prior year	17
		18 Add lines 15 through 17.	18
Casualty and Theft Losses	19	Casualty or theft loss(es). Attach Form 4684. (See page A-4.)	19
Job Expenses and Most Other Miscellaneous Deductions (See page A-5 for expenses to deduct here.)	20	Unreimbursed employee expenses—job travel, union dues, job education, etc. If required, you MUST attach Form 2106 or 2106-EZ. (See page A-5.) ►	20
	21	Tax preparation fees	21
	22	Other expenses—investment, safe deposit box, etc. List type and amount ►	22
	23	23 Add lines 20 through 22.	23
	24 Enter amount from Form 1040, line 32.	24	
	25 Multiply line 24 above by 2% (.02)	25	
	26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0.	26	
Other Miscellaneous Deductions	27	Other—from list on page A-5. List type and amount ►	27
Total Itemized Deductions	28	Is Form 1040, line 32, over \$114,700 (over \$57,350 if married filing separately)? NO. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter on Form 1040, line 34, the larger of this amount or your standard deduction. YES. Your deduction may be limited. See page A-5 for the amount to enter.	28

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule A (Form 1040) 1995

Exhibit B-1 (Preferred Format)

Schedule A&B (Form 1040) 1995

OMB No. 1545-0074 Page 2

Page 2

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

Your social security number

Schedule B—Interest and Dividend Income

Attachment
Sequence No. 08

For Paperwork Reduction Act Notice, see Form 1040 Instructions.



Printed on recycled paper

Schedule B (Form 1040) 1995

Exhibit B-2 (Acceptable Format)

Schedules A&B (Form 1040) 1995

OMB No. 1545-0074 Page 2

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

Your social security number

Schedule B—Interest and Dividend Income		Attachment Sequence No. 08
Part I	Note: If you had over \$400 in taxable interest income, you must also complete Part III.	
Interest Income (See pages 15 and B-1.)	<p>1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ►</p> <p>Note: If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.</p> <p>2 Add the amounts on line 1</p> <p>3 Excludable interest on series EE U.S. savings bonds issued after 1989 from Form 8815, line 14. You MUST attach Form 8815 to Form 1040</p> <p>4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a ►</p>	
	Amount	
	1	
	2	
	3	
	4	
Part II	Note: If you had over \$400 in gross dividends and/or other distributions on stock, you must also complete Part III.	
Dividend Income (See pages 15 and B-1.)	<p>5 List name of payer. Include gross dividends and/or other distributions on stock here. Any capital gain distributions and nontaxable distributions will be deducted on lines 7 and 8 ►</p> <p>Note: If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total dividends shown on that form.</p> <p>6 Add the amounts on line 5</p> <p>7 Capital gain distributions. Enter here and on Schedule D ►</p> <p>8 Nontaxable distributions. (See the inst. for Form 1040, line 9.)</p> <p>9 Add lines 7 and 8</p> <p>10 Subtract line 9 from line 6. Enter the result here and on Form 1040, line 9 ►</p> <p>If you do not need Schedule D to report any other gains or losses, see the instructions for Form 1040, line 13, on page 16.</p>	
	Amount	
	5	
	6	
	7	
	8	
	9	
	10	
Part III	If you had over \$400 of interest or dividends or had a foreign account or were a grantor of, or a transferor to, a foreign trust, you must complete this part.	
Foreign Accounts and Trusts (See page B-2.)	<p>11a At any time during 1995, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1</p> <p>b If "Yes," enter the name of the foreign country ►</p> <p>12 Were you the grantor of, or transferor to, a foreign trust that existed during 1995, whether or not you have any beneficial interest in it? If "Yes," you may have to file Form 3520, 3520-A, or 926</p>	
	Yes	No

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

(8) Printed on recycled paper

Schedule B (Form 1040) 1995

Exhibit CG-A (Schedule A)
Schedule A
(Form 1040)

ITEMIZED DEDUCTIONS

1995 * 07

OMB no. 1545-0074

SSN _____

MEDICAL AND DENTAL EXPENSES**

- 1 Medical and dental expenses.....(1) _____
 - 2 Amount from Form 1040, line 32....(2) _____
 - 3 Multiply line 2 by 7.5% (.075).....(3) _____
 - 4 Subtract line 3 from line 1, not less than zero.....(4) _____
- ***TAXES YOU PAID*****
- 5 State and local income taxes.....(5) _____
 - 6 Real estate taxes.....(6) _____
 - 7 Personal property taxes.....(7) _____
 - 8 Other taxes. List type and amount.
.....(8) _____

- 9 Add lines 5 thru 8.....(9) _____

INTEREST YOU PAID**

- 10 Home mortgage interest and points reported
to you on Form 1098.....(10) _____
- 11 Home mtg int not reported on Form 1098. If to
seller, person's name, id no., and address:

- 12 Points not reported to you on Form 1098....(12) _____
- 13 Investment interest. Att Form 4952 if req..(13) _____
- 14 Add lines 10 thru 13.....(14) _____

GIFTS TO CHARITY**

- 15 Gifts by cash or check.....(15) _____
- 16 Other than cash or check. If over \$500,
you MUST attach Form 8283.....(16) _____
- 17 Carryover from prior year.....(17) _____
- 18 Add lines 15 thru 17.....(18) _____

CASUALTY AND THEFT LOSSES**

- 19 Casualty or theft loss(es) from Form 4684.....(19) _____

JOB EXPENSES & MOST OTHER MISCELLANEOUS DEDUCTIONS**

- 20 Unreim employee exp (Form 2106)
.....(20) _____
- 21 Tax preparation fees.....(21) _____
- 22 Other expenses:
_____ ..(22) _____

- 23 Add lines 20 thru 22.....(23) _____

- 24 Amount from Form 1040, line 32...(24) _____

- 25 Multiply line 24 by 2% (.02).....(25) _____

- 26 Subtract line 25 from line 23, not less than zero....(26) _____

OTHER MISCELLANEOUS DEDUCTIONS**

-(27) _____

TOTAL ITEMIZED DEDUCTIONS**

- 28 If Form 1040, line 32 more than \$114,700 (\$57,350 MFS),
see page A-5. Else add right column of lines 4-27....(28) _____

D260 For Paperwork Reduction Act Notice, see Form 1040 Instructions.

**Exhibit CG-B (Schedule B) INTEREST
Schedule B (Form 1040)**

INTEREST AND DIVIDEND INCOME

1995 * 08

OMS no. 1545-0074

EXHIBIT BW-1

Form 941
(Rev. April 1994)
Department of the Treasury 4141
Internal Revenue Service

Employer's Quarterly Federal Tax Return

Please type or print.

Enter state code for state in which deposits made.
(see page 2 of instructions).

OMB No. 1545-0029

I

FF

FD

FT

L

T

If address is
different
from prior
return, check
here.

Number of Children	IRS Use
0	5
1	4
2	3
3	6
4	7
5	8
6	8
7	1
8	3
9	3
10	3
11	3
12	3
13	3
14	4
15	4
16	4
17	1
18	1
19	1
20	1

If you do not have to file returns in the future, check here _____ and enter date final wages paid _____

If you are a seasonal employee, see Seasonal Employees on page 2 and check here (see instructions).

- | | | | | |
|---|--------------------------|--------------|----|----|
| 1 Number of employees (except household) employed in the pay period that includes March 12th | | | | |
| 2 Total wages and tips subject to withholding, plus other compensation | | | | 2 |
| 3 Total income tax withheld from wages, tips, and sick pay | | | | 3 |
| 4 Adjustment of withheld income tax for preceding quarters of calendar year | | | | 4 |
| 5 Adjusted total of income tax withheld | | | | 5 |
| 6a Taxable social security wages | x 12.4% = | | 6a | - |
| 6b Taxable social security tips | x 12.4% = | | 6b | - |
| 7 Taxable Medicare wages and tips | x 2.9% = | | 7 | |
| 8 Total social security and Medicare taxes. | | | | |
| Check here if wages not subject to social security and/or Medicare tax | | | | 8 |
| 9 Adjustment of social security and Medicare taxes | | | | |
| Sick Pay \$ | +/- Fractions of cents\$ | +/- Other \$ | = | 9 |
| 10 Adjusted total of social security and Medicare taxes | | | | 10 |
| 11 Total taxes (add lines 5 ands 10) | | | | 11 |
| 12 Advance earned income credit (EIC) payments made by employees, if any | | | | 12 |
| 13 Net Taxes (subtract line 12 from line 11). | | | | 13 |
| 14 Total deposits for quarter, including overpayment applied from a prior quarter, | | | | 14 |
| 15 Balance due (subtract line 14 from line 13). Pay to Internal Revenue Service. | | | | 15 |
| 16 Overpayment, if line 14 is more than line 13, enter excess here
and check if to be: Applied to next return OR Refunded.
All filers: If line 13 is less than \$500, you need not complete line 17 of Schedule B.
Semiweekly depositors: Complete Schedule B and check here
Monthly depositors: Complete line 17, columns (a) through (d) and check here | | | | |
| 17 Monthly Summary of Federal Tax Liability
(a) First month liability (b) Second month liability (c) Third month liability (d) Fourth month liability | | | | |

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and attachments, and to the best of my knowledge and belief, it is true, correct, and accurate.

**Print Your
Name and Title ►**

Print Your
Name and Title ►

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Date →

Form 941 (Rev. 4-94)

EXHIBIT BW2

SCHEDULE B
(FORM 941)
(Rev. January 1994)
Department of the Treasury
Internal Revenue Service

S151

Employer's Record of Federal Tax Liability

►See Circular E for more information about employment tax returns.
Attach to form 941 or Form 941-SS.

OMB No. 1545-0029
Expires 1-31-96

Name

Emp. ID

Date

You must complete this schedule if you are required to deposit on a semiweekly basis, or if your tax liability on any day is \$100,000 or more. Show tax liability here, not deposits. (The IRS gets deposit data from FTD coupons.)

A. Daily Tax Liability - First Month of Quarter

1	8	15	22	29
2	9	16	23	30
3	10	17	24	31
4	11	18	25	
5	12	19	26	
6	13	20	27	
7	14	21	28	

A Total tax liability for first month of quarter**A****B. Daily Tax Liability - Second Month of Quarter**

1	8	15	22	29
2	9	16	23	30
3	10	17	24	31
4	11	18	25	
5	12	19	26	
6	13	20	27	
7	14	21	28	

B Total tax liability for second month of quarter**B****C. Daily Tax Liability - Third Month of Quarter**

1	8	15	22	29
2	9	16	23	30
3	10	17	24	31
4	11	18	25	
5	12	19	26	
6	13	20	27	
7	14	21	28	

C Total tax liability for third month of quarter**C****D Total for quarter (add lines A, B, and C). This should equal line 13 of Form 941.****D**

For Paperwork Reduction Act Notice, see page 2.

Schedule B (Form 941) (Rev. 1-94)

EXHIBIT L-1 - LIST OF FORMS REFERRED TO IN REVENUE PROCEDURE

<u>FORM</u>	<u>TITLE</u>
706	United States Estate (and Generation-Skipping Transfer) Tax Return
720	Quarterly Federal Excise Tax Return
940	Employer's Annual Federal Unemployment (FUTA) Tax Return
940-EZ	Employer's Annual Federal Unemployment (FUTA) Tax Return
941	Employer's Quarterly Federal Tax Return
941 Sch. B	Employer's Record of Federal Tax Liability
943	Employer's Annual Tax Return for Agricultural Employees
945	Annual Return of Withheld Federal Income Tax
945-A	Annual Record of Federal Tax Liability
990-C	Farmers' Cooperative Association Income Tax Return
990-PF	Return of Private Foundation or Section 4947(a)(1) Trust Treated as a Private Foundation
990-T	Exempt Organization Business Income Tax Return
1040	U.S. Individual Income Tax Return
1040-ES	Estimated Tax for Individuals
1040A	U.S. Individual Income Tax Return
1040EZ	Income Tax Return for Single and Joint Filers with No Dependents
1040PC	1040PC Format U.S. Individual Income Tax Return
1041	U.S. Income Tax Return for Estates and Trusts
1041-ES	Estimated Tax for Estates and Trusts
1042	Annual Withholding Tax Return for U.S. Source Income of Foreign Persons
1042-S	Foreign Person's U.S. Source Income Subject to Withholding
1065	U.S. Partnership Return of Income
1096	Annual Summary and Transmittal of U.S. Information Returns
1098	Mortgage Interest Statement
1099-A	Acquisition or Abandonment of Secured Property
1099-B	Proceeds from Broker and Barter Exchange Transactions
1099-C	Cancellation of Debt
1099-DIV	Dividends and Distributions
1099-G	Certain Government Payments
1099-INT	Interest Income
1099-MISC	Miscellaneous Income
1099-OID	Original Issue Discount
1099-PATR	Taxable Distributions Received from Cooperatives
1099-R	Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, Etc.
1099-S	Proceeds from Real Estate Transactions
1120	U.S. Corporation Income Tax Return

EXHIBIT L-1 - LIST OF FORMS REFERRED TO IN REVENUE PROCEDURE
(continued)

2290 Heavy Vehicle Use Tax Return
3468 Investment Credit
3975 Tax Practitioner Annual Mailing List Application
Update
4136 Credit for Federal Tax Paid on Fuels
4461 Application for Approval of Master or Prototype
and Regional Prototype Defined Contribution Plan
4461-A Application for Approval of Master or Prototype
and Regional Prototype Defined Benefit Plan
4461-B Application for Approval of Master or Prototype
Plan, or Regional Prototype Plan Mass Submitter
Return Adopting Sponsor
5300 Application for Determination for Employee Benefit
Plan
5303 Application for Determination for Collectively
Bargained Plan
5305 Individual Retirement Trust Account
5306 Application for Approval of Prototype or Employer
Sponsored Individual Retirement Account
5307 Application for Determination for Adopters of
Master or Prototype, Regional Prototype or Volume
Submitter Plans
5310 Application for Determination for Terminating Plan
5310-A Notice of Plan Merger or Consolidation, Spinoff,
or Transfer of Plan Assets or Liabilities; Notice
of Qualified Separate Lines of Business
5498 Individual Retirement Arrangement Information
5500 Annual Return/Report of Employee Benefit Plan
(With 100 or more participants)
5500 C/R Annual Return/Report of Employee Benefit Plan
(With fewer than 100 participants)
5500-EZ Annual Return of One-Participant (Owners and Their
Spouses) Retirement Plan
6406 Short Form Application for Determination For Minor
Amendment of Employee Benefit Plan
8109 Federal Tax Deposit Coupon
8109-B Federal Tax Deposit Coupon
8453 U.S. Individual Income Tax Declaration for
Electronic Filing
8453-E Employee Benefit Plan Declaration and Signature
for Electronic/Magnetic Media Filing
8453-F U.S. Income Tax Declaration and Signature for
Electronic and Magnetic Media Filing
8453-P U.S. Partnership Declaration and Signature for
Electronic and Magnetic Media Filing
8633 Application to Participate in the Electronic
Filing Program
9041 Application for Electronic/Magnetic Media Filing
of Business and Employee Benefit Plan Returns

EXHIBIT L-1 - LIST OF FORMS REFERRED TO IN REVENUE PROCEDURE
(continued)

CT-1	Employer's Annual Railroad Retirement Tax Return
W-2	Wage and Tax Statement
W-2G	Certain Gambling Winnings
W-3	Transmittal of Income and Tax Statements

EXHIBIT L-2 - PAYMENT VOUCHER SPECIFICATIONS

NNNNNNNNN AA AAAA NN N NNNN NNN
A B C D E F G

A Social Security/ Employer Identification Number (SSN/EIN)	9 numeric
B Check Digit	2 alpha
C Name Control	4 alphanumeric
D Master File Tax (MFT) Code	2 numeric (see below)
E Taxpayer Identification Number (TIN) Type	1 numeric (see below)
F Tax Period	4 numeric (yymm)
G Transaction Code	3 numeric

MFT Code - 30 for Form 1040 family; 10 for Form 940 and
940-EZ; 01 for 941; 11 for Form 943; 16 for Form 945; 60
for Form 2290.

TIN Type - 0 for Form 1040 family; 2 for Forms 940,
940-EZ, 941, 943, 945, and 2290.

Voucher size - 8.5" x 3.25". The document scanline must
be vertically positioned 1.625" from the bottom of the
scanline to the bottom of the voucher. The right most
character of the scanline must be placed 3.5" from the
right leading edge of the document.

The maximum vertical displacement is .06 inches. The
minimum required horizontal clear space between characters
is .014 inches. The line to be scanned must have a clear
band 0.25 inches in height from top to bottom of the
scanline, and from border to border of the document.
"Clear band" means no printing except for dropout ink.

Part IV. Items of General Interest

Foundations Status of Certain Organizations

Announcement 96-96

The following organizations have failed to establish or have been unable to maintain their status as public charities or as operating foundations. Accordingly, grantors and contributors may not, after this date, rely on previous rulings or designations in the Cumulative List of Organizations (Publication 78), or on the presumption arising from the filing of notices under section 508(b) of the Code. This listing does *not* indicate that the organizations have lost their status as organizations described in section 501(c)(3), eligible to receive deductible contributions.

Former Public Charities. The following organizations (which have been treated as organizations that are not private foundations described in section 509(a) of the Code) are now classified as private foundations:

Academic Publishers International,
Incorporated (API), Nashville, TN
Accident Victims Alliance Inc.,
Bradenton Beach, FL
AC Flora Parent-Teacher Organization,
Columbia, SC
Acorn Community Land Association of
LA, New Orleans, LA
African American Heritage House
Incorporated, Louisville, KY
African Treasures Inc., Atlanta, GA
Allan G. Calkin Human Rights
Education and Research Fund, Inc.,
Austin, TX
Alliance for Instruction in
Microenterprise, Southfield, MI
Amcal Development Corporation, Los
Angeles, CA
Andrews Adult Literacy Council,
Incorporated, Andrews, TX
Association for Minority Adolescents in
Residential Care Homes, Sacramento,
CA
Believers Inc., Rome, GA
Cocoon Productions Inc., Fort Worth,
TX
Collision, Inc., Omaha, NE
Community Memory Project, Berkley,
CA
Community Resource and Talent
Development, Inglewood, CA
Consumer Alliance Research
Enhancement Fund, Kalamazoo, MI
Crook Historical Society, Crook, CO
Curator, Greensboro, NC
Earth & Spirit Council, Portland, OR

Eldercare Plus, San Jose, CA
Environmental Professionals
Organization a Non-Profit Corp.,
Irvine, GA
EOS Institute, Laguna Beach, CA
Euclid Citizens Alliance, Inc., Euclid,
OH
Eula Foundation for Humanities, Inc.,
Cleveland, GA
Excel Program, Inc., San Juan
Capistrano, CA
Expressive Arts Inc., Tamarac, FL
Freedom Master, Seattle, WA
Friends of the Forest, Inc., Louisville,
KY
Grace & Glory Ministries, Inc.,
Norcross, GA
Greater Atlanta Billy Graham Crusade
Inc., Minneapolis, MN
Health for All, Inc., Tucson, AZ
Heaven on Earth Ministries, Inc.,
Indianapolis, IN
High Desert Nurse Education Council
Inc., Lancaster, CA
IDC Development Corporation, Trenton,
NJ
Intermedico Inc., Wildwood, FL
International Community School of
Kenya Foundation Inc., Princeton, NJ
International Development Resources
Inc., Washington, DC
International Energy Initiative Inc.,
Montclair, NJ
International Forest Foundation,
Alexandria, VA
International Foundation for Studies in
the Vedas U S A, Colonia, NJ
International Institute of Forensic
Science, Philadelphia, PA
International Institute for Human
Evolutionary Research, Washington,
DC
International Lung Foundation Inc.,
Washington, DC
International Orphans Assistance,
Philadelphia, PA
International Samaritan Health and Aid
Association, Chesapeake, VA
Inter-Religious Fellowship With the
Homeless of Hudson County Inc.,
Union City, NJ
Koinonia Mission Foundation, Los
Angeles, CA
Lay Nation Ministries, Florissant, MO
Medical Information Advancement, Inc.,
Nicholasville, KY
North Texas Sound Labs, Fort Worth,
TX
Plan Foundation, Inc., Naples, FL
Preventive Health Services, San
Francisco, CA

Resource Development Center
Incorporated, Sanford, FL
Soong Sil University Alumni Foundation
of America, Inc., Los Angeles, CA
South Texas Rural Development
Corporation Inc., McAllen, TX
Tacoma Lesbian Concern, Tacoma, WA
Upper Pathways, Inc., Tacoma, WA
Vietnam Human Rights Watch, Pomona,
CA
West High Alumni Association, Salt
Lake City, UT
West Metro Interfaith Adult Day Care
Center Inc., Cayce, SC
West Orange Kiwanis Foundation Inc.,
Orlando, FL
Whitten Center Foundation, Clinton, SC
Women of Grace Inc., Tampa, FL
Womens Re-Entry Services Inc.,
Pensacola, FL
World Mission Inc., Morgan City, LA
World Wide Nature Care Society Inc.,
Clearwater, FL
Youth for Christ the Center Inc.,
Jackson, MS

If an organization listed above submits information that warrants the renewal of its classification as a public charity or as a private operating foundation, the Internal Revenue Service will issue a ruling or determination letter with the revised classification as to foundation status. Grantors and contributors may thereafter rely upon such ruling or determination letter as provided in section 1.509(a)-7 of the Income Tax Regulations. It is not the practice of the Service to announce such revised classification of foundation status in the Internal Revenue Bulletin.

Source of Income From Sales of Inventory and Natural Resources Produced In One Jurisdiction and Sold In Another Jurisdiction; correction

Announcement 96-97

AGENCY: Internal Revenue Service
(IRS), Treasury.

ACTION: Correction to the notice of proposed rulemaking.

SUMMARY: This document contains corrections to the notice of proposed rulemaking (INTL-0003-95 [1996-6 I.R.B. 29]) which was published in the **Federal Register** on Monday, December 11, 1995 (60 FR 63478). The notice of proposed rulemaking relates to the source of income from sales of natural

resources or other inventory produced in the United States and sold in a foreign country or produced in a foreign country and sold in the United States.

FOR FURTHER INFORMATION CONTACT: Anne Shelburne (202) 622-3880 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking that is subject to these corrections is under section 863 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking (INTL-0003-95) contains errors which may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of proposed rulemaking (INTL-0003-95) which is the subject of FR Doc. 95-30087 is corrected as follows:

1. On page 63480, column 2, in the preamble, under the heading "1. Export Terminal Rule", the second full paragraph, line 12, the language "production activity following export. A" is corrected to read "production activity as defined in § 1.863-1(b)(3)(ii) following export. A".

2. On page 63483, column 3, in the preamble, under the heading "3. Determination of Source of Gross Income", line 3 from the top of the column, the language "are located where the tangible" is corrected to read "are located where the taxpayer's tangible".

3. On page 63483, column 3, in the preamble, under the heading "3. Determination of Source of Gross Income", the fourth full paragraph, line 8, the language "sit us of economic activity. Accordingly," is corrected to read "situs of economic activity. Accordingly,".

§ 1.863-1 [Corrected]

4. On page 63485, column 2, § 1.863-1 (b)(1) introductory text, line 2, the language "Except to the extent provided in" is corrected to read "Notwithstanding any other provision, except to the extent provided in".

§ 1.863-2 [Corrected]

5. On page 63486, column 3, § 1.863-2 (b), lines 15 and 16, the

language "paragraph (a)(2) of this section, see § 1.863-3. However, the principles of" is corrected to read "paragraph (a)(2) of this section, see § 1.863-1 for natural resources and § 1.863-3 for other inventory. However, the principles of".

§ 1.863-3 [Corrected]

6. On page 63487, column 3, § 1.863-3 (b)(2)(iv), paragraph (i) of *Example 1*, line 4, the language "country X to D, a unrelated foreign clothing" is corrected to read "country X to D, an unrelated foreign clothing".

7. On page 63488, column 2, § 1.863-3 (c)(1)(i)(B), line 4, the language "intangible assets owned by the taxpayer" is corrected to read "intangible assets owned directly by the taxpayer".

Michael L. Slaughter,
Acting Chief, Regulations Unit,
Associate Chief Counsel (Corporate).

(Filed by the Office of the Federal Register on August 26, 1996, 8:45 a.m., and published in the issue of the Federal Register for August 27, 1996, 61 FR. 44023)

Allocation of Loss on Disposition of Stock; Correction

Announcement 96-98

AGENCY: Internal Revenue Service, Treasury

ACTION: Correction to the notice of proposed rulemaking.

SUMMARY: This document contains corrections to the notice of proposed rulemaking (INTL-4-95 [1996-36 I.R.B. 8]) which was published in the **Federal Register** on Monday, July 8, 1996 (61 FR 35696). The notice of proposed rulemaking relates to the allocation of loss realized on the disposition of stock.

FOR FURTHER INFORMATION CONTACT: Seth B. Goldstein (202) 622-3850 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking that is subject to these corrections is under section 865 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking (INTL-4-95) contains an error that may prove to be misleading and is in need of clarification.

Correction of Publication

Accordingly, the publication of proposed rulemaking (INTL-4-95) which is the subject of FR Doc. 96-17004 is corrected as follows:

§ 1.904-4 [Corrected]

On page 35701, column 2, § 1.904-4, paragraph (c)(2)(i), line 11, the language "January 1, 1988. Paragraph (2)(ii)(B) of" is corrected to read "January 1, 1988. Paragraph (c)(2)(ii)(B) of".

Michael L. Slaughter,
Acting Chief, Regulations Unit,
Assistant Chief Counsel (Corporate).

(Filed by the Office of the Federal Register on August 26, 1996, 8:45 a.m., and published in the issue of the Federal Register for August 27, 1996, 61 FR. 44024)

Deletions From Cumulative List of Organizations Contributions to Which Are Deductible Under Section 170 of the Code

Announcement 96-99

The names of organizations that no longer qualify as organizations described in section 170(c)(2) of the Internal Revenue Code of 1986 are listed below.

Generally, the Service will not disallow deductions for contributions made to a listed organization on or before the date of announcement in the Internal Revenue Bulletin that an organization no longer qualifies. However, the Service is not precluded from disallowing a deduction for any contributions made after an organization ceases to qualify under section 170(c)(2) if the organization has not timely filed a suit for declaratory judgment under section 7428 and if the contributor (1) had knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was in part responsible for or was aware of the activities or omissions of the organization that brought about this revocation.

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin

on September 23, 1996, and would end on the date the court first determines that the organization is not described in section 170(c)(2) as more particularly set forth in section 7428(c)(1). For individual contributors, the maximum deduction protected is \$1,000, with a hus-

band and wife treated as one contributor. This benefit is not extended to any individual who was responsible, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

Share, Inc.
Chicago, IL

Voices for Freedom
Alexandria, VA

Announcement of the Disbarment, Suspension, and Consent to Voluntary Suspension of Attorneys, Certified Public Accountants, Enrolled Agents and Enrolled Actuaries From Practice Before the Internal Revenue Service

Under Section 330, Title 31 of the United States Code, the Secretary of the Treasury, after due notice and opportunity for hearing, is authorized to suspend or disbar from practice before the Internal Revenue Service any person who has violated the rules and regulations governing the recognition of attorneys, certified public accountants, enrolled agents or enrolled actuaries to practice before the Internal Revenue Service.

Attorneys, certified public accountants, enrolled agents, and enrolled actuaries are prohibited in any Internal Rev-

enue Service matter from directly or indirectly employing, accepting assistance from, being employed by or sharing fees with, any practitioner disbarred or under suspension from practice before the Internal Revenue Service.

To enable attorneys, certified public accountants, enrolled agents and enrolled actuaries to identify such disbarred or suspended practitioners, the Director of Practice will announce in the Internal Revenue Bulletin the names and addresses of practitioners who have been suspended from such practice, their designation as attorney, certified public

accountant, enrolled agent or enrolled actuary, and the date of disbarment or period of suspension. This announcement will appear in the weekly Bulletin for five successive weeks or as long as it is practicable for each attorney, certified public accountant, enrolled agent or enrolled actuary so suspended or disbarred and will be consolidated and published in the Cumulative Bulletin.

After due notice and opportunity for hearing before an administrative law judge, the following individuals have been disbarred from further practice before the Internal Revenue Service:

Name	Address	Designation	Effective Date
Styvaert, Richard Davis Jr., George L.	San Diego, CA Washington, D.C.	CPA Enrolled Agent	July 5, 1996 August 15, 1996

Under 31 Code of Federal Regulations, Part 10, an enrolled agent in order to avoid the institution or conclusion of a proceeding for his disbarment or suspension from practice before the Internal Revenue Service, may offer his resignation from such practice. The Director of Practice, in his discretion, may suspend an enrolled agent in accordance with the consent offered.

Attorneys, certified public accountants, enrolled agents and enrolled actuaries are prohibited in any Internal Revenue Service matter from directly or

indirectly employing, accepting assistance from, being employed by or sharing fees with, any enrolled agent who has resigned from practice before the Internal Revenue Service.

To enable attorneys, certified public accountants, enrolled agents and enrolled actuaries to identify former enrolled agents who have resigned from practice before the Internal Revenue Service, the Director of Practice will announce in the Internal Revenue Bulletin the names and addresses of former

enrolled agents who have resigned from such practice, and date of resignation. This announcement will appear in the weekly Bulletin at the earliest practicable date after such action and will continue to appear in the weekly Bulletins for five successive weeks or for as many weeks as is practicable for each enrolled agent who has resigned, and will be consolidated and published in the Cumulative Bulletin.

The following individual has offered his resignation as an enrolled agent:

Name	Address	Date of Resignation
Marchioli, Anthony	Dallas, TX	July 12, 1996

Under 31 Code of Federal Regulations, Part 10, an attorney, certified public accountant, enrolled agent or enrolled actuary, in order to avoid the institution or conclusion of a proceeding for his disbarment or suspension from practice before the Internal Revenue Service, may offer his consent to suspension from such practice. The Director of Practice, in his discretion, may suspend an attorney, certified public accountant, enrolled agent or enrolled actuary in accordance with the consent offered.

Attorneys, certified public accountants, enrolled agents and enrolled actuaries are prohibited in any Internal Rev-

enue Service matter from directly or indirectly employing, accepting assistance from, being employed by or sharing fees with, any practitioner disbarred or suspended from practice before the Internal Revenue Service.

To enable attorneys, certified public accountants, enrolled agents and enrolled actuaries to identify practitioners under consent suspension from practice before the Internal Revenue Service, the Director of Practice will announce in the Internal Revenue Bulletin the names and addresses of practitioners who have been suspended from such practice, their designation as attorney, certified public

accountant, enrolled agent or enrolled actuary, and date or period of suspension. This announcement will appear in the weekly Bulletin at the earliest practicable date after such action and will continue to appear in the weekly Bulletins for five successive weeks or for as many weeks as is practicable for each attorney, certified public accountant, enrolled agent or enrolled actuary so suspended and will be consolidated and published in the Cumulative Bulletin.

The following individuals have been placed under consent suspension from practice before the Internal Revenue Service:

Name	Address	Designation	Date of Suspension
Berry, James R.	Columbus, MO	CPA	June 5, 1996 to December 4, 1997
Rohner Jr., Richard E.	Burr Ridge, IL	CPA	June 10, 1996 to June 9, 1997
Bova, Robert J.	Tampa, FL	CPA	June 10, 1996 to March 9, 1997
Rines, Robert L.	Concord, NH	Attorney	June 17, 1996 to December 16, 1998
Kimball, Randy	Rancho Cucamonga, CA	CPA	July 1, 1996 to December 31, 1996
Cole, Sherman	Oklahoma City, OK	CPA	July 1, 1996 to March 31, 1997
Barretta, Samuel N.	Southfield, MI	Attorney	August 1, 1996 to December 31, 1999
Harris, Luis F.	Orlando, FL	CPA	August 1, 1996 to October 31, 1996
Vourvoulias, James	Park Ridge, IL	CPA	August 1, 1996 to October 31, 1996
Swan, Roy E.	Salem, OR	CPA	August 1, 1996 to January 31, 1997
Hamilton, Barry K.	Twins Falls, ID	CPA	August 1, 1996 to September 30, 1996
Horton, Greta	Richland, VA	CPA	Indefinite from August 2, 1996
Addabbo, Marie P.	Manchester, CT	Enrolled Agent	September 1, 1996 to May 31, 1997
Crouch Jr., Richard E.	Miss'nViejo, CA	CPA	September 1, 1996 to February 28, 1999
Sanders Jr., Wilfred A.	Orlando, FL	CPA	September 1, 1996 to August 31, 1998
Perkins, Nancy F.	Apple Valley, MN	CPA	September 1, 1996 to November 30, 1996
Nichols, Oliver R.	Meriden, CT	CPA	September 1, 1996 to May 31, 1997
Winiemko, Ronald C.	Sterl'g Hts, MI	Attorney	September 1, 1996 to February 28, 1999
Pallman, William F.	Guilford, CT	CPA	September 30, 1996 to January 29, 1997
Gannon, Martin C.	Wallingford, CT	CPA	September 30, 1996 to December 29, 1996
Andrews, Craig A.	Hicksville, OH	CPA	September 30, 1996 to September 29, 1997

Announcement of the Expedited Suspension of Attorneys, Certified Public Accountants, Enrolled Agents, and Enrolled Actuaries From Practice Before The Internal Revenue Service

Under title 31 of the Code of Federal Regulations, section 10.76, the Director of Practice is authorized to immediately suspend from practice before the Internal Revenue Service any practitioner who, within five years, from the date the expedited proceeding is instituted, (1) has had a license to practice as an attorney, certified public accountant, or actuary suspended or revoked for cause; or (2) has been convicted of any crime under title 26 of the United States Code or, of a felony under title 18 of the United States Code involving dishonesty or breach of trust.

Attorneys, certified public accountants, enrolled agents, and enrolled actu-

aries are prohibited in any Internal Revenue Service matter from directly or indirectly employing, accepting assistance from, being employed by, or sharing fees with, any practitioner disbarred or suspended from practice before the Internal Revenue Service.

To enable attorneys, certified public accountants, enrolled agents, and enrolled actuaries to identify practitioners under expedited suspension from practice before the Internal Revenue Service, the Director of Practice will announce in the Internal Revenue Bulletin the names and addresses of practitioners who have been suspended from such practice, their designation as attorney, certified public

accountant, enrolled agent or enrolled actuary, and date or period of suspension. This announcement will appear in the weekly Bulletin at the earliest practicable date after such action and will continue to appear in the weekly Bulletins for five successive weeks or for as many weeks as is practicable for each attorney, certified public accountant, enrolled agent, or enrolled actuary so suspended and will be consolidated and published in the Cumulative Bulletin.

The following individuals have been placed under suspension from practice before the Internal Revenue Service by virtue of the expedited proceeding provisions of the applicable regulations:

Name	Address	Designation	Date of Suspension
Bower, Lewis H.	Tampa, FL	CPA	Indefinite from May 30, 1996
Reiss, Irvin L.	Newton, PA	CPA	Indefinite from June 4, 1996
Reynolds, Mark E.	Brownsburg, IN	Attorney	Indefinite from July 1, 1996
Moore, Philip J.	Rome, GA	CPA	Indefinite from July 10, 1996
Broek, Kevin J.	Omaha, NE	CPA	Indefinite from July 10, 1996
Bein, William	Beachwood, OH	Attorney	Indefinite from August 1, 1996
Henry, Gregory	Bradford, PA	Attorney	Indefinite from August 1, 1996
Sadler, George A.	Houston, TX	Attorney	Indefinite from August 1, 1996
Fuhr IV, John Henry	Dallas, TX	CPA	Indefinite from August 1, 1996
Rakov, Harris J.	Mahwah, NJ	Attorney	Indefinite from August 1, 1996
Perkell, Mark E.	S. Burlington, VT	Attorney	Indefinite from August 1, 1996
Darrah, Robert J.	Neola, IA	CPA	Indefinite from August 21, 1996
Constantino, Enrico J.	Bay Shore, NY	Attorney	Indefinite from August 27, 1996
VanLoan, Jonathan A.	Frazer, PA	Attorney	Indefinite from August 27, 1996
Bennett, John J.	Milford, CT	Attorney	Indefinite from August 27, 1996
Lavin-Munch, Carole A.	Merrionette Pk, IL	CPA	Indefinite from August 27, 1996

Numerical Finding List¹

Bulletins 1996–27 through 1996–38

Announcements:

- 96–61, 1996–27 I.R.B. 72
- 96–62, 1996–28 I.R.B. 55
- 96–63, 1996–29 I.R.B. 18
- 96–64, 1996–29 I.R.B. 18
- 96–65, 1996–29 I.R.B. 18
- 96–66, 1996–29 I.R.B. 19
- 96–67, 1996–30 I.R.B. 27
- 96–68, 1996–31 I.R.B. 45
- 96–69, 1996–32 I.R.B. 38
- 96–70, 1996–32 I.R.B. 40
- 96–71, 1996–33 I.R.B. 16
- 96–72, 1996–33 I.R.B. 16
- 96–73, 1996–33 I.R.B. 18
- 96–74, 1996–33 I.R.B. 19
- 96–75, 1996–34 I.R.B. 29
- 96–76, 1996–34 I.R.B. 29
- 96–77, 1996–35 I.R.B. 15
- 96–78, 1996–35 I.R.B. 15
- 96–79, 1996–35 I.R.B. 15
- 96–80, 1996–35 I.R.B. 16
- 96–81, 1996–36 I.R.B. 13
- 96–82, 1996–36 I.R.B. 14
- 96–83, 1996–36 I.R.B. 14
- 96–84, 1996–36 I.R.B. 14
- 96–85, 1996–37 I.R.B. 20
- 96–86, 1996–37 I.R.B. 21
- 96–87, 1996–37 I.R.B. 21
- 96–88, 1996–38 I.R.B. 150
- 96–89, 1996–37 I.R.B. 22
- 96–90, 1996–37 I.R.B. 22
- 96–91, 1996–37 I.R.B. 23
- 96–92, 1996–38 I.R.B. 151
- 96–93, 1996–38 I.R.B. 151
- 96–94, 1996–38 I.R.B. 153

Court Decisions:

- 2058, 1996–34 I.R.B. 13
- 2059, 1996–34 I.R.B. 10
- 2060, 1996–34 I.R.B. 5

Notices:

- 96–36, 1996–27 I.R.B. 11
- 96–37, 1996–31 I.R.B. 29
- 96–38, 1996–31 I.R.B. 29
- 96–39, 1996–32 I.R.B. 8
- 96–40, 1996–33 I.R.B. 11
- 96–41, 1996–35 I.R.B. 6
- 96–42, 1996–35 I.R.B. 6
- 96–43, 1996–36 I.R.B. 7
- 96–44, 1996–36 I.R.B. 7

Proposed Regulations:

- CO–9–96, 1996–34 I.R.B. 20
- CO–24–96, 1996–30 I.R.B. 22
- CO–25–96, 1996–31 I.R.B. 30
- CO–26–96, 1996–31 I.R.B. 31
- FI–28–96, 1996–31, I.R.B. 33
- FI–32–95, 1996–34 I.R.B. 21
- FI–48–95, 1996–31 I.R.B. 36
- FI–59–94, 1996–30 I.R.B. 23
- GL–7–96, 1996–33 I.R.B. 13
- IA–26–94, 1996–30 I.R.B. 24
- IA–29–96, 1996–33 I.R.B. 14
- IA–292–84, 1996–28 I.R.B. 38
- INTL–4–95, 1996–36 I.R.B. 8
- PS–22–96, 1996–33 I.R.B. 15
- PS–39–93, 1996–34 I.R.B. 27

Proposed Regulations—Continued

- REG–209827–96, 1996–37 I.R.B. 19
- REG–208215–91, 1996–38 I.R.B. 145

Public Laws:

- 104–117, 1996–34 I.R.B. 19
- 104–134, 1996–38 I.R.B. 7
- 104–168, 1996–38 I.R.B. 8

Railroad Retirement Quarterly Rate

- 1996–29 I.R.B. 14

Revenue Procedures:

- 96–36, 1996–27 I.R.B. 11
- 96–37, 1996–29 I.R.B. 16
- 96–39, 1996–33 I.R.B. 11
- 96–40, 1996–32 I.R.B. 8
- 96–41, 1996–32 I.R.B. 9
- 96–42, 1996–32 I.R.B. 14
- 96–43, 1996–35 I.R.B. 6
- 96–44, 1996–35 I.R.B. 7
- 96–45, 1996–35 I.R.B. 12
- 96–46, 1996–38 I.R.B. 144

Revenue Rulings:

- 96–33, 1996–27 I.R.B. 4
- 96–34, 1996–28 I.R.B. 4
- 96–35, 1996–31 I.R.B. 4
- 96–36, 1996–30 I.R.B. 6
- 96–37, 1996–32 I.R.B. 4
- 96–38, 1996–33 I.R.B. 4
- 96–39, 1996–34 I.R.B. 4
- 96–42, 1996–35 I.R.B. 4
- 96–43, 1996–36 I.R.B. 4
- 96–44, 1996–38 I.R.B. 4

Tax Conventions:

- 1996–28 I.R.B. 36
- 1996–36 I.R.B. 6

Treasury Decisions:

- 8673, 1996–27 I.R.B. 4
- 8674, 1996–28 I.R.B. 7
- 8675, 1996–29 I.R.B. 5
- 8676, 1996–30 I.R.B. 4
- 8677, 1996–30 I.R.B. 7
- 8678, 1996–31 I.R.B. 11
- 8679, 1996–31 I.R.B. 4
- 8680, 1996–33 I.R.B. 5
- 8681, 1996–37 I.R.B. 17
- 8682, 1996–37 I.R.B. 4

¹A cumulative list of all Revenue Rulings, Revenue Procedures, Treasury Decisions, etc., published in Internal Revenue Bulletins 1996–1 through 1996–26 will be found in Internal Revenue Bulletin 1996–27, dated July 1, 1996.

Finding List of Current Action on Previously Published Items¹

Bulletins 1996–27 through 1996–38

*Denotes entry since last publication

Revenue Procedures:

80–27

Modified by

96–40, 1996–32 I.R.B. 8

87–32

Modified by

TD 8680, 1996–33 I.R.B. 5

92–20

Modified by

TD 8680, 1996–33 I.R.B. 5

95–29

Superseded by

96–36, 1996–27 I.R.B. 11

95–29A

Superseded by

96–36, 1996–27 I.R.B. 11

95–30

Superseded by

96–42, 1996–32 I.R.B. 14

¹A cumulative finding list for previously published items mentioned in Internal Revenue Bulletins 1996–1 through 1996–26 will be found in Internal Revenue Bulletin 1996–27, dated July 1, 1996.