

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. 96-49, page 4.

Federal rates; adjusted federal rates; adjusted federal long-term rate, and the long-term exempt rate.

For purposes of sections 1274, 1288, 382, and other sections of the Code, tables set forth the rates for October 1996.

Notice 96-49, page 6.

Tax-exempt bonds, arbitrage. This notice states that the Internal Revenue Service has received written and oral comments on Rev. Proc. 96-41, 1996-32 I.R.B. 9, outlines the steps the Service is taking in response to these comments, and announces a public hearing. Rev. Proc. 96-41, section 5.01, is modified by extending the deadline for requesting a closing agreement under the closing agreement program described in Rev. Proc. 96-41.

EMPLOYEE PLANS

REG-245562-96, page 8.

Proposed regulations under sections 401 and 402 of the Code provide guidance on the qualification of retirement plans that accept rollover contributions from employees.

EXEMPT ORGANIZATIONS

Announcement 96-104, page 10.

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

ADMINISTRATIVE

Notice 96-50, page 6.

T.D. 8029, 1985-2 C.B. 303, relating to statements required to be furnished by brokers and information returns of brokers, is corrected.

Finding Lists begin on page 17.

Announcements of Disbarments and Suspensions begin on page 13.

Quarterly Index for July, August, and September begins on page 19.

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

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 1996. See Rev. Rul. 96-49, this page.

Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of October 1996. See Rev. Rul. 96-49, this page.

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

The adjusted federal long-term rate is set forth for the month of October 1996. See Rev. Rul. 96-49, this page.

Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 1996. See Rev. Rul. 96-49, this page.

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

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 1996. See Rev. Rul. 96-49, this page.

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

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 1996. See Rev. Rul. 96-49, this page.

Section 483.—Interest on Certain Deferred Payments

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 1996. See Rev. Rul. 96-49, this page.

Section 807.—Rules for Certain Reserves

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 1996. See Rev. Rul. 96-49, this page.

Section 846.—Discounted Unpaid Losses Defined

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 1996. See Rev. Rul. 96-49, this page.

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

(Also sections 42, 280G, 382, 412, 467, 468, 482, 483, 807, 846, 1288, 7520, 7872.)

Federal rates; adjusted federal rates; adjusted federal long-term rate,

and the long-term exempt rate. For purposes of sections 1274, 1288, 382, and other sections of the Code, tables set forth the rates for October 1996.

Rev. Rul. 96-49

This revenue ruling provides various prescribed rates for federal income tax purposes for October 1996 (the current month.) Table 1 contains the short-term, mid-term, and long-term applicable federal rates (AFR) for the current month for purposes of section 1274(d) of the Internal Revenue Code. Table 2 contains the short-term, mid-term, and long-term adjusted applicable federal rates (adjusted AFR) for the current month for purposes of section 1288(b). Table 3 sets forth the adjusted federal long-term rate and the long-term tax-exempt rate described in section 382(f). Table 4 contains the appropriate percentages for determining the low-income housing credit described in section 42(b)(2) for buildings placed in service during the current month. Finally, Table 5 contains the federal rate for determining the present value of an annuity, an interest for life or for a term of years, or a remainder or a reversionary interest for purposes of section 7520.

REV. RUL. 96-49 TABLE 1

Applicable Federal Rates (AFR) for October 1996

Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	6.07%	5.98%	5.94%	5.91%
110% AFR	6.69%	6.58%	6.53%	6.49%
120% AFR	7.31%	7.18%	7.12%	7.07%
130% AFR	7.92%	7.77%	7.70%	7.65%
<i>Mid-Term</i>				
AFR	6.72%	6.61%	6.56%	6.52%
110% AFR	7.40%	7.27%	7.21%	7.16%
120% AFR	8.09%	7.93%	7.85%	7.80%
130% AFR	8.77%	8.59%	8.50%	8.44%
150% AFR	10.17%	9.92%	9.80%	9.72%
175% AFR	11.90%	11.57%	11.41%	11.30%

REV. RUL. 96-49 TABLE 1—Continued

Applicable Federal Rates (AFR) for October 1996

Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Long-Term</i>				
AFR	7.13%	7.01%	6.95%	6.91%
110% AFR	7.86%	7.71%	7.64%	7.59%
120% AFR	8.59%	8.41%	8.32%	8.27%
130% AFR	9.32%	9.11%	9.01%	8.94%

REV. RUL. 96-49 TABLE 2

Adjusted AFR for October 1996

Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i> adjusted AFR	4.04%	4.00%	3.98%	3.97%
<i>Mid-term</i> adjusted AFR	4.71%	4.66%	4.63%	4.62%
<i>Long-term</i> adjusted AFR	5.64%	5.56%	5.52%	5.50%

REV. RUL. 96-49 TABLE 3

Rates Under Section 382 for October 1996

Adjusted federal long-term rate for the current month	5.64%
Long-term tax-exempt rate for ownership changes during the current month (the highest of the adjusted federal long-term rates for the current month and the prior two months.)	5.80%

REV. RUL. 96-49 TABLE 4

Appropriate Percentages Under Section 42(b)(2)
for October 1996

Appropriate percentage for the 70% present value low-income housing credit	8.63%
Appropriate percentage for the 30% present value low-income housing credit	3.70%

REV. RUL. 96-49 TABLE 5

Rate Under Section 7520 for October 1996

Applicable federal rate for determining the present value of an annuity, an interest for life or a term of years, or a remainder or reversionary interest	8.0%
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Section 1288.—Treatment of Original Issue Discount on Tax-Exempt Obligations

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 1996. See Rev. Rul. 96-49, page 4.

Section 7520.—Valuation Tables

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 1996. See Rev. Rul. 96-49, page 4.

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

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 1996. See Rev. Rul. 96-49, page 4.

Part III. Administrative, Procedural, and Miscellaneous

Compliance With Tax-Exempt Bond Arbitrage Requirements

Notice 96-49

Rev. Proc. 96-41, 1996-32 I.R.B. 9, is part of a continuing initiative of the Internal Revenue Service to address the complex compliance matters associated with the arbitrage yield restriction and rebate requirements of § 148 of the Internal Revenue Code. In particular, Rev. Proc. 96-41 provides a voluntary closing agreement program for issuers of state or local government bonds that may have used bond proceeds to pay more than fair market value for nonpurpose investments deposited into an advance refunding escrow. As discussed below, this notice requests comments on Rev. Proc. 96-41 and modifies section 5.01 of Rev. Proc. 96-41 by extending the deadline for requesting a closing agreement under the program. In the meantime, issuers can continue to take advantage of the closing agreement program.

Rev. Proc. 96-41 reflects the Service's efforts to provide issuers with a relatively standardized, voluntary procedure to identify and correct potential noncompliance with the arbitrage yield restriction and rebate requirements of § 148. As part of the standardized approach, the closing agreement program described in Rev. Proc. 96-41 utilizes the concept of spot price as the basis for the closing agreement amount. Rev. Proc. 96-41 acknowledges, however, that the use of spot price is for the administrative convenience of issuers of state or local government bonds and the Service. As indicated in Rev. Proc. 96-41, no inference should be drawn that spot price necessarily reflects fair market value in any particular case.

Since the release of Rev. Proc. 96-41, the Service has received written and oral comments on the revenue procedure. In response to these comments, the Service is reviewing the revenue procedure and is taking the following steps.

(1) The Service extends the deadline in section 5.01 of Rev. Proc. 96-41 for requesting a closing agreement under the revenue procedure from July 19, 1997, to a date that will be no earlier than 1 year from the date the Service publishes further guidance relating to the duration of the closing agreement program described in Rev. Proc. 96-41. See section 4.02 of Rev. Proc. 96-41,

however, for a limitation on the use of the closing agreement program for issues under examination (or which come under examination).

(2) The Service invites interested parties to submit written comments on all aspects of Rev. Proc. 96-41. The Service is particularly interested in receiving comments and specific proposals on the following matters:

(i) What is an appropriate time period within which to request a closing agreement under the closing agreement program described in Rev. Proc. 96-41?

(ii) What methods or procedures are appropriate to determine spot price (including the range of values acceptable as spot price) for purposes of determining the closing agreement amount under section 6 of Rev. Proc. 96-41?

(iii) Are there other methods appropriate for determining the closing agreement amount that would be easier for the Service and issuers to apply?

(iv) Are alternative closing agreement programs warranted either for all types of issues or for particular types of issues such as (a) small issues, or (b) bonds issued on or prior to August 15, 1986, or prior to other effective dates of the Tax Reform Act of 1986?

The Service requests that comments (a signed original and eight (8) copies) be submitted in writing on or before December 17, 1996. Send submissions to: CC:DOM:CORP:R (Notice 96-49), Room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. In the alternative, comments (1) may be hand delivered between the hours of 8 a.m. and 5 p.m. to CC:DOM:CORP:R (Notice 96-49), Courier's Desk, Internal Revenue Service, 1111 Constitution Ave., NW, Washington, DC, or (2) may be submitted electronically via the Service's internet site at http://www.irs.ustreas.gov/prod/tax_regs/comments.html. All comments will be available for public inspection and copying.

A public hearing has been scheduled for January 15, 1997, at 10 a.m. in Room 332, Federal Trade Commission Building, 6th and Pennsylvania Ave., NW, Washington, DC. Because of access restrictions, visitors will not be admitted beyond the Federal Trade Commission Building lobby more than 15 minutes before the hearing starts.

The hearing will be subject to procedures similar to those described in 26 CFR 601.601(a)(3).

Persons that wish to present oral comments at the hearing must submit written comments by December 17, 1996, and submit an outline of the topics to be discussed and the time to be devoted to each topic (signed original and eight (8) copies) by December 24, 1996.

A period of 10 minutes will be allotted to each person for making comments.

An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

EFFECT ON OTHER DOCUMENTS

Rev. Proc. 96-41, section 5.01 is modified by extending the deadline for requesting a closing agreement from July 19, 1997, to a date that will be no earlier than 1 year from the date the Service publishes further guidance relating to the duration of the closing agreement program described in Rev. Proc. 96-41.

DRAFTING INFORMATION

The principal author of this notice is Loretta J. Finger of the Office of Associate Chief Counsel (Financial Institutions and Products). For further information regarding this notice contact Loretta J. Finger on (202) 622-3980.

Furnishing Statements Required With Respect To Certain Substitute Payments; Correction

Notice 96-50

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains a correction to final regulations (TD 8029 [1985-2 C.B. 303]), which were published in the **Federal Register** on Wednesday, June 5, 1985 (50 FR 23676) relating to statements required to be furnished by brokers and information returns of brokers.

EFFECTIVE DATE: June 5, 1985.

FOR FURTHER INFORMATION CONTACT: Donna Welch, (202) 622-4910, (not a toll-free number).

SUPPLEMENTARY
INFORMATION:

Background

The final regulations that are the subject of this correction are under sections 6042, 6045 and 6049 of the Internal Revenue Code.

Need for Correction

The final regulations (TD 8029) omitted instructions to remove § 1.6045-2T and the entry for the OMB control number. It is the intent of this document to make these removals as of the publication of the final regulations.

List of Subjects

26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

26 CFR Part 602

Reporting and recordkeeping requirements.

Correcting Amendment to Regulations

Accordingly, 26 CFR parts 1 and 602 are corrected by making the following correcting amendments:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

§ 1.6045-2T [Removed]

Par. 2. Section 1.6045-2T is removed.

PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

Par. 3. The authority citation for part 602 continues to read as follows:

Authority: 26 U.S.C. 7805.

§ 602.101 [Amended]

Par. 4. Section 602.101(c) is amended by removing the entry for § 1.6045-2T from the table.

Cynthia E. Grigsby,
Chief, Regulations Unit,
Assistance Chief Counsel (Corporate).

(Filed by the Office of the Federal Register on September 4, 1996, 8:45 a.m., and published in the issue of the Federal Register for September 5, 1996, 61 F.R. 46719)

Part IV. Items of General Interest

Notice of Proposed Rulemaking

Relief From Disqualification for Plans Accepting Rollovers

REG-245562-96

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Proposed regulations.

SUMMARY: This document contains proposed regulations that would provide guidance on the qualification of retirement plans that accept rollover contributions from employees. These regulations affect plan administrators of qualified plans that accept rollover contributions.

DATES: Written comments must be received by December 18, 1996.

ADDRESSES: Send submissions to CC:DOM:CORP:R (REG-245562-96), room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. In the alternative, submissions may be hand delivered between the hours of 8 a.m. and 5 p.m. to CC:DOM:CORP:R (REG-245562-96), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet by selecting the "Tax Regs" option on the IRS Home Page, or by submitting comments directly to the IRS Internet site at http://www.irs.ustreas.gov/prod/tax_regs/comments.html

FOR FURTHER INFORMATION CONTACT: Marjorie Hoffman, (202) 622-6030 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On September 22, 1995, Final Income Tax Regulations (TD 8619 [1995-2 C.B. 41]) under sections 401(a)(31) and 402(c) were published in the **Federal Register** (60 FR 49199). The final regulations provide guidance for complying with the Unemployment Compensation Amendments of 1992 (UCA).

UCA expanded the types of distributions from a qualified plan that are eligible to be rolled over to an individual retirement account or individual retirement annuity, or to another qualified plan that accepts rollovers (collectively referred to as eligible retirement

plans). Such distributions are referred to as eligible rollover distributions. UCA also added a new qualification provision under section 401(a)(31) that requires qualified plans to provide employees with a direct rollover option. Under a direct rollover option, an employee may elect to have an eligible rollover distribution paid directly to an eligible retirement plan. The direct rollover option is provided in addition to the pre-existing rollover provisions under section 402. Thus, an employee who receives an eligible rollover distribution but who does not elect a direct rollover still has the option to roll over the distribution to an eligible retirement plan within 60 days of receipt.

The final regulations under section 401(a)(31) provide that a plan that accepts a direct rollover from another plan will not fail to satisfy section 401(a) or 403(a) merely because the plan making the distribution is, in fact, not qualified under section 401(a) or 403(a) at the time of the distribution, if, prior to accepting the rollover, the receiving plan reasonably concluded that the distributing plan was qualified under section 401(a) or 403(a). The regulations provide, as an example, that the receiving plan may reasonably conclude that the distributing plan was qualified under section 401(a) or 403(a) if, prior to accepting the rollover, the plan administrator of the distributing plan provided the receiving plan with a statement that the distributing plan had received a determination letter from the Commissioner indicating that the plan was qualified. The plan administrator is not required to verify this information, such as by obtaining a copy of the distributing plan's plan document or determination letter, in order to reasonably conclude that the distributing plan is qualified under section 401(a) or 403(a).

Explanation of Provisions

1. Overview

The relief to be provided in these proposed regulations is intended to increase the portability of qualified plan benefits when an employee changes jobs. This objective would be achieved by reassuring a plan sponsor that acceptance of an amount as a rollover contribution, in appropriate circumstances, will not affect the plan's qualification under section 401(a) or 403(a).

2. Expansion of existing relief for receiving plans

These proposed regulations would expand and clarify in several respects the relief provided in the regulations under section 401(a)(31) issued last year. First, the proposed regulations would clarify and expand the relief from disqualification currently provided for plans that accept direct rollovers. The protection would be expanded to be available not only if the plan administrator reasonably concludes the distributing plan is qualified under section 401(a) or 403(a) (even if later it is determined that the distributing plan is not a qualified plan), but also if the plan administrator reasonably concludes that a distribution meets the other requirements to be an eligible rollover distribution (but later it is determined that this conclusion was incorrect). Further, the proposed regulation would clarify that if the plan administrator reaches these conclusions reasonably, and satisfies the corrective distribution requirement described below, the contribution will be treated as a rollover contribution for purposes of applying qualification requirements under section 401(a) or 403(a) to the plan. Thus, if the contribution was not, in fact, a distribution from a qualified plan or for any other reason fails to be an eligible rollover distribution within the meaning of section 402(c), the contribution nevertheless would be treated as a rollover contribution as opposed to, for example, an employee contribution for purposes of section 401(m) or for purposes of section 415.

Second, the regulations would extend this expanded relief from disqualification to plans that accept rollover contributions other than direct rollover contributions. Thus, the relief would apply to plans that accept rollover contributions made by an employee within 60 days of the date of the distribution from a plan. Further, the relief would apply to plans that accept rollover contributions from a "conduit IRAs," i.e., an individual retirement plan that does not contain any amount attributable to any source other than a rollover contribution (as defined in section 402) from a plan qualified under section 401(a) or an annuity qualified under section 403(a). The relief would apply if (a) when accepting a rollover contribution, the plan administrator of the receiving plan reasonably concludes that the contribution is an

eligible rollover distribution from a qualified plan (or an amount distributed from a conduit IRA) and that the contribution satisfies the other applicable requirements of section 402(c) or 408(d)-(3) for treatment as a rollover contribution and (b) the receiving plan satisfies the corrective distribution requirement described below.

The regulations would provide examples of the actions that a plan administrator might take to reasonably conclude that an employee's contribution satisfies the requirements for treatment as a rollover contribution. The examples are intended to be merely illustrative. Plan administrators may develop other approaches or procedures for reasonably reaching this conclusion.

Finally, the regulations would provide that if the receiving plan later obtains actual knowledge or otherwise determines that the distributing plan was not qualified at the time of the distribution, that any portion of the distribution was not an eligible rollover distribution or an amount distributed from a conduit IRA, or that the contribution to the plan otherwise did not satisfy the applicable requirements of section 402 or 408 for treatment as a rollover contribution, a corrective distribution equal to the amount of the contribution plus any earnings attributable to the contribution would be required to be made to the employee within a reasonable time after such determination.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in EO 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because the regulation does not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consider-

ation will be given to any written comments (a signed original and eight (8) copies) or comments transmitted via Internet that are submitted timely to the IRS. All comments will be available for public inspection and copying.

A public hearing may be scheduled if requested in writing by a person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the hearing will be published in the **Federal Register**.

Drafting Information

The principal author of these regulations is Marjorie Hoffman, Office of the Associate Chief Counsel (Employee Benefits and Exempt Organizations), IRS. However, other personnel from the IRS and Treasury Department participated in their development.

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Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805. * * *

Par. 2. Section 1.401(a)(31)-1 is amended as follows:

1. Under the heading "List of Questions," redesignating Q-14 through Q-18 as Q-15 through Q-19, respectively, and adding new Q-14.

2. Under the heading "Question and Answers," removing designation (a) and the paragraph heading, and removing paragraph (b) from A-13.

3. Under the heading "Question and Answers," redesignating Q&A-14 through Q&A-18 as Q&A-15 through Q&A-19, respectively, and adding Q&A-14.

The additions read as follows:

§ 1.401(a)(31)-1 Requirement to offer direct rollover of eligible rollover distributions; questions and answers.

* * * * *

LIST OF QUESTIONS

* * * * *

Q-14: If a plan accepts an invalid rollover contribution, whether or not as a direct rollover, how will the contribution be treated for purposes of applying

the qualification requirements of section 401(a) or 403(a) to the plan?

* * * * *

QUESTIONS AND ANSWERS

* * * * *

Q-14: If a plan accepts an invalid rollover contribution, whether or not as a direct rollover, how will the contribution be treated for purposes of applying the qualification requirements of section 401(a) or 403(a) to the plan?

A-14: (a) *Acceptance of invalid rollover contribution.* If a plan accepts an invalid rollover contribution, the contribution will be treated, for purposes of applying the qualification requirements of section 401(a) or 403(a) to the receiving plan, as if it were a valid rollover contribution, if the following two conditions are satisfied. First, when accepting the amount from the employee as a rollover contribution, the plan administrator of the receiving plan reasonably concludes that the contribution is a valid rollover contribution. Second, if the plan administrator of the receiving plan later determines that the contribution was an invalid rollover contribution, the amount of the invalid rollover contribution, plus any earnings attributable thereto, is distributed to the employee within a reasonable time after such determination.

(b) *Definitions.* For purposes of this Q&A-14:

(1) An invalid rollover contribution is an amount that is accepted by a plan as a rollover within the meaning of Q&A-1 of § 1.402(c)-2 (or as a rollover contribution within the meaning of section 408(d)(3)(A)(ii)) but that is not an eligible rollover distribution from a qualified plan (or an amount described in section 408(d)(3)(A)(ii)) or that does not satisfy the other requirements of section 401(a)(31), 402(c), or 408(d)(3) for treatment as a rollover or a rollover contribution.

(2) A valid rollover contribution is a contribution that is accepted by a plan as a rollover within the meaning of Q&A-1 of § 1.402(c)-2 or as a rollover contribution within the meaning of section 408(d)(3) and that satisfies the requirements of section 401(a)(31), 402(c), or 408(d)(3) for treatment as a rollover or a rollover contribution.

(c) The provisions of paragraph (a) of this Q&A-14 are illustrated by the following examples:

Example 1. (a) Employer X maintains for its employees Plan M, a profit sharing plan qualified under section 401(a). Plan M provides that any

employee of Employer X may make a rollover contribution to Plan M. Employee A is an employee of Employer X, will not have attained age 70 1/2 by the end of the year, and has a vested account balance in Plan O (a plan maintained by Employee A's prior employer). Employee A elects a single sum distribution from Plan O and elects that it be paid to Plan M in a direct rollover.

(b) Employee A provides the plan administrator of Plan M with a letter from the plan administrator of Plan O stating that Plan O has received a determination letter from the Commissioner indicating that Plan O is qualified.

(c) Based upon such a letter, absent facts to the contrary, a plan administrator may reasonably conclude that Plan O is qualified and that the amount paid as a direct rollover is an eligible rollover distribution.

Example 2. (a) Same facts as *Example 1*, except that Employee A elects to receive the distribution from Plan O and wishes to make a rollover contribution described in section 402 rather than a direct rollover.

(b) When making the rollover contribution, Employee A certifies that, to the best of Employee A's knowledge, Employee A is entitled to the distribution as an employee and not as a beneficiary, the distribution from Plan O to be contributed to Plan M is not one of a series of periodic payments, the distribution from Plan O was received by Employee A not more than 60 days before the date of the rollover contribution, and the entire amount of the rollover contribution would be includible in gross income if it were not being rolled over.

(c) As support for these certifications, Employee A provides the plan administrator of Plan M with two statements from Plan O. The first is a letter from the plan administrator of Plan O, as described in *Example 1*, stating that Plan O has received a determination letter from the Commissioner indicating that Plan O is qualified. The second is the distribution statement that accompanied the distribution check. The distribution statement indicates that the distribution is being made by Plan O to Employee A, indicates the gross amount of the distribution, and indicates the amount withheld as Federal income tax. The amount withheld as Federal income tax is 20 percent of the gross amount of the distribution. Employee A contributes to Plan M an amount not greater than the gross amount of the distribution stated in the letter from Plan O and the contribution is made within 60 days of the date of the distribution statement from Plan O.

(d) Based on the certifications and documentation provided by Employee A, absent facts to the contrary, a plan administrator may reasonably conclude that Plan O is qualified and that the distribution otherwise satisfies the requirements of section 402(c) for treatment as a rollover contribution.

Example 3. (a) The facts are the same as in *Example 2*, except that, rather than contributing the distribution from Plan O to Plan M, Employee A contributes the distribution from Plan O to IRA P, an individual retirement account described in section 408(a). After the contribution of the distribution from Plan O to IRA P, but before the year in which Employee A attains age 70 1/2, Employee A requests a distribution from IRA P and decides to contribute it to Plan M as a rollover contribution. To make the rollover contribution, Employee A endorses the check received from IRA P as payable to Plan M.

(b) In addition to providing the certifications described in *Example 2* with respect to the distribution from Plan O, Employee A certifies that, to the best of Employee A's knowledge, the

contribution to IRA P was made not more than 60 days after the date Employee A received the distribution from Plan O, no amount other than the distribution from Plan O has been contributed to IRA P, and the distribution from IRA P was received not more than 60 days earlier than the rollover contribution to Plan M.

(c) As support for these certifications, in addition to the two statements from Plan O described in *Example 2*, Employee A provides copies of statements from IRA P. The statements indicate that the account is identified as an IRA, the account was established within 60 days of the date of the letter from Plan O informing Employee A that an amount had been distributed, and the opening balance in the IRA does not exceed the amount of the distribution described in the letter from Plan O. There is no indication in the statements that any additional contributions have been made to IRA P since the account was opened. The date on the check from IRA P is less than 60 days before the date that Employee A makes the contribution to Plan M.

(d) Based on the certifications and documentation provided by Employee A, absent facts to the contrary, a plan administrator may reasonably conclude that Plan O is qualified and that the contribution by Employee A is a rollover contribution described in section 408(d)(3)(A)(ii) that satisfies the other requirements of section 408(d)(3) for treatment as a rollover contribution.

Par. 3. Section 1.402(c)-2 is amended by adding a sentence to the end of A-11 to read as follows:

§ 1.402(c)-2 Eligible rollover distributions; questions and answers.

* * * * *

A-11. * * * See § 1.401(a)(31)-1, Q&A-14, for guidance concerning the qualification of a plan that accepts a rollover contribution.

* * * * *

Michael P. Dolan,
Acting Commissioner of Internal Revenue.

(Filed by the Office of the Federal Register on September 18, 1996, 8:45 a.m., and published in the issue of the Federal Register for September 19, 1996, 61 F.R. 49279)

Foundations Status of Certain Organizations

Announcement 96-104

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:

- Alabamians for Quality Education, Inc., Birmingham, AL
- Christopher Buchanan Memorial Fund, Overland Park, KS
- Christopher D. and Elka P. Norton Foundation of the Arts, Inc., Hobe Sound, FL
- Day Star Christian Ministries, Inc., Salisbury, NC
- James B. Engle Scholarship Fund, Royal Oak, MD
- Jeff Goodlin Charitable Trust, Trafford, PA
- Jesus Cares Ministry Inc., Perth Amboy, NJ
- John E. Toolan Kiddie Keep Well Foundation Inc., Edison, NJ
- John Heinz Congressional Fellowship Program, Washington, DC
- John I. Penn Evangelistic Ministry, Newark, DE
- Jubilate, Arlington, VA
- Jungle Terrace Civic Association Inc., St. Petersburg, FL
- Kappa Guide Right and Scholarship Fund of Montclair NJ Inc., Montclair, NJ
- Keep Clarksdale Beautiful Inc., Clarksdale, MS
- Kemit Institute Inc., Mount Rainier, MD
- KHMER Cultural Action Center Inc., St. Petersburg, FL
- Kids Voting Florida Inc., Miami, FL
- Kitty Nightingale Inc., Roselle Park, NJ
- LA Compagnie Louisianaise Inc., Lafayette, LA
- Lake Washington Foundation Inc., Greenville, MS
- Lapetite Child Care Center Inc., Monroe, LA
- Lexington School District Four Education Foundation, Swansea, SC
- Lifeline Ministries International Inc., Casselberry, FL
- Lighthouse Soccer Club Inc., Jupiter, FL
- Lighthouse Square Ministries Inc., New Port Richey, FL
- Louisiana Buddhist Association, Metairie, LA
- Louisiana Citizens for Proactive Communities, Baton Rouge, LA
- Louisiana Long Term Care Foundation Inc., Baton Rouge, LA

Manatee Leadership Foundation Inc.,
 Oneco, FL
 Marine Continuum Foundation, Key
 Largo, FL
 Mary Jane Home Enrichment Centre
 Inc., Philadelphia, PA
 Meck Inc., Clarksville, VA
 Medical Social Workers Corp, Miami,
 FL
 Metropolitan Sickle Cell Foundation
 Inc., Washington, DC
 Miami Skyline Theatre Inc., Miami, FL
 Mid Eastern Dance Exchange Inc.,
 Miami, FL
 Migdal Tower of Light Inc., North
 Miami, FL
 Migrant Student Scholarship Fund Inc.,
 Tampa, FL
 Miquon Area Preservation Society Inc.,
 Miquon, PA
 Miracle Library for the Blind and Print
 Handicapped Inc., Tallahassee, FL
 Mississippi Chapter of American
 Association of Blacks in Energy Inc.,
 Jackson, MS
 Moms Day Care Center and Learning
 Center, Simpsonville, SC
 Morning Glory Inc., Columbia, MD
 Mothers Alliance for the Rights of
 Children Inc., Washington, DC
 Mountain Road Optimist Youth
 Foundation Inc., Severna Park, MD
 Museum of the New South Inc.,
 Charlotte, NC
 My House, Fairless Hills, PA
 National American Deafness Association
 Inc., West Springfield, VA
 Native American Festival Inc., Charlotte,
 NC
 Neighborhood Preservation Association
 Inc., Bridgeton, NJ
 Network for the Enhancement of
 Self-esteem Inc., Fort Washington,
 MD
 New Direction Transitional Living
 Center, Hampton, VA
 New Hope Mission of Haiti Inc.,
 Kissimmee, FL
 New Jersey Postal History Society Inc.,
 Morristown, NJ
 New Lake Development Foundation,
 Jackson, MS
 Newport Harbor Elks Lodge No 1767
 Charitable Fund, Newport Beach, CA
 Newport Volunteer Rescue Squad Inc.,
 Newport, VA
 Newton County Daycare Center,
 Newton, MS
 Newtown Gospel Broadcasting
 Corporation, Sarasota, FL
 Night-Life Production Company A New
 Jersey Non-Profit Corporation,
 Piscataway, NJ
 Noah Boosters, LaPlace, LA
 North Alabama Spikers Association Inc.,
 Huntsville, AL
 Northern AIDS Awareness Community
 Education Services, Grayling, MI
 North Florida Treasury Management
 Association Inc., Jacksonville, FL
 North Mecklenburg Youth Soccer
 Association Inc., Davidson, NC
 North Philadelphia Partnership,
 Philadelphia, PA
 Northwest Atlanta Housing & Economic
 Development Partnership Inc.,
 Atlanta, GA
 Northwest Lakeland Community
 Development Corporation Inc.,
 Lakeland, FL
 ODAT of Burlington County New
 Jersey Inc., Mt. Holly, NJ
 Old National Athletic Association Inc.,
 College Park, GA
 On Eagles Wings Ministries, Hilton
 Head, SC
 100 Black Men of America Inc., Atlanta,
 GA
 100 Black Men of Jackson Inc.,
 Jackson, MS
 Outright Triangle Gay Lesbian &
 Bisexual Youth, Durham, NC
 Overtown Community Health Center
 Incorporated, Miami, FL
 Ozark Chemical Free Living Center
 O C F L C, Gassville, AR
 Palmetto Battalion, Charleston, SC
 Palmetto Players Wheelchair Sports and
 Recreation Association, Winnsboro,
 SC
 Parrish Care Home Inc., Memphis, TN
 Pastoral Counseling Care and Training
 Inc., Pensacola, FL
 Patients Foundation Inc., Columbia, SC
 Paul D. Ogwynn Educational
 Endowment Trust, Atmore, AL
 Penn Hunger Outreach Inc.,
 Philadelphia, PA
 Pennsylvania State Police Camp Cadet
 of Chester County, Coatesville, PA
 People Using Legal Services Effectively
 D C Inc., Washington, DC
 Perinatal Foundation Inc., West Palm
 Beach, FL
 Permanency & Advocacy Support
 System Inc., E. Brunswick, NJ
 Perquimans Playhouse Inc., Hertford,
 NC
 Person to Person Citizen Advocacy,
 Jonesboro, AR
 Petra Community Housing Development
 Corporation, Memphis, TN
 Phase III Recovery Center Inc.,
 Savannah, GA
 Philadelphia Orchestra Retirees and
 Friends Inc., Philadelphia, PA
 Philadelphia Spirit Inc., Philadelphia, PA
 Philippine Charities Foundation Inc.,
 Miami, FL
 Phillip House Inc., Charleston, SC
 Piedmont Area Directory of Pregnancy
 Support Resources, Chapel Hill, NC
 Pierre Toussaint Foundation Inc.,
 Decatur, GA
 Pillar Incorporated, Jefferson, LA
 Pittsburgh Police Historical Association,
 Pittsburgh, PA
 Pittsburgh Recovery Systems Inc.,
 Pittsburgh, PA
 Play Moorestown Inc., Moorestown, NJ
 Playwrights Forum Inc., Germantown,
 TN
 Point Clear Day Care Center Inc., Point
 Clear, AL
 Police Athletic League of Penns Grove,
 Penns Grove, NJ
 Polk Zoological Society Inc., Winter
 Haven, FL
 Port Richey Volunteer Fire Fighters
 Organization Inc., Port Richey, FL
 Positive Life Inc., Thibodaux, LA
 Precious Child, Burlington, NC
 Premier Theatre Company Inc., Lincroft,
 NJ
 Printiss County Mississippi Law
 Enforcement Association, Booneville,
 MS
 Professional Christian Associates Inc.,
 Melbourne, FL
 Programs Education Testing Screening
 Inc., Miami, FL
 Project C A M P, Montgomery, AL
 Promenade Charitable Trust of
 Mississippi, Portland, ME
 Protect Abused Children Everywhere
 PACE, Florence, AL
 Psalm 150 Ministry Inc., Charlotte, NC
 Rabbits Unlimited Inc., Abbeville, SC
 Raintrust Inc., Gainesville, FL
 Raleigh Bicentennial Foundation Inc.,
 Raleigh, NC
 Recovery Path Inc., Chapel Hill, NC
 Releasing Anger and Grief Then
 Smiling Incorporated, Marrero, LA
 Residents Against Graffiti Everywhere
 Inc., Miami, FL
 Rex Major Evangelistic Association Inc.,
 Boca Raton, FL
 Ridgewood High School Athletic
 Boosters Corporation, New Port
 Richey, FL
 Riverland Park Community Center,
 Cayce, SC
 Rockville Academy, Eatonton, GA
 Rockwood 2000 Inc., Rockwood, TN
 Ron and Claudia Henderson Music
 Ministries Inc., Albany, GA
 Rural Health Research Inc., Smithfield,
 NC
 Rural Justice Project, Pembroke, NC

Saint Raphaels Residence Inc., Resaca, GA
 Save Inc., Concord, NC
 Save Our Village Inc., Ocracoke, NC
 Save the Pascagoula Inc., Moss Point, MS
 S C L C-Womens Organizational Movement for Equality Now, Atlanta, GA
 Scott Carrigan Inc., Ocala, FL
 Second Chance Ministries Inc., Columbia, SC
 Secure Development Corporation, Statesville, NC
 Serenity Unlimited, Wilmington, NC
 Shasta Library Foundation, Redding, CA
 Shepherds Village Inc., Largo, FL
 Sherman Michael Anderson Trust Inc., Hickory, NC
 Shreveport-Bossier Jay Strack Crusade Inc., Shreveport, LA
 South Atlantic Lifesaving Association Inc., Daytona Beach, FL
 Southern Cross Soccer Club Inc., Birmingham, AL
 South Florida Advocated for Children and Youth Inc., Miami, FL
 South Florida Affordable Housing Corporation, West Palm Beach, FL
 Southwest Louisiana Jazz Foundation Inc., Carencro, LA
 Spanish Intergroup of South Florida Inc., Miami, FL
 Special Sundance Studios Incorporated, Palm Bay, FL
 Spina Bifida Association South Carolina Tri-County Chapter, Summerville, SC
 St. Bernard Charities Inc., Chalmette, LA
 St. Francis Hospital Foundation Inc., Columbus, GA
 St. Helena Human Development Inc., Greensburg, LA
 St. Lukes Free Medical Clinic of Spartanburg Inc., Spartanburg, SC
 St. Pauls Band Boosters, St. Pauls, NC
 Stewarts Foster Group Care Home Inc., Memphis, TN
 Sunshine State Amateur Golfers Association Inc., Miami, FL
 Support and Value Education, Madison, AL
 Sweet Auburn Merchants & Professional Association Inc., Atlanta, GA
 Synergists Inc., Atlanta, GA
 Taylor Foundation Inc., Baton Rouge, LA
 Tender Loving Care Daycare Inc., Inglis, FL
 Tennessee Outdoor Drama Association Inc., Chattanooga, TN
 Tennessee Youth Dance Foundation, Franklin, TN
 Thames Humane Shelter Inc., Greenville, AL
 Theatre of the Incarnation Inc., Winter Park, FL
 Therapy for a Damaged Planet, Vista, CA
 Tompey Incorporated, Birmingham, AL
 Town and Country Garden Club of Valdosta Inc., Valdosta, GA
 Traid Jazz Society Inc., Winston Salem, NC
 Treutlen Project H O P E Inc., Soperton, GA
 Trevecca Inglewood Retirement Center Inc., Nashville, TN
 Tri-Cities Athletic Club Incorporated, Ocean Springs, MS
 Trinity Ministries Inc., Dacula, GA
 Tuskegee Historical Society for Restoration Preservation and Education Inc., Tuskegee, AL
 Twilighers Anaciano Association, Denver, CO
 Two Bayou Volunteer Fire Department Inc., Camden, AR
 Unexpected Friends, Nashville, TN
 United Faith Foundation Inc., Gretna, LA
 United Gymnastics Community Inc., Lilburn, GA
 United Way of Decatur Inc., Decatur, AR
 Vida Verde Inc., Miami, FL
 Videoscopic Surgical Society Inc., Tucker, GA
 Vision Outreach Ministries Inc., Milledgeville, GA
 Visual Arts Foundation, Nashville, TN
 Voice From the Deep Inc., New Orleans, LA
 Volunteer Center of Hot Springs and Garland County, Inc., Hot Springs, AR
 Volunteer Scientific Research Team Inc., Cape Coral, FL
 Waccanaw Housing Inc., Myrtle Beach, SC
 Walter W. & Dollena M. Joiner Scholarship Fund Inc., Dublin, GA
 Washington County Youth Fair Inc., Chipley, FL
 Washington Wilkes Educational Fund Inc., Washington, GA
 Waycross-Ware A Community United To Educate Inc., Waycross, GA
 Way of Life Ministrie, Long Beach, CA
 Whole Armor Ministries Inc., Haleyville, AL
 Williamson County Drug Free Alliance Inc., Franklin, TN
 Witcher Memorial Foundation Inc., Atlanta, GA
 World Harvest Ministries Incorporated, Todd, NC
 World Wilderness Committee, Bellingham, WA
 Youth Action Corporation, Knoxville, TN

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.

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 Revenue 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

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:

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	San Diego, CA	CPA	July 5, 1996
Davis Jr., George L.	Washington, D.C.	Enrolled Agent	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:

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 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 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:

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
Darraha, 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

Definition of Terms

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

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

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

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

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

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

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

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

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

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

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

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

Abbreviations

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

A—Individual.

Acq.—Acquiescence.

B—Individual.

BE—Beneficiary.

BK—Bank.

B.T.A.—Board of Tax Appeals.

C.—Individual.

C.B.—Cumulative Bulletin.

CFR—Code of Federal Regulations.

CI—City.

COOP—Cooperative.

Ct.D.—Court Decision.

CY—County.

D—Decedent.

DC—Dummy Corporation.

DE—Donee.

Del. Order—Delegation Order.

DISC—Domestic International Sales Corporation.

DR—Donor.

E—Estate.

EE—Employee.

E.O.—Executive Order.

ER—Employer.

ERISA—Employee Retirement Income Security Act.

EX—Executor.

F—Fiduciary.

FC—Foreign Country.

FICA—Federal Insurance Contribution Act.

FISC—Foreign International Sales Company.

FPH—Foreign Personal Holding Company.

F.R.—Federal Register.

FUTA—Federal Unemployment Tax Act.

FX—Foreign Corporation.

G.C.M.—Chief Counsel's Memorandum.

GE—Grantee.

GP—General Partner.

GR—Grantor.

IC—Insurance Company.

I.R.B.—Internal Revenue Bulletin.

LE—Lessee.

LP—Limited Partner.

LR—Lessor.

M—Minor.

Nonacq.—Nonacquiescence.

O—Organization.

P—Parent Corporation.

PHC—Personal Holding Company.

PO—Possession of the U.S.

PR—Partner.

PRS—Partnership.

PTE—Prohibited Transaction Exemption.

Pub. L.—Public Law.

REIT—Real Estate Investment Trust.

Rev. Proc.—Revenue Procedure.

Rev. Rul.—Revenue Ruling.

S—Subsidiary.

S.P.R.—Statements of Procedural Rules.

Stat.—Statutes at Large.

T—Target Corporation.

T.C.—Tax Court.

T.D.—Treasury Decision.

TFE—Transferee.

TFR—Transferor.

T.I.R.—Technical Information Release.

TP—Taxpayer.

TR—Trust.

TT—Trustee.

U.S.C.—United States Code.

X—Corporation.

Y—Corporation.

Z—Corporation.

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Key to Abbreviations:

RR	Revenue Ruling
RP	Revenue Procedure
TD	Treasury Decision
CD	Court Decision
PL	Public Law
EO	Executive Order
DO	Delegation Order
TDO	Treasury Department Order
TC	Tax Convention
SPR	Statement of Procedural Rules
PTE	Prohibited Transaction Exemption

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