

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. 96-57, page 5.

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 December 1996.

Rev. Rul. 96-58, page 4.

Fringe benefits aircraft valuation formula. For purposes of section 1.61-21(g) of the Regulations, relating to the rule for valuing non-commercial flights on employer-provided aircraft, the Standard Industry Fare Level (SIFL), cents-per-mile rates and terminal charges in effect for 1996, are set forth. Rev. Rul. 96-25 modified.

Rev. Rul. 96-59, page 4.

Low-income housing credit; satisfactory bond; "bond factor" amounts for the period October through December 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 October through December 1996.

EMPLOYEE PLANS

Rev. Proc. 96-55, page 10.

Model amendment; Rev. Rul. 94-76. This procedure provides a model amendment for certain sponsors of profit-sharing and stock bonus plans to amend their plans to reflect the requirements of Rev. Rul. 94-76. An extension to June 30, 1997, is given for affected plans to make the necessary amendment.

ESTATE TAX

Rev. Proc. 96-54, page 9.

Sample paragraphs to be used to satisfy governing instrument requirements contained in sections

20.2056A-2(d)(1)(i) and (d)(1)(ii) of the Estate Tax Regulations. The Service will recognize a trust as meeting the requirements of sections 20.2056A-2(d)(1)(i) and (d)(1)(ii) if the trust instrument contains language that is the same in all material respects as the paragraphs provided in this revenue procedure.

GIFT TAX

Rev. Rul. 96-56, page 7.

If certain conditions are satisfied, the delivery of a check to a noncharitable donee will be deemed to be complete for federal gift and estate tax purposes when the check is deposited, cashed against available funds of the donee, or presented for payment in the calendar year for which favorable gift tax treatment is sought. Rev. Rul. 67-396 modified.

TAX CONVENTIONS

Page 8.

The bilateral agreements between the United States and Jordan, providing for the reciprocal tax exemption of income from the international operation of ships and/or aircraft, are set forth.

ADMINISTRATIVE

Announcement 96-126, page 12.

A ZIP code change is given for the Information Reporting Program at the Martinsburg Computing Center.

Announcement 96-127, page 12.

Task Force for Africa/Los Angeles Relations, Pasadena, CA, no longer qualifies as an organization to which contributions are deductible under section 170 of the Code.

Finding Lists begin on page 16.

Announcement of Disbarments and Suspensions begins on page 13.

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.

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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 December 1996. See Rev. Rul. 96-57, page 5.

Low-income housing credit; satisfactory bond; “bond factor” amounts for the period October through December 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 October through December 1996.

Rev. Rul. 96-59

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 publish 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 October through December 1996.

Calendar Year Building Placed in Service or, if Section 42(f)(1) Election Was Made, the Succeeding Calendar Year										
Month of Disposition	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Oct. '96	80.39	82.78	85.39	88.44	92.03	96.15	100.41	104.49	108.44	112.52
Nov. '96	80.17	82.56	85.16	88.21	91.80	95.90	100.16	104.25	108.24	112.52
Dec. '96	79.96	82.35	84.95	87.99	91.57	95.67	99.92	104.02	108.06	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; Rev. Rul. 96-33, 1996-27 I.R.B. 4, for dispositions occurring during the period April through June 1996; and Rev. Rul. 96-45, 1996-39 I.R.B. 5, for dispositions

occurring during the period July through September 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).

Section 61.—Gross Income Defined

26 CFR 1.61-21: Taxation of fringe benefits.

Fringe benefits aircraft valuation formula. For purposes of section 1.61-21(g) of the regulations, relating to the rule for valuing non-commercial flights on employer-provided aircraft, the Standard Industry Fare Level (SIFL), cents-per-mile rates and terminal charges in effect for 1996 are set forth. Rev. Rul. 96-25 modified.

Rev. Rul. 96-58

For purposes of the taxation of fringe benefits under section 61 of the Internal Revenue Code, section 1.61-21(g) of the Income Tax Regulations provides a rule for valuing noncommercial flights on employer-provided aircraft. Section 1.61-21(g)(5) provides an aircraft valuation formula to determine the value of such flights. The value of a flight is determined under the base aircraft valuation formula (also known as the Standard Industry Fare Level formula or SIFL) by multiplying the SIFL cents-per-mile rates applicable for the period during which the flight was taken by the appropriate aircraft multiple provided in section 1.61-21(g)(7) and then adding the applicable terminal charge. The SIFL cents-per-mile rates in the formula and the terminal charge are calculated by the Department of Transportation and are reviewed semi-annually.

The following charts sets forth the terminal charges and SIFL mileage rates:

Period During Which the Flight Was Taken

7/1/96–12/31/96

Terminal Charge

\$31.61

SIFL Mileage Rates

Up to 500 miles = \$.1729 per mile
501–1500 miles = \$.1318 per mile
Over 1500 miles = \$.1267 per mile

DRAFTING INFORMATION

The principal author of this revenue ruling is Felicia A. Daniels of the Office of the Associate Chief Counsel (Employee Benefits and Exempt Organizations). For further information regarding this revenue ruling contact Ms. Daniels on (202) 622–6050 (not a toll-free call).

Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of December 1996. See Rev. Rul. 96–57, 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 December 1996. See Rev. Rul. 96–57, 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 December 1996. See Rev. Rul. 96–57, 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 December 1996. See Rev. Rul. 96–57, 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 December 1996. See Rev. Rul. 96–57, 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 December 1996. See Rev. Rul. 96–57, 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 December 1996. See Rev. Rul. 96–57, 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 December 1996. See Rev. Rul. 96–57, 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 December 1996.

Rev. Rul. 96–57

This revenue ruling provides various prescribed rates for federal income tax purposes for December 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. 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. Finally, Table 6 contains the 1997 interest rate for sections 846 and 807.

REV. RUL. 96–57 TABLE 1				
Applicable Federal Rates (AFR) for December 1996				
	Period for Compounding			
	Annual	Semiannual	Quarterly	Monthly
<i>Short-Term</i>				
AFR	5.75%	5.67%	5.63%	5.60%
110% AFR	6.34%	6.24%	6.19%	6.16%
120% AFR	6.92%	6.80%	6.74%	6.71%
130% AFR	7.51%	7.37%	7.30%	7.26%

REV. RUL. 96-57 TABLE 1—Continued

Applicable Federal Rates (AFR) for December 1996

Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Mid-Term</i>				
AFR	6.31%	6.21%	6.16%	6.13%
110% AFR	6.95%	6.83%	6.77%	6.73%
120% AFR	7.59%	7.45%	7.38%	7.34%
130% AFR	8.23%	8.07%	7.99%	7.94%
150% AFR	9.54%	9.32%	9.21%	9.14%
175% AFR	11.17%	10.87%	10.73%	10.63%
<i>Long-Term</i>				
AFR	6.77%	6.66%	6.61%	6.57%
110% AFR	7.46%	7.33%	7.26%	7.22%
120% AFR	8.15%	7.99%	7.91%	7.86%
130% AFR	8.85%	8.66%	8.57%	8.51%

REV. RUL. 96-57 TABLE 2

Adjusted AFR for December 1996

Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	3.83%	3.79%	3.77%	3.76%
Mid-term adjusted AFR	4.58%	4.53%	4.50%	4.49%
Long-term adjusted AFR	5.48%	5.41%	5.37%	5.35%

REV. RUL. 96-57 TABLE 3

Rates Under Section 382 for December 1996

Adjusted federal long-term rate for the current month	5.48%
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)	5.64%

REV. RUL. 96-57 TABLE 4

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

Appropriate percentage for the 70% present value low-income housing credit	8.54%
Appropriate percentage for the 30% present value low-income housing credit	3.66%

REV. RUL. 96-57 TABLE 5

Rate Under Section 7520 for December 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	7.6%
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REV. RUL. 96-57 TABLE 6

Rates Under Sections 846 and 807

Applicable rate of interest for 1997 for purposes of sections 846 and 807

6.33%

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 December 1996. See Rev. Rul. 96-57, page 5.

Section 2031.—Definition of Gross Estate

26 CFR 20.2031-5: Valuation of cash on hand or on deposit.

Rev. Rul. 67-396 is modified to provide that, if certain conditions are satisfied, the delivery of a check to a noncharitable donee will be deemed to be complete for federal gift and estate tax purposes when the check is deposited, cashed against available funds of the donee, or presented for payment in the calendar year for which favorable gift tax treatment is sought. See Rev. Rul. 96-56, this page.

Section 2056A.—Qualified Domestic Trust

26 CFR 20.2056A-2(d)(1): Security and other arrangements for payment of estate tax imposed under section 2056A(b)(1).

Sample paragraphs are provided that may be used to satisfy the governing instrument requirements contained in §§ 20.2056A-2(d)(1)(i) and (d)(1)(ii) of the Estate Tax Regulations for a qualified domestic trust (QDOT) as described in § 2056A of the Internal Revenue Code. See Rev. Proc. 96-54, page 9.

Section 2511.—Transfers in General

26 CFR 25.2511-2: Cessation of donor's dominion and control.
(Also § 2031; 20.2031-5.)

If certain conditions are satisfied, the delivery of a check to a noncharitable donee will be deemed to be complete for federal gift and estate tax purposes when the check is deposited, cashed against available funds of the donee, or presented for payment in the calendar year for which favorable gift tax treatment is sought. Rev. Rul. 67-396 modified.

Rev. Rul. 96-56

In view of the Fourth Circuit's decision in *Metzger v. Commissioner*, 38 F.3d 118 (4th Cir. 1994) the Internal Revenue Service has reconsidered the rationale for the holding in Situation 1 of Rev. Rul. 67-396, 1967-2 C.B. 351. In *Situation 1*, the donor transferred a gift check on December 25 to a noncharitable donee, but the donee held the check until January 2 of the following year when it was cashed by the drawee bank. Rev. Rul. 67-396 concludes that the gift was not complete for federal gift tax purposes until the check was paid by the drawee bank on January 2, because prior to the check's payment, certification, acceptance by the drawee, or negotiation, the donor had not relinquished dominion and control over the funds. Prior to the occurrence of one of these events, the donor could have stopped payment and revoked the gift.

Metzger holds that if a check is delivered to a noncharitable donee, for federal gift tax purposes, completion of the gift relates back to the date the check was deposited by the donee, provided the check is paid by the drawee bank while the donor is alive and: (1) the donor intended to make a gift; (2) delivery of the check was unconditional; and (3) the donee presented the check for payment in the year for which completed gift treatment is sought and within a reasonable time of issuance. The Service will follow the *Metzger* decision.

HOLDING

Rev. Rul. 67-396 is modified to provide that the delivery of a check to a noncharitable donee will be deemed to be a completed gift for federal gift and estate tax purposes on the earlier of (i) the date on which the donor has so parted with dominion and control under local law as to leave in the donor no power to change its disposition, or (ii)

the date on which the donee deposits the check (or cashes the check against available funds of the donee) or presents the check for payment, if it is established that: (1) the check was paid by the drawee bank when first presented to the drawee bank for payment; (2) the donor was alive when the check was paid by the drawee bank; (3) the donor intended to make a gift; (4) delivery of the check by the donor was unconditional; and (5) the check was deposited, cashed, or presented in the calendar year for which completed gift treatment is sought and within a reasonable time of issuance. The result in *Situation 1* of Rev. Rul. 67-396 remains the same for two reasons: the check was not delivered unconditionally (the donor requested that the donee not deposit or cash the check for a few days) and the check was not presented for payment in the same calendar year for which completed gift treatment was sought.

EFFECT ON OTHER DOCUMENTS

Rev. Rul. 67-396 is modified.

DRAFTING INFORMATION

The principal author of this revenue ruling is Lane Damazo of the Office of Assistant Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue ruling contact Lane Damazo (202) 622-3090 (not a toll-free call).

Section 7520.—Valuation Tables

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of December 1996. See Rev. Rul. 96-57, page 5.

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 December 1996. See Rev. Rul. 96-57, page 5.

Part II. Treaties and Tax Legislation

Subpart A.—Tax Conventions

JORDAN

EMBASSY OF
THE UNITED STATES OF AMERICA
AMMAN, JORDAN
APRIL 7, 1988

Note No. 078

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of Jordan and has the honor to propose that the two governments conclude an agreement to exempt from income tax, on a reciprocal basis, income derived by residents of the other country from the international operation of ships and aircraft. The terms of the agreement are as follows:

- The Government of the United States of America, in accordance with Sections 872(b) and 883 of the Internal Revenue Code, agrees to exempt from tax gross income derived from the international operation of ships or aircraft by individuals who are residents of Jordan (other than U.S. citizens) and corporations organized in Jordan. This exemption is granted on the basis of equivalent exemptions granted by Jordan to citizens of the United States (who are not residents of Jordan) and to corporations organized in the United States (which are not subject to tax by Jordan on the basis of residence).

- In the case of a corporation, the exemption shall apply only if the corporation meets either of the following conditions:

(1) More than 50 percent of the value of the corporation's stock is owned,

directly or indirectly, by individuals who are residents of Jordan or of another country which grants a reciprocal exemption to U.S. citizens and corporations; or

(2) The corporation's stock is primarily and regularly traded on an established securities market in Jordan, or is wholly owned by a corporation whose stock is so traded and which is also organized in Jordan.

For purposes of subparagraph 1, the Government of Jordan and its wholly owned public corporations will be treated as an individual resident of Jordan. For purposes of the exemption from U.S. tax, subparagraph (1) will be considered to be satisfied if the corporation is a "controlled foreign corporation" under the Internal Revenue Code.

- Gross income includes all income derived from the international operation of ships or aircraft on a full (time or voyage) basis and income from the rental of containers and related equipment which is incidental to the international operation of ships or aircraft. It also includes income from the rental on a bareboat basis of ships and aircraft used for international transport.

- The Embassy of the United States of America considers that this Note, together with the Ministry's reply Note confirming that the Government of Jordan agrees to these terms, constitutes an agreement amending the agreement of April 17, 1973 and June 20, 1974.¹ This agreement shall enter into force on the date of the Ministry's reply Note and shall have effect with respect to taxable years beginning on or after January 1, 1987.

¹ TIAS 8002; 26 UST 16.

- Either government may terminate this agreement by giving written notice of termination through diplomatic channels.

- The Embassy of the United States of America takes this opportunity to renew to the Ministry of Foreign Affairs of Jordan the assurances of its highest consideration.

HASHEMITE KINGDOM OF
JORDAN
MINISTRY OF
FOREIGN AFFAIRS
APRIL 7, 1988

No. 490

The Ministry of Foreign Affairs of the Hashemite Kingdom of Jordan present their compliments to the Embassy of the United States of America and have the honour to acknowledge receipt of their Note No. 078 dated April 7, 1988 which reads as follows:

[For text of the U.S. note, see above.]

The Ministry have the further honour to inform the distinguished Embassy that the foregoing proposal is acceptable to the Government of the Hashemite Kingdom of Jordan who therefore agree that the Embassy's note together with this reply shall constitute an agreement between the two governments which shall amend the agreement of April 17, 1973 and June 20, 1974 and shall enter into force on the date of this reply.

The Ministry of Foreign Affairs of the Hashemite Kingdom of Jordan avail themselves of this opportunity to renew to the Embassy of the United States of America the assurances of their highest consideration.

Part III. Administrative, Procedural, and Miscellaneous

26 CFR 2056A: Qualified domestic trust.

Rev. Proc. 96-54

SECTION 1. PURPOSE

This revenue procedure provides sample paragraphs that may be used to satisfy the governing instrument requirements contained in §§ 20.2056A-2(d)(1)(i) and (d)(1)(ii) of the Estate Tax Regulations for a qualified domestic trust (QDOT) as described in § 2056A(a) of the Internal Revenue Code.

SEC. 2. BACKGROUND

Section 2056A(a)(2) authorizes the Internal Revenue Service to promulgate regulations that will ensure the collection of the additional estate tax imposed under § 2056A(b)(1)(A) and (B). Final regulations were issued pursuant to this authorization on December 9, 1996.

Under § 20.2056A-2(d)(1)(i), if the fair market value of the assets passing to the QDOT is in excess of \$2 million, either: (A) at least one Trustee must be a United States bank described in § 581, or a U.S. Branch of a foreign bank; (B) the trustee must furnish a bond in favor of the Internal Revenue Service in an amount equal to 65 percent of the fair market value of the trust corpus; or (C) the trustee must furnish an irrevocable letter of credit in an amount equal to 65 percent of the fair market value of the trust corpus. The regulations provide detailed descriptions of the required terms of the bond and letter of credit and sample forms for each.

Under § 20.2056A-2(d)(1)(i), the QDOT may alternate among the arrangements provided in paragraphs (d)(1)(i)(A), (B), and (C), provided that at any given time at least one of the arrangements is in effect.

Under § 20.2056A-2(d)(1)(ii), if the fair market value of the QDOT assets is \$2 million or less, the QDOT must provide that the trustee will either satisfy the requirements listed above, or limit the fair market value of real property that is held by the trust and situated outside the United States to 35 percent of the value of the trust at the close of the taxable year. A special look-through rule applies for interests in corporations or partnerships that own real property. In addition, an executor may elect to exclude up to \$600,000 in value of a principal residence passing to the QDOT

in determining if the \$2 million threshold has been exceeded.

This revenue procedure contains sample trust language that, if adopted in the trust instrument, will be recognized as meeting the requirements of § 20.2056A-2(d)(1)(i)(A), (B), and (C), and (d)(1)(ii).

SEC. 3. SCOPE AND OBJECTIVE

The sample trust language contained in section 4 of this revenue procedure meets all of the requirements under § 20.2056A-2(d)(1)(i)(A), (B), and (C), and (d)(1)(ii). If the trust instrument expressly adopts language that is the same in all material respects to the sample paragraphs provided herein, and otherwise meets the requirements of a qualified domestic trust under § 2056A(a) and § 20.2056A-2, the Service will recognize the trust as satisfying the applicable requirements of § 2056A(a) and the corresponding regulations.

SEC. 4. SAMPLE QUALIFIED DOMESTIC TRUST LANGUAGE THAT MAY BE USED TO SATISFY THE "GOVERNING INSTRUMENT" REQUIREMENTS OF § 20.2056A-2(d)(1)(i) and (ii).

My trustee shall comply with the requirements for security arrangements for qualified domestic trusts as set forth in Treas. Reg. § 20.2056A-2(d)(1)(i) or (ii), summarized as follows:

(a) *Trust in Excess of \$2 Million.* If the fair market value of the assets passing to the trust (determined without reduction for any indebtedness thereon) exceeds \$2 million on the relevant valuation date, then my Trustee must at all times during the term of the Trust either satisfy the U.S. Bank as Trustee requirement (see Treas. Reg. § 20.2056A-2(d)(1)(i)(A)), or furnish a bond that satisfies the requirements of Treas. Reg. § 20.2056A-2(d)(1)(i)(B), or furnish an irrevocable letter of credit that satisfies the requirements of Treas. Reg. § 20.2056A-2(d)(1)(i)(C), (hereinafter referred to as the U.S. Bank, Bond, or Letter of Credit Requirement). My Trustee may alternate between any of the security arrangements described in the preceding sentence provided that, at all times during the term of the trust, one of the arrangements is operative.

If my Trustee elects to furnish a bond or letter of credit as security, then in the

event the Internal Revenue Service draws on the instrument in accordance with its terms, neither my U.S. Trustee nor any other person will seek a return of any part of the remittance until after April 15th of the calendar year following the year in which the bond or letter of credit is drawn upon.

(b) *Trust of \$2 Million or Less.* If the fair market value of the assets passing to the trust (determined without reduction for any indebtedness) is \$2 million or less on the relevant valuation date, then my Trustee must comply with either the U.S. Bank, Bond, or Letter of Credit Requirement only if more than 35% of the fair market value of the trust assets, determined annually on the last day of the taxable year of the trust, consists of real property located outside the United States. For purposes of determining whether more than 35% of the trust assets consist of foreign real property, Treas. Reg. § 20.2056A-2(d)(1)(ii)(B) applies.

(c) *Determination of Value.* For purposes of determining whether the fair market value of the trust assets exceeds \$2 million, my Trustee is authorized to make the election under Treas. Reg. § 20.2056A-2(d)(1)(iv)(A) with respect to real property used as my spouse's personal residence.

(d) *Amount of Bond or Letter of Credit.* For purposes of determining the amount of the bond or letter of credit, my Trustee is authorized to make the election under Treas. Reg. § 20.2056A-2(d)(1)(iv)(B) with respect to real property used as my spouse's personal residence.

(e) *Annual Statements.* My Trustee is directed to file any annual statements required under Treas. Reg. § 20.2056A-2(d)(3).

(f) *General Conduct.* Notwithstanding anything contained herein to the contrary, my U.S. Trustee is hereby authorized to enter into alternative plans or arrangements with the Internal Revenue Service pursuant to Treas. Reg. § 20.2056A-2(d)(4) to assure collection of the deferred estate tax, in lieu of the provisions contained herein.

(g) *References to Regulations.* All references to "Treas. Reg." in this document shall be references to regulations published under 26 CFR as in effect on the date of execution of this document, or, in the event that any such regulation is amended or superseded thereafter, to

the regulation (or any successor regulation) as so amended.

(h) *Dollar Values.* The use of the dollar sign (\$) shall indicate amounts stated in U.S. dollars.

SEC. 5. APPLICATION

The Service will recognize a trust as meeting all of the requirements of § 20.2056A-2(d)(1)(i) and (ii) if the trust contains language that is the same in all material respects to the paragraphs provided in section 4, and the trust operates in a manner consistent with the terms of the trust instrument.

SEC. 6. DRAFTING INFORMATION

The principal author of this revenue procedure is Susan B. Hurwitz of the Office of Assistant Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue procedure, contact Ms. Hurwitz at (202) 622-3090 (not a toll-free number).

SEC. 7. EFFECTIVE DATE

This revenue procedure is effective for trusts for which qualified domestic trust elections are made after December 9, 1996, the date of publication of this revenue procedure in the Internal Revenue Bulletin.

26 CFR 601.201: Rulings and determination letters.

Rev. Proc. 96-55

SECTION 1. PURPOSE

.01 This revenue procedure provides a model amendment for sponsors of certain master and prototype (“M&P”), regional prototype, volume submitter specimen, and individually designed profit-sharing or stock bonus plans in order to assist these plan sponsors in amending their plans to comply with Rev. Rul. 94-76, 1994-2 C.B. 46.

.02 This revenue procedure also extends, until June 30, 1997, the time period to adopt corrective plan amendments provided for in Rev. Rul. 94-76.

SECTION 2. BACKGROUND AND GENERAL INFORMATION

.01 Section 401(a) of the Internal Revenue Code provides that a trust created or organized in the United States and forming a part of a qualified stock bonus, pension, or profit-sharing plan of an employer constitutes a qualified trust

only if the various requirements set out in § 401(a) are met.

.02 Section 1.401-1(b)(1)(i) of the Income Tax Regulations provides the definition of a pension plan for purposes of § 401(a). This section provides, in part, that a pension plan is a plan established and maintained by an employer primarily to provide for the payment of definitely determinable benefits to employees over a period of years, usually for life, after retirement. This section also provides that a pension plan may provide for the payment of a pension due to disability, and may also provide for incidental death benefits.

.03 Rev. Rul. 56-693, 1956-2 C.B. 282, as modified by Rev. Rul. 60-323, 1960-2 C.B. 148, provides that, pursuant to the definition of a pension plan in § 1.401-1(b) of the regulations, a pension plan fails to meet the requirements of § 401(a) if it permits an employee to withdraw any part of the employee’s accrued benefit (other than a benefit attributable to voluntary employee contributions) prior to certain distributable events; i.e., retirement, death, disability, severance of employment, or termination of the plan.

.04 Rev. Rul. 94-76 provides that, to satisfy § 401(a), benefits attributable to assets and liabilities transferred, within the meaning of § 414(l), from a money purchase pension plan to a profit-sharing or stock bonus plan must remain subject to the restrictions on distributions from pension plans set forth in Rev. Rul. 56-693 based upon § 1.401-1(b) of the regulations.

.05 Rev. Rul. 94-76 provides that, in order to remain qualified under § 401(a), profit-sharing or stock bonus plans that accept transfers of assets and liabilities from money purchase pension plans and permit distributions prior to retirement, death, disability, severance of employment, or termination of the plan, must be amended to provide that on or after a transfer of assets and liabilities from a money purchase pension plan to the profit-sharing or stock bonus plan, the account balances (including the post-transfer earnings thereon) attributable to the transferred assets and liabilities will be distributed only on or after the occurrence of one of these events on or after which distributions are permitted from a pension plan.

.06 Rev. Rul. 94-76 provides that certain profit-sharing plans or stock bonus plans are permitted to be amended

to eliminate an optional form of benefit provided for in the plan prior to December 12, 1994, solely with respect to benefits attributable to assets and liabilities that are transferred (within the meaning of § 414(l)) from a money purchase pension plan (other than any portion of those assets and liabilities attributable to voluntary employee contributions), to the extent that the optional form permits distribution of those benefits prior to the employee’s retirement, death, disability, or severance of employment, and prior to plan termination. The plan amendment eliminating the optional form of benefit must be adopted by the last day of the first plan year beginning on or after December 12, 1994, and must be made effective not later than the first day of that plan year, or, if later, 90 days after December 12, 1994.

.07 With respect to certain plans, employers are entitled to extended reliance pursuant to Rev. Proc. 89-9, 1989-1 C.B. 780, Rev. Proc. 89-13, 1989-1 C.B. 801 (both as modified by Rev. Proc. 93-9, 1993-1 C.B. 474), or Rev. Proc. 93-39, 1993-2 C.B. 513 (relating to master or prototype plans, regional prototype plans, and individually designed plans). Except in certain limited circumstances, plans that are entitled to this extended reliance generally are not required to be amended until 1999 to comply with administrative guidance of general applicability (e.g., revenue rulings). Accordingly, for a profit-sharing or stock bonus plan entitled to extended reliance, if no transfer of assets and liabilities to the plan from a money purchase pension plan occurred or occurs after the date of the plan’s most recent determination letter and prior to the date that the amendment required by Rev. Rul. 94-76 is adopted and if the amendment is made effective within certain time limits specified in Rev. Rul. 94-76, there is an extended period for amending the plan.

SECTION 3. MODEL AMENDMENT

.01 All plans—Sponsors described in subsection .02 may amend their plans by adopting the model language in the appendix to this revenue procedure on a word-for-word basis, in accordance with the instructions in this revenue procedure. If a sponsor to whom the model language is available pursuant to subsection .02 adopts the model language, neither application to the Service nor a user fee is required. The Service will

not issue new opinion, notification, advisory, or determination letters for plans that are amended solely to add the model language described in this section.

.02 The model language is available only to sponsors of M&P, regional prototype, volume submitter specimen, and individually designed plans (including volume submitter plans) that 1) are eligible for the relief from failure to be qualified under § 401(a) provided in Rev. Rul. 94-76 and 2) as of the date of the adoption of the model amendment have reliance on a favorable opinion, notification, or determination letter that takes into account the requirements of the Tax Reform Act of 1986, Pub. L. No. 99-514 ("TRA '86") under Rev. Proc. 89-9, 1989-1 C.B. 780, as modified; Rev. Proc. 89-13, 1989-1 C.B. 801, as modified; Rev. Proc. 90-20, 1990-1 C.B. 495; Rev. Proc. 91-41, 1991-2 C.B. 697; Rev. Proc. 91-66, 1991-2 C.B. 870; Rev. Proc. 93-39, 1993-2 C.B. 513; or Rev. Proc. 96-6, 1996-1 I.R.B. 151. Condition 2) in the preceding sentence does not apply to plans 1) that (a) have received a favorable determination, opinion, or notification letter that considered TEFRA, DEFRA, and REA, and (b) have been submitted within the plan's § 401(b) remedial amendment period for a determination, opinion, or notification letter that considers TRA '86 (TRA '86 remedial amendment period) but have not yet received the letter or 2) for which the TRA '86 remedial amendment period has not yet expired, such as adopters of master and prototype plans, regional prototype plans, and volume submitter plans, described in section 3 of Rev. Proc. 95-12, 1995-1 C.B. 508; governmental plans described in Announcement 95-48, 1995-23 I.R.B. 13; and plans maintained by tax-exempt organizations, including non-electing church plans, described in Announcement 95-48.

.03 M&P, Regional Prototype and Volume Submitter Plans—M&P, regional prototype and volume submitter plan sponsors that use the model language must file Form 8837, Notice of Adoption of Revenue Procedure Model Amendments.

SECTION 4. EXTENSION OF TIME TO ADOPT AMENDMENT

The time period for adopting a plan amendment eliminating an optional form of benefit pursuant to Rev. Rul. 94-76 is extended to June 30, 1997, for profit-sharing or stock bonus plans that otherwise were required, under that revenue ruling, to be amended to eliminate any optional form of benefit before that date.

SECTION 5. RELIANCE

An employer entitled to rely on an opinion, notification, or determination letter will not lose reliance on the letter merely because of this amendment. Plans that are amended in accordance with section 3 of this revenue procedure will not cause the plan to lose its otherwise applicable extended reliance period under Rev. Procs. 89-9 and 89-13, as modified by Rev. Proc. 93-9, or section 13 of Rev. Proc. 93-39.

DRAFTING INFORMATION

The principal author of this revenue procedure is Richard Wright of the Employee Plans Division. For further information regarding this revenue procedure, contact the Employee Plans Division's telephone assistance service between 1:30 and 4:00 p.m., Eastern Time, Monday through Thursday on (202) 622-6074/6075 or Mr. Wright at (202) 622-6214. (These telephone numbers are not toll-free numbers.)

APPENDIX MODEL LANGUAGE

(Note to Sponsor: The following model amendment may be used to

amend a profit-sharing or stock bonus plan to eliminate an optional form of benefit provided for in the plan on or before December 12, 1994, solely with respect to benefits attributable to assets and liabilities that have been transferred, within the meaning of § 414(l), from a money purchase pension plan (other than any portion of those assets and liabilities attributable to voluntary employee contributions) to the extent that the optional form permits distribution of those benefits prior to the employee's retirement, death, disability or severance from employment, and prior to plan termination.)

This amendment is effective _____. (For plans, other than those entitled to extended reliance as described in Rev. Rul. 94-76, insert a date not later than the first day of the first plan year beginning on or after December 12, 1994, or, if later, 90 days after December 12, 1994. For plans entitled to extended reliance, see Rev. Rul. 94-76 for the permissible effective date.)

Notwithstanding any provision of this plan to the contrary, to the extent that any optional form of benefit under this plan permits a distribution prior to the employee's retirement, death, disability, or severance from employment, and prior to plan termination, the optional form of benefit is not available with respect to benefits attributable to assets (including the post-transfer earnings thereon) and liabilities that are transferred, within the meaning of § 414(l) of the Internal Revenue Code, to this plan from a money purchase pension plan qualified under § 401(a) of the Internal Revenue Code (other than any portion of those assets and liabilities attributable to voluntary employee contributions).

Part IV. Items of General Interest

ZIP Code Change for Information Reporting Program

Announcement 96-126

A ZIP Code change for the Information Reporting Program at the Martinsburg Computing Center was effective as of November 12, 1996. The new ZIP Code will apply only to the Post Office Box 1359 address. Information returns filed magnetically, correspondence related to the Information Reporting Program, applications, extension, and waiver requests should be mailed to the following address:

IRS-Martinsburg Computing Center
Information Reporting Program
P. O. Box 1359, MS-360
Martinsburg, WV 25402-1359

It is important to make this change on your mailing label as mail containing incorrect address information will be returned. The ZIP Code change will appear in the next revisions of all publications and forms related to information returns which include the P. O. Box 1359 address.

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

Announcement 96-127

The name of an organization that no longer qualifies as an organization described in section 170(c)(2) of the Internal Revenue Code of 1986 is 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 December 9, 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 husband 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.

Task Force for Africa/Los Angeles Relations

Pasadena, CA

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

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:

Name	Address	Designation	Date of Suspension
Sherman, Richard M.	Crystal Lake, IL	CPA	October 18, 1996 to July 17, 1997
Hunter, Lewis	Jacksonville, FL	CPA	October 25, 1996 to January 24, 1997
Hisken, Donald	Red Bluff, CA	CPA	November 1, 1996 to March 31, 1997
Byrne, Steven P.	Arcadia, CA	Attorney	November 1, 1996 to January 31, 1997
Mulrey, Robert M.	Milton, MA	CPA	November 1, 1996 to October 31, 1997
Edwards, Ronald A.	Plymouth, MI	CPA	November 1, 1996 to April 30, 1998
Hart Jr., Charles E.	Wilmington, OH	Attorney	November 1, 1996 to October 31, 1998
Willner, Peter D.	Stowe, VT	CPA	November 1, 1996 to April 30, 1997
May, Gary	Madison, WI	Attorney	November 1, 1996 to October 31, 1998
Josephson, Elliott	Northbrook, IL	CPA	November 1, 1996 to October 31, 1998
Capwill Jr., James A.	Solon, OH	CPA	November 1, 1996 to February 28, 1997
Hazel, John J.	Ridgefield, CT	Enrolled Agent	November 1, 1996 to January 31, 1997
Jacobs, Patrick	St. Paul, MN	CPA	November 1, 1996 to December 31, 1996
Lau, William	Crete, IL	CPA	November 1, 1996 to June 30, 1997
Franklin, Gene L.	Lees Summit, MO	Enrolled Agent	November 1, 1996 to January 31, 1997
Winterhalter, Charles L.	Cincinnati, OH	CPA	November 1, 1996 to April 30, 1998
Cremer, Patricia L.	Roundup, MT	CPA	November 5, 1996 to May 4, 1997
Gardner, Stephen A.	Dallas, TX	Attorney	November 7, 1996 to May 6, 1999
Masini, David	Wheat Ridge, CO	CPA	November 12, 1996 to November 11, 1997
Cunningham, Michael	Lafayette, IN	CPA	November 12, 1996 to August 11, 1997
Smith, Robert	Chicago, IL	CPA	January 1, 1997 to December 31, 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
Pacchiana, Paul	Chappaqua, NY	Attorney	Indefinite from October 9, 1996
Rosenberger, David H.	Centerville, OH	Enrolled Agent	Indefinite from October 21, 1996
Gudes, Gerald	W. Bloomfield, MI	CPA	Indefinite from October 22, 1996
Donnelly, Richard S.	Asheville, NC	CPA	Indefinite from October 22, 1996
Burrows, William D.	Dallas, TX	Attorney	Indefinite from November 13, 1996
Klausner, Julius	Scarsdale, NY	CPA	Indefinite from November 13, 1996
Glessner, Randy	Omak, WA	CPA	Indefinite from November 13, 1996
Aspland, Frieda R.	Greenville, SC	CPA	Indefinite from November 13, 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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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.

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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.