



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

**2001 PRIORITIES FOR  
TAX REGULATIONS AND OTHER ADMINISTRATIVE GUIDANCE**

**JOINT STATEMENT BY:**

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We are pleased to announce the release of the 2001 Priority Guidance Plan. This plan reflects our continuing commitment to serve the public through the published guidance process.

This year's plan reflects two important new developments. First, as part of our overall commitment to provide timely guidance that resolves issues and reduces taxpayer burden, this year's plan includes 7 items under a new pilot program, Industry Issue Resolution. These items are described in a separate IRS News Release (IR-2001-48). Industry Issue Resolution is another step in our continuing efforts to work with taxpayers on a cooperative basis to resolve frequently disputed tax issues.

Second, in response to requests that we alleviate the deluge of guidance that occurs at the end of the calendar year, and in order to coordinate better with the other priorities of the Internal Revenue Service and Treasury's Office of Tax Policy, the plan year has been changed from a calendar year to a year ending on June 30. Accordingly, this plan year will end on June 30, 2002.

The development of the 2001 Priority Guidance Plan was a cooperative effort. In Notice 2000-63, we solicited suggestions from all interested parties, including taxpayers, tax practitioners and industry groups. We believe that a cornerstone of the effort to provide appropriate and meaningful guidance is direct and continuous communication between the government and taxpayers. Proposals for guidance were reviewed by members of the Published Guidance Advisory Committee (PGAC), which includes senior officials from the Internal Revenue Service and Treasury's Office of Tax Policy. We believe this process results in a more comprehensive plan that is more responsive to taxpayer needs.

The 2001 Priority Guidance Plan is quite ambitious. It contains 299 guidance projects, 56 more projects than the 2000 Plan and 66 more projects than the 1999 Plan. This larger plan is consistent with our desire to issue more guidance more quickly.

The plan should not be viewed as an exclusive list of guidance that may be published in this plan year or of matters that may ultimately result in the publication of guidance. As in previous years, other areas currently under study ultimately may result in published guidance. Moreover, the Internal Revenue Service and Treasury's Office of Tax Policy will respond to developments that may arise throughout the plan year.

In addition to the items on this year's plan, Appendix A lists certain projects to which substantial resources will be committed in this plan year but which we generally expect to publish in the succeeding plan year. Appendix B lists the more routine guidance that is published each year. In addition, before publication of this plan, we have completed certain items, which we have noted.

The published guidance process can be fully successful only if we have the benefit of the insight and experience of the taxpayers and practitioners who must apply the rules. Consequently, we invite the public to provide us with their comments and suggestions as we write tax guidance.

Additional copies of the 2001 Priority Guidance Plan can be obtained from the IRS homepage on the Internet ([www.irs.gov](http://www.irs.gov)) under the Tax Professional's Corner, Administrative Information & Resources, 2001 Priority Guidance Plan, or by calling Treasury's Office of Public Affairs at (202) 622-2960.

April 26, 2001

**OFFICE OF TAX POLICY  
AND  
INTERNAL REVENUE SERVICE**

**2001 PRIORITY GUIDANCE PLAN**

**Consolidated Returns**

1. Conforming amendments to section 446 regulations to reflect changes in the consolidated return regulations.
2. Final regulations regarding authorization to act for the consolidated group.
3. Revenue Procedure regarding designation by common parent of a new agent for the consolidated group.
4. Final regulations on tentative carryback adjustments.
5. Guidance under section 1502 regarding transactions involving obligations of consolidated group members.
6. Guidance regarding stock basis adjustments.
7. Guidance regarding continuation of a consolidated group in certain transactions.
8. Amend section 1.1502-34 to reflect legislative change.
9. Clarification of section 1.1502-80.
10. Revise Rev. Proc. 91-71 regarding reconsolidation within five years.

**Corporations and Their Shareholders**

1. Final regulations under sections 301 and 357 regarding corporate distributions.
2. Guidance regarding redemptions of corporate stock.
3. Guidance regarding conversions of C corporations to RIC or REIT status.
4. Guidance regarding taxable asset acquisitions and dispositions of insurance companies.
5. Guidance regarding the active trade or business requirement of section 355(b).
6. Reconsideration of Rev. Rul. 73-236 (regarding application of section 355(b) to REITs).
7. Guidance under section 355(e).

8. Guidance regarding employee stock options and restricted stock in section 355 transactions.
9. Update Rev. Proc. 96-30 regarding requests for rulings under section 355.
10. Guidance under sections 357 and 358 regarding the assumption of liabilities in certain transfers of property.
11. Guidance under section 368 regarding mergers of a corporation with a disregarded entity.
12. Guidance under section 368 regarding mergers with or into a foreign corporation.
13. Guidance regarding forward subsidiary mergers under section 368.
14. Guidance regarding reverse subsidiary mergers under section 368.
15. Guidance regarding multi-step acquisitions under section 368.
16. Guidance regarding built-in items under section 382.
17. Guidance regarding treatment by a corporation of financial instruments based on the value of that corporation's stock.
18. Guidance under section 1374 regarding timber transactions.

### **Employee Benefits**

#### **A. Retirement Benefits**

1. Final regulations relating to plan loans under section 72(p).
2. Final regulations relating to new comparability plan designs.
3. Guidance relating to the application of nondiscrimination and coverage rules to church retirement plans.
4. Final regulations under section 401(a)(9) on required minimum distributions.
5. Guidance on reporting of required minimum distributions.
6. Guidance on the application of section 401(a)(13) to certain plan loan transactions.
7. Guidance relating to section 401(a)(17).
8. Guidance relating to cash or deferred arrangements under section 401(k) and relating to section 401(m).

9. Guidance relating to sections 401(k) and 401(m) in mergers and acquisitions.
10. Guidance regarding the interaction between sections 404 and 461.
11. Guidance with respect to the calculation of net income attributable to returned or recharacterized IRA contributions.
12. Guidance relating to the application of section 411(a).
13. Guidance regarding issues under section 411(b).
14. Guidance relating to cash balance pension plans.
15. Final regulations under section 411(c).
16. Guidance relating to the application of section 411(d)(6).
17. Guidance on disclosure to participants regarding their distributions from pension plans.
18. Guidance relating to pension distributions and retirement age.
19. Guidance with respect to mortality tables for defined benefit pension plans.
20. Guidance relating to funding requirements under section 412.
21. Guidance on the use of aggregate entry age normal funding method under section 412.
22. Guidance for multiemployer plans relating to refund of mistaken contribution and withdrawal liability payments.
23. Guidance on exclusive benefit issues relating to qualified plans.
24. Regulations relating to the definition of employer under section 414.
25. Guidance relating to the definition of highly compensated employee.
26. Notice updating Rev. Proc. 2000-20 as it relates to plan provisions implementing sections 415 and 417.
27. Guidance updating the definition of compensation to reflect section 132(f) salary reduction.

28. Final regulations relating to the application of the retroactive annuity starting date provisions under section 417(a)(7).
  29. Final regulations implementing section 420(c)(3)(E).
  30. Proposed regulations relating to section 457(b) plans.
  31. Guidance on determining excise taxes applicable to certain multi-year prohibited transactions.
  32. Guidance relating to application of section 4980 to certain transactions involving payment for surplus pension assets.
  33. Final regulations relating to use of new technologies in delivering notice to interested parties.
  34. Guidance relating to coordination with the Department of Labor delinquent filer program for Form 5500 annual reports.
  35. Notice on the determination letter process.
  36. Revenue Procedure clarifying Rev. Proc. 2000-20 as it relates to the GUST amendment process.
  37. Guidance on the GUST remedial amendment period for employers that use M&P or volume submitter plans. (Completed. See Announcement 2001-12.)
  38. Guidance with respect to sections 401(a)(9) and 408, in connection with the determination letter program.
  39. Guidance providing for updating of prototype SEP documents.
  40. Revenue Procedure amending and restating employee plans compliance resolution system (EPCRS).
  41. Guidance relating to oversight of qualified plan compliance.
  42. Guidance on restorative payments to qualified plans.
- B. Executive Compensation, Health Care and Other Benefits, and Employment Taxes
1. Proposed regulations under section 83 relating to transfers by non-employer parties.
  2. Guidance on stock option issues under section 83.
  3. Guidance on certain uses of stock interests for deferred compensation.

4. Guidance relating to certain arrangements under sections 106 and 125.
5. Guidance on the application of section 125 in mergers and acquisitions.
6. Guidance under section 125 relating to cafeteria plans and the Family and Medical Leave Act.
7. Guidance on automatic enrollment in cafeteria plans under section 125.
8. Guidance on demonstrator vehicles provided for use by employees.
9. Guidance relating to the golden parachute rules under section 280G.
10. Guidance on issues under section 419A.
11. Guidance on incentive stock options under section 422.
12. Guidance on income tax withholding with respect to incentive stock options under section 422 and employee stock purchase plans under section 423.
13. Proposed regulations on FICA and FUTA tax with respect to incentive stock options under section 422 and employee stock purchase plans under section 423.
14. Revision of the standards set forth in Rev. Proc. 71-19 regarding nonqualified deferred compensation.
15. Guidance relating to severance pay plans under section 457(e)(11).
16. Guidance relating to section 457(f).
17. Guidance with respect to the employment tax treatment of amounts received in employment-related litigation.
18. Guidance on issues relating to reporting and employment tax obligations with respect to chore workers.
19. Clarification of regulations under section 3401(d).
20. Final regulations under section 6205.
21. Guidance under section 6413 concerning adjustments of employment tax overpayments.
22. Guidance with respect to section 7436.

23. Final regulations under section 9801 relating to HIPAA.
24. Guidance on electronic filing of Form 8850.

### **Excise Taxes**

1. Guidance under section 4051 regarding the definition of highway vehicles in regulation sections 145.4051 and 48.4061(a)-1.
2. Proposed regulations under section 4081 relating to the revision of definition of diesel fuel.
3. Regulations under section 4081 regarding the measurement of taxable fuels.
4. Guidance under section 4221 regarding fuel used in foreign trade.
5. Guidance under sections 4261 and 4271 regarding the transportation of persons and property by air.
6. Final regulations under section 6302 regarding deposits of excise taxes.

### **Exempt Organizations**

1. Guidance on section 501(c)(4) organizations.
2. Guidance under section 501(c)(12).
3. Guidance under section 507 regarding termination of private foundation status.
4. Final regulations under section 513(i) regarding corporate sponsorship payments received by exempt organizations.
5. Guidance under section 514 regarding the investment of proceeds of qualified 501(c)(3) bonds.
6. Final regulations under section 529 regarding qualified state tuition programs.
7. Guidance on split-interest trusts.
8. Announcement requesting comments on updates to private foundation regulations.
9. Final regulations under section 4958 for certain excess benefit transactions.



**Financial Institutions and Products**

1. Guidance regarding securitization of the rights to recover stranded costs.
2. Guidance regarding accruals on sales of REMIC regular interests between payment dates.
3. Guidance regarding the conformity election for banks under section 1.166-2(d)(3).
4. Guidance under section 263(g) regarding certain interest and carrying costs in the case of straddles.
5. Guidance under section 446 regarding notional principal contracts.
6. Guidance under section 446 regarding prepaid forward contracts.
7. Guidance to provide an automatic method change for cash method banks. (Competed. See Rev. Proc. 2001-25.)
8. Guidance regarding investments by RICs in partnerships.
9. Guidance under section 856 regarding taxable REIT subsidiaries.
10. Final regulations regarding REMIC residual interests.
11. Final regulations under section 1092(c)(4) regarding certain equity options that do not have standard terms.
12. Guidance under section 1092 regarding straddles where one position is larger than the offsetting position.
13. Final regulations under section 1221(a)(7) regarding hedging transactions.
14. Guidance under section 1256(g) regarding securities futures contracts. (Request for comments published. See Notice 2001-27.)
15. Guidance under section 1259 regarding constructive sales treatment for appreciated financial positions.
16. Guidance under section 1272(a)(6) regarding pools of credit card receivables.
17. Guidance under section 7701 regarding certain obligation shifting transactions.
18. Guidance regarding certain equity derivative transactions.

**General Tax Issues**

1. Final regulations under section 25A regarding the Hope Scholarship and Lifetime Learning credits.
2. Guidance under section 29 regarding synthetic fuels from coal. (Completed. See Rev. Proc. 2001-30.)
3. Final regulations under section 32 regarding EIC eligibility requirements.
4. Reconsider final regulations under section 41 regarding the research credit.
5. Final regulations under section 41 regarding computation of the research tax credit in a controlled group.
6. Guidance under section 41 regarding the research credit attributable to a suspension period. (Completed. See Notice 2001-29.)
7. Guidance regarding treatment of investment earnings on tax-exempt bond proceeds under section 42(h)(4) and section 1.42-1T(f)(1).
8. Guidance under section 42 on eligible basis.
9. Guidance under section 45D regarding the new markets tax credit.
10. Guidance under sections 46 and 167 relating to normalization.
11. Guidance under section 61 regarding Indian Tribal trusts for minors.
12. Proposed regulations under section 104 regarding the exclusion of damages for personal physical injury or sickness.
13. Guidance under section 110 regarding the purpose requirement for qualified lessee construction allowances. (Completed. See Rev. Rul. 2001-20.)
14. Guidance concerning the treatment of interconnection payments received by public utilities.
15. Final regulations under section 121 regarding the exclusion of gain on the sale of a principal residence.
16. Guidance under section 167 relating to certain costs of golf course construction.
17. Proposed regulations under section 167 regarding the income forecast method.
18. Proposed regulations under section 168 relating to like-kind exchanges.

19. Guidance under section 168 regarding the treatment of truck tires.
20. Guidance on charitable contributions to disregarded entities.
21. Final regulations under section 221 regarding interest on education loans.
22. Proposed regulations under section 274 regarding expenses for goods, services, and facilities that are treated as compensation.
23. Proposed regulations under section 465 regarding interest other than as a creditor.
24. Final regulations under section 469 regarding self-charged interest.
25. Guidance regarding the determination of recoverable reserves of oil and gas for cost depletion purposes.
26. Final regulations under section 1031 regarding the definition of a disqualified person.
27. Guidance under section 1041 on the tax treatment of transfers of stock options and other deferred compensation rights between spouses.
28. Regulations under section 1041 regarding when transfers of property to third parties are made "on behalf of" the nontransferring spouse.
29. Guidance on corporations chartered under Indian tribal law.

### **Gifts, Estates and Trusts**

1. Notice under sections 1361 and 641 regarding estimated tax election for owners of ESBTs. (Completed. See Notice 2001-25.)
2. Update Rev. Rul. 76-270 concerning charitable remainder trusts that make distributions to a trust for a beneficiary.
3. Final regulations under section 643 regarding the state law definition of income for trust purposes.
4. Final regulations under section 645 regarding an election by certain revocable trusts to be treated as part of the associated estate.
5. Notice under section 645 regarding the first (short) taxable year of the trust. (Completed. See Notice 2001-26.)

6. Update Revenue Procedures under section 664 containing sample charitable remainder trust provisions.
7. Guidance under section 671 regarding reporting requirements for widely held fixed investment trusts.
8. Final regulations under section 2001 relating to an automatic extension for Form 706.
9. Revise regulations under section 2055 and 2522 based on the Boeshore decision.
10. Guidance under section 2056 regarding a Qualified Terminal Interest Property election that has no effect.
11. Proposed regulations under section 2057 regarding the estate tax deduction for certain family owned business interests.
12. Guidance under section 2519 regarding net gifts.
13. Final regulations under section 7701 regarding the application of foreign trust rules to employee benefit trusts.

### **Insurance Companies and Products**

1. Guidance regarding captive insurance companies.
2. Guidance under section 807.
3. Guidance under section 817A regarding modified guaranteed contracts.
4. Automatic change in accounting method for premium acquisition expenses.
5. Final regulations under section 1275(a)(1)(B)(ii) regarding definition of annuities.
6. Guidance on split dollar life insurance.

### **International Issues**

#### A. Subpart F / Deferral

1. Proposed regulations regarding mark to market procedures for passive foreign investment companies.

## B. Inbound Transactions

1. Proposed regulations on the disallowance of deductions under sections 882(c)(2) and 874(a).
2. Final regulations under sections 892 and 7701.
3. Guidance relating to the reporting obligations of nonqualified intermediaries.
4. Guidance concerning U.S. real property interests.
5. Other guidance regarding withholding on payments to foreign persons.
6. Guidance under section 1503(d) concerning triggering events.

## C. Outbound Transactions

1. Guidance on international restructurings.
2. Final regulations under section 684.
3. Final regulations under section 679.
4. Final regulations relating to the grouping rules under section 925. (Completed. See T.D. 8944.)
5. Guidance relating to the Extraterritorial Income Exclusion Act.
6. Guidance under section 1504(d).
7. Guidance concerning certain extraordinary transactions involving disregarded entities.

## D. Sourcing and Expense Allocation

1. Guidance relating to the treatment of fringe benefits.
2. Guidance concerning the allocation and apportionment of expenses.
3. Final regulations on the treatment of losses from dispositions of personal property under section 865.
4. Guidance under section 883.
5. Update Rev. Proc. 97-31 (listing section 883 countries and types of excluded income).

#### E. Application of U.S. Income Tax Treaties

1. Guidance concerning the relief from double taxation and adjustments to taxpayers' accounts arising from section 482 allocations (see Rev. Procs. 96-14 and 99-32).
2. Final regulations relating to the application of the income tax treaties to payments from reverse hybrid entities.
3. Guidance under the Canadian treaty relating to Canadian Registered Retirement Savings Plans.
4. Update Rev. Proc. 96-13 relating to the procedures for requesting competent authority assistance.
5. Guidance concerning the application of certain U.S. income tax treaties. (Completed. See Announcement 2001-34.)
6. Guidance relating to the reporting of bank deposit interest.

#### F. Other

1. Guidance relating to the conduct of cross-border, securities dealing operations ("global dealing").
2. Guidance on the treatment of cross border services under section 482 and related provisions.
3. Guidance under section 954(i) relating to the determination of appropriate foreign loss payment patterns and interest rates.
4. Guidance concerning the treatment of currency gain or loss.
5. Guidance under section 4374.
6. Guidance concerning the international activities of partnerships.

#### **Partnerships**

1. Guidance regarding aggregation for purposes of section 704(c) for certain master-feeder partnerships.
2. Final regulations under section 705 regarding special basis rules.
3. Final regulations under section 706 and foreign partners.

4. Guidance regarding partnership options and convertible instruments.
5. Proposed regulations under section 752 regarding the assumption of partnership liabilities.
6. Final regulations regarding the coordination of sections 755 and 1060.
7. Final regulations regarding TEFRA partnership proceedings.
8. Guidance on the receipt of a profits interest subject to a substantial risk of forfeiture.
9. Guidance under section 1031 regarding undivided fractional interests in real estate.
10. Guidance regarding entity classification and community property owners.
11. Final regulations amending the check the box regulations under section 7701.

#### **Subchapter S**

1. Final regulations under section 1361 regarding electing small business trusts.
2. Guidance under section 1361 regarding the time for beneficiary to make a QSST election.
3. Guidance under section 1367 regarding shareholder basis and S corp charitable contributions.

#### **Tax Accounting**

1. Guidance under sections 61 and 451 regarding the characterization of a lessee's capital cost reduction payments.
2. Guidance regarding the treatment of costs incurred for railroad track maintenance.
3. Guidance under sections 162 and 263 regarding deduction and capitalization of expenditures.
4. Guidance under sections 162 and 263 regarding the tax treatment of restaurant smallwares packages.
5. Final regulations under sections 263A and 612 regarding the treatment of delay rentals.
6. Proposed regulations under sections 441 and 442 regarding accounting periods.

7. Update Rev. Proc. 87-32 regarding automatic annual accounting period change procedures for certain passthrough entities.
8. Revenue Procedure under section 442 regarding prior approval of annual accounting period changes.
9. Update Rev. Proc. 99-49 regarding automatic method change procedures.
10. Guidance under section 446 regarding general procedures applicable to voluntary and involuntary changes in methods of accounting.
11. Guidance under sections 446 and 471 regarding the cash method of accounting.
12. Guidance under section 451 regarding the treatment of advance payments.
13. Guidance under section 453 regarding the installment method of accounting. (Completed. See Notice 2001-22)
14. Final regulations under section 460 regarding changes in parties to a contract.
15. Update Rev. Proc. 75-21.
16. Final regulations under section 468B regarding certain escrow funds.
17. Guidance under section 471 regarding the unit livestock price method of accounting.
18. Regulations under section 472 regarding the dollar value LIFO inventory method.
19. Guidance under section 472 regarding the LIFO inventory method.
20. Final regulations under section 1301 regarding income averaging by farmers.
21. Guidance under section 1341 regarding claim of right.

### **Tax Administration**

1. Proposed regulations to implement the section 66(c) provisions for innocent spouse relief in community property jurisdictions.
2. Proposed regulations under section 3406 to clarify the counting of notices to payors when multiple notices are received.
3. Modification of Rev. Proc. 97-31 regarding the TIN matching program for federal agencies to expand the scope of reporting agents included.



4. Regulations under section 6011 regarding electronic payee statements.
5. Regulations regarding electronic filing of attachments to Form 1040.
6. Guidance under section 6011 to remove impediments to electronic filing of certain business returns.
7. Guidance under section 6011 regarding the disclosure of certain large transactions.
8. Annual Compilation of Tax Shelter Listed Transactions under section 6011.
9. Final regulations under section 6015 regarding election by a spouse to limit joint and several liability.
10. Final regulations under section 6041 regarding middleman reporting.
11. Proposed regulations regarding information reporting and backup withholding for purchasing card transactions.
12. Notice clarifying the effect of the section 1441 regulations on the section 6041A reporting exceptions.
13. Guidance under section 6045 regarding reporting of gross proceeds on the sale of stock acquired by exercising nonqualified employee stock options.
14. Regulations under section 6045(f) regarding information reporting on payments to attorneys.
15. Announcement revising Form W-9 to permit a taxpayer to authorize an agent to furnish Form W-9 to the payor.
16. Regulations under section 6050P regarding information reporting on cancellation of indebtedness.
17. Guidance regarding information reporting for tuition and student loan interest under section 6050S.
18. Revenue Ruling clarifying Rev. Rul. 80-218 regarding application of the timely mailing/ timely filing rules to foreign postmarks.
19. Proposed regulations regarding the disclosure of unrelated third party tax information in tax proceedings.
20. Final regulations allowing disclosures to the Department of Agriculture for statistical purposes.

21. Proposed regulations regarding the definition of agent in section 6103.
22. Regulations regarding triangular disclosure of tax return information.
23. Regulations under section 6110 to address changes enacted in RRA 98.
24. Guidance under section 6111 regarding corporate tax shelter registration.
25. Guidance under section 6112 regarding list of tax shelter investors.
26. Final regulations under section 6302 regarding the amount of tax considered de minimis and therefore not required to be deposited.
27. Final regulations removing the Federal Reserve as an option for depositing taxes.
28. Regulations authorizing payment of taxes by credit card.
29. Final regulations regarding collection due process with respect to liens.
30. Final regulations setting forth circumstances under which the IRS may withdraw a filed notice of federal tax lien.
31. Final regulations regarding collection due process with respect to levies.
32. Proposed regulations applying section 6331(k) to installment agreements.
33. Revenue Ruling modifying Rev. Rul. 78-127 to remove references to specific form numbers used to schedule overassessments.
34. Proposed regulations regarding the suspension of the statute of limitations for noncompliance with a designated summons.
35. Update Rev. Rul. 73-305 and Rev. Rul. 79-284 to provide for the application of undesignated payments to liabilities having the earliest collection statute expiration date.
36. Withdrawal of Treas. Reg. §§ 301.6656-1 and 301.6656-2 relating to repealed penalty for overstated deposit claims.
37. Revenue Procedure updating Rev. Proc. 90-58 to reflect LIFO method for payroll tax deposits as required by RRA 98 amendment to section 6656.
38. Proposed regulations under sections 6662 and 6664 regarding penalties relating to tax shelters.

39. Guidance, including updating Rev. Proc. 83-78 and Rev. Proc. 84-84, regarding procedures to investigate abusive tax shelters.
40. Final regulations regarding offers-in-compromise.
41. Announcement regarding modifications to Appeals Arbitration Pilot Program.
42. Guidance necessary to facilitate electronic tax administration.
43. Proposed regulations under section 7430 regarding miscellaneous changes made by TRA '97 and RRA '98.
44. Proposed regulations updating prerequisites for bringing damage actions under section 7433.
45. Revenue Procedure listing additional tax deadlines that may be postponed under disaster relief rules.
46. Final regulations under section 7602(c) regarding third party contacts.
47. Proposed regulations regarding third party and John Doe summonses.
48. Proposed regulations to provide exception to return preparer definition in section 7701(a)(36) for employees of low income tax clinics charging a nominal fee for return preparation.
49. Revenue Procedure updating Rev. Proc. 87-24 regarding the role of Appeals in docketed Tax Court cases.
50. Guidance regarding practice before the IRS under Circular 230.
51. Statement of Procedural Regulations regarding Freedom of Information Act.

### **Tax-Exempt Bonds**

1. Regulations under section 141 regarding allocation and accounting provisions.
2. Regulations under section 141 regarding refundings.
3. Clarifying guidance on short-term arrangements under section 141.
4. Modification of Rev. Proc. 97-13 with respect to adjustment of fees.
5. Regulations under section 148 regarding investment-type property.
6. Regulations under section 148 regarding brokers' commissions and similar fees.

7. Guidance on procedures for requesting an extension of time to file information returns required by section 149(e).

## APPENDIX A

1. Update proposed regulations under sections 1.125-1 and 1.125-2.
2. Guidance regarding multi-family housing bonds.
3. Study section 269.
4. Compendium of retirement plan revenue rulings (An update of Pub. 778).
5. Final regulations under section 475.
6. Guidance regarding group rulings under section 501(c)(3).
7. Guidance regarding simplifying the advance ruling process for public charities under section 509(a).
8. Guidance regarding allocating deductions in computing UBIT.
9. Guidance under section 707 regarding disguised sales of partnership interests.
10. Proposed regulations under section 736(b)(3)(B).
11. Guidance under sections 863(d),(e).
12. Study section 1001 regulations regarding modifications of debt instruments.
13. Guidance regarding reporting of payments to employees who own heavy equipment used by their employers.
14. Private foundations regulations update.
15. Guidance under section 6621 regarding interest netting computations.
16. Update of the section 6655 corporate estimated tax penalty regulations.
17. Reconsideration of Rev. Rul. 75-191 regarding the application of the section 6656 penalty where taxes should have been withheld but were not.
18. Application of section 7503 to various factual scenarios.
19. Final regulations under section 9802.
20. Revision of Statement of Procedural Regulations section 601.106 regarding Appeals.

## APPENDIX B

### Regularly Scheduled Publication Items

#### January

1. Revenue Procedure updating the procedures for issuing private letter rulings, determination letters, and information letters on specific issues under the jurisdiction of the Chief Counsel.
2. Revenue Procedure updating the procedures for furnishing technical advice to certain IRS offices, in the areas under the jurisdiction of the Chief Counsel.
3. Revenue Procedure updating the previously published list of "no-rule" issues under the jurisdiction of certain Associates Chief Counsel other than the Associate Chief Counsel (International) on which advance letter rulings or determination letters will not be issued.
4. Revenue Procedure updating the previously published list of "no-rule" issues under the jurisdiction of the Associate Chief Counsel (International) on which advance letter rulings or determination letters will not be issued.
5. Revenue Procedure updating procedures for furnishing letter rulings, general information letters, etc., in employee plans and exempt organization matters relating to sections of the Code under the jurisdiction of the Office of the Commissioner, Tax Exempt and Government Entities Division.
6. Revenue Procedure updating procedures for furnishing technical advice in employee plans and exempt organization matters under the jurisdiction of the Commissioner, Tax Exempt and Government Entities Division.
7. Revenue Ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 1274, 1288, 382, 42, and 7520.
8. Revenue Ruling setting forth the prevailing state assumed interest rates provided for the determination of reserves under section 807 for contracts issued in 2000 and 2001.
9. Revenue Ruling providing the dollar amounts, increased by the 2001 inflation adjustment for section 1274A.
10. Revenue Ruling setting forth the amount that section 7872 permits a taxpayer to lend to a qualified continuing care facility without incurring imputed interest, adjusted for inflation.

11. Revenue Procedure providing procedures for limitations on depreciation deductions for owners of passenger automobiles first placed in service during the calendar year; amounts to be included in income by lessees of passenger automobiles first leased during the calendar year; and the maximum allowable value of employer-provided automobiles first made available to employees for personal use in the calendar year.
12. Revenue Procedure providing the domestic asset/liability percentages and domestic investment yield percentages for taxable years beginning after December 31, 2000, for foreign companies conducting insurance business in the U.S.
13. Revenue Procedure updating procedures for issuing determination letters on the qualified status of employee plans under sections 401(a), 403(a), 409, and 4975 of the Code.
14. Revenue Procedure updating the user fee program as it pertains to requests for letter rulings, determination letters, etc. in employee plans and exempt organizations matters under the jurisdiction of the Office of the Commissioner, Tax Exempt and Government Entities Division.
15. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for the purpose of the full funding limitation of section 412(c)(7) of the Code for plan years beginning in January 2001.
16. Revenue Ruling under section 472 providing the Bureau of Labor Statistics price indexes that department stores may use in valuing inventories.

## **February**

1. Revenue Ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 1274, 1288, 382, 42, and 7520.
2. Revenue Ruling under section 472 providing the Bureau of Labor Statistics price indexes that department stores may use in valuing inventories.
3. Revenue Ruling under section 165 listing the Presidentially declared major disaster areas for the preceding calendar year.
4. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for the purpose of the full funding limitation of section 412(c)(7) of the Code for plan years beginning in February 2001.

## **March**

1. Revenue Ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 1274, 1288, 382, 42, and 7520.
2. Notice providing resident population of the states for determining the calendar year state housing credit ceiling under section 42(h), and the private activity bond volume cap under section 146.
3. Revenue Ruling providing the monthly bond factor amounts to be used by taxpayers who dispose of qualified low-income buildings or interests therein during the period January through March, 2001.
4. Revenue Ruling under section 6621 regarding the applicable interest rates for overpayments and underpayments of tax for the period April through June, 2001.
5. Notice providing a tentative determination under section 809 of the differential earnings rate for 2000 and the recomputed differential earnings rate for 1999 for use by mutual life insurance companies to compute their income tax liabilities for 2000.
6. Revenue Ruling setting forth the terminal charge and the standard industry fare level (SIFL) cents-per-mile rates for the first half of 2001 for use in valuing personal flights on employer-provided aircraft.
7. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for the purpose of the full funding limitation of section 412(c)(7) of the Code for plan years beginning in March 2001.
8. Revenue Ruling under section 472 providing the Bureau of Labor Statistics price indexes that department stores may use in valuing inventories.

## **April**

1. Revenue Ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 1274, 1288, 382, 42, and 7520.
2. Revenue Ruling providing the average annual effective interest rates charged by each Farm Credit Bank District.
3. Notice providing the inflation adjustment factor, nonconventional fuel source credit, and reference price for the calendar year that determines the



availability of the credit for producing fuel from a nonconventional source under section 29.

4. Revenue Procedure providing a current list of countries and the dates those countries are subject to the section 911(d)(4) waiver and guidance to individuals who fail to meet the eligibility requirements of section 911(d)(1) because of adverse conditions in a foreign country.
5. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for the purpose of the full funding limitation of section 412(c)(7) of the Code for plan years beginning in April 2001.
6. Revenue Ruling under section 472 providing the Bureau of Labor Statistics price indexes that department stores may use in valuing inventories.

### **May**

1. Revenue Ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 1274, 1288, 382, 42, and 7520.
2. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for the purpose of the full funding limitation of section 412(c)(7) of the Code for plan years beginning in May 2001.
3. Revenue Ruling under section 472 providing the Bureau of Labor Statistics price indexes that department stores may use in valuing inventories.
4. Revenue Procedure under section 6012 regarding the magnetic media filing of Forms 1040NR for 2000.
5. Revenue Procedure providing guidance for use of the national and area median gross income figures by issuers of qualified mortgage bonds and mortgage credit certificates in determining the housing cost/income ratio under section 145.

### **June**

1. Revenue Ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 1274, 1288, 382, 42, and 7520.
2. Revenue Ruling providing the monthly bond factor amounts to be used by taxpayers who dispose of qualified low-income buildings or interests therein during the period April through June, 2001.

3. Revenue Ruling under section 6621 regarding the applicable interest rates for overpayments and underpayments of tax for the period July through September, 2001.
4. Notice providing the calendar year inflation adjustment factor and reference prices for the renewable electricity production credit under section 45.
5. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for the purpose of the full funding limitation of section 412(c)(7) of the Code for plan years beginning in June 2001.
6. Revenue Ruling under section 472 providing the Bureau of Labor Statistics price indexes that department stores may use in valuing inventories.

### **July**

1. Revenue Ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 1274, 1288, 382, 42, and 7520.
2. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for the purpose of the full funding limitation of section 412(c)(7) of the Code for plan years beginning in July 2001.
3. Revenue Ruling under section 472 providing the Bureau of Labor Statistics price indexes that department stores may use in valuing inventories.

### **August**

1. Revenue Ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 1274, 1288, 382, 42, and 7520.
2. Revenue Procedure providing the amounts of unused housing credit carryover allocated to qualified states under section 42(h)(3)(D) for the calendar year.
3. Notice providing the inflation adjustment factor to be used in determining the enhanced oil recovery credit under section 43 for tax years beginning in the calendar year.
4. Notice providing the applicable percentage to be used in determining percentage depletion for marginal properties under section 613A for the calendar year.

5. Revenue Procedure providing the loss payment patterns and discount factors for the 2001 accident year to be used for computing unpaid losses under section 846.
6. Revenue Procedure providing the salvage discount factors for the 2001 accident year to be used for computing discounted estimated salvage recoverable under section 832.
7. Revenue Ruling setting forth the terminal charge and the standard industry fare level (SIFL) cents-per-mile rates for the second half of 2001 for use in valuing personal flights on employer-provided aircraft.
8. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for the purpose of the full funding limitation of section 412(c)(7) of the Code for plan years beginning in August 2001.
9. Revenue Ruling under section 472 providing the Bureau of Labor Statistics price indexes that department stores may use in valuing inventories.
10. Update Notice 99-41 to add approved applicants for designated private delivery service status under section 7502(f). Will be published only if any new applicants are approved.

### **September**

1. Revenue Ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 1274, 1288, 382, 42, and 7520.
2. Revenue Ruling providing the monthly bond factor amounts to be used by taxpayers who dispose of qualified low-income buildings or interests therein during the period July through September, 2001.
3. Revenue Ruling under section 6621 regarding the applicable interest rates for overpayments and underpayments of tax for the period October through December, 2001.
4. Revenue Ruling providing the determination under section 809 of the differential earnings rate for 2000 and the recomputed differential earnings rate for 1999 for use by mutual life insurance companies to compute their income tax liabilities for 2000.
5. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for the purpose of the full funding limitation of section 412(c)(7) of the Code for plan years beginning in September 2001.

6. Revenue Ruling under section 472 providing the Bureau of Labor Statistics price indexes that department stores may use in valuing inventories.
7. Revenue Procedure under section 62 regarding the deduction and deemed substantiation of federal standard mileage amounts.
8. Announcement on whether the number of Archer MSAs has exceeded the applicable statutory limits.

### **October**

1. Revenue Ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 1274, 1288, 382, 42, and 7520.
2. News release setting forth cost-of-living adjustments effective January 1, 2002, applicable to the dollar limits on benefits under qualified defined benefit pension plans and other provisions affecting certain plans of deferred compensation.
3. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for the purpose of the full funding limitation of section 412(c)(7) of the Code for plan years beginning in October 2001.
4. Revenue Ruling under section 472 providing the Bureau of Labor Statistics price indexes that department stores may use in valuing inventories.
5. Revenue Procedure under section 1 and other sections of the Code regarding the inflation adjusted items for 2002.

### **November**

1. Revenue Ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 1274, 1288, 382, 42, and 7520.
2. Revenue Ruling providing the "base period T-Bill rate" as required by section 995(f)(4).
3. Revenue Ruling setting forth covered compensation tables for the 2002 calendar year for determining contributions to defined benefit plans and permitted disparity.
4. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for the

purpose of the full funding limitation of section 412(c)(7) of the Code for plan years beginning in November 2001.

5. Revenue Ruling under section 472 providing the Bureau of Labor Statistics price indexes that department stores may use in valuing inventories.
6. Update Rev. Proc. 2001-11 regarding adequate disclosure for purposes of the section 6662 substantial understatement penalty and the section 6694 preparer penalty.

## **December**

1. Revenue Ruling setting forth tables of the adjusted applicable federal rates for the current month for purposes of sections 1274, 1288, 382, 42, and 7520.
2. Revenue Ruling providing 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, 2001.
3. Revenue Ruling under section 6621 regarding the applicable interest rates for overpayments and underpayments of tax for the period January through March, 2002.
4. Notice setting forth the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for the purpose of the full funding limitation of section 412(c)(7) of the Code for plan years beginning in December 2001.
5. Revenue Ruling under section 472 providing the Bureau of Labor Statistics price indexes that department stores may use in valuing inventories.
6. Revenue Procedure under section 62 regarding the deduction and deemed substantiation of federal travel per diem amounts.
7. Revenue Procedure setting forth, pursuant to section 1397E of the Code, the maximum face amount of Qualified Zone Academy Bonds that may be issued for each state during 2002.
8. Update list of recognized tribes.