

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. 2005-43, page 88.

Obsolete revenue procedures and revenue rulings. This ruling obsoletes Rev. Proc. 64-54, and several subsequent rulings because they only apply to tax years prior to January 1, 1965, and are therefore no longer determinative with respect to future transactions. Rev. Procs. 64-54, 66-33, 69-13, 71-1, and 72-22 and Rev. Ruls. 65-109 and 68-549 obsoleted.

Rev. Rul. 2005-44, page 87.

Low-income housing credit; satisfactory bond; "bond factor" amounts for the period January through September 2005. This ruling provides 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 September 2005.

TAX CONVENTIONS

Rev. Proc. 2005-44, page 110.

This procedure obsoletes Rev. Procs. that describe the representations that a nonresident alien student, teacher, or researcher at a university must make to claim an exemption from withholding tax on personal services income under the provisions of specific U.S. income tax treaties. Rev. Procs. 87-8, 87-9, and 93-22 obsoleted.

ADMINISTRATIVE

Rev. Proc. 2005-41, page 90.

This procedure contains revisions to Publication 1239, *Specifications for Filing Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, Electronically or Magnetically* (revised 6-2005). Rev. Proc. 2000-49 superseded.

Rev. Proc. 2005-43, page 107.

This procedure explains how a taxpayer may elect not to treat qualified New York Liberty Zone leasehold improvement property as 5-year property for purposes of section 168. This procedure also excludes a certain change in computing depreciation from the automatic change in method of accounting procedure. Rev. Proc. 2002-9 modified and amplified.

Rev. Proc. 2005-44, page 110.

This procedure obsoletes Rev. Procs. that describe the representations that a nonresident alien student, teacher, or researcher at a university must make to claim an exemption from withholding tax on personal services income under the provisions of specific U.S. income tax treaties. Rev. Procs. 87-8, 87-9, and 93-22 obsoleted.

Announcement 2005-49, page 119.

This document contains a correction to T.D. 9206, 2005-25 I.R.B. 1283, which provides guidance for the filing of information returns by donees relating to qualified intellectual property contributions.

Announcements of Disbarments and Suspensions begin on page 111.
Finding Lists begin on page ii.



The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by

applying the tax law with integrity and fairness to all.

Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly and may be obtained from the Superintendent of Documents on a subscription basis. Bulletin contents are compiled semiannually 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 Other Related Items, and Subpart B, Legislation and Related Committee Reports.

Part III.—Administrative, Procedural, and Miscellaneous.

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

Part IV.—Items of General Interest.

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

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

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

Low-income housing credit; satisfactory bond; “bond factor” amounts for the period January through September 2005. This ruling provides 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 September 2005.

Rev. Rul. 2005–44

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.

Rev. Proc. 99–11, 1999–1 C.B. 275, established a collateral program as an alternative to providing a surety bond for taxpayers to avoid or defer recapture of the low-income housing tax credits under

§ 42(j)(6). Under this program, taxpayers may establish a Treasury Direct Account and pledge certain United States Treasury securities to the Internal Revenue Service as security.

This revenue ruling provides in Table 1 the bond factor amounts for calculating the amount of bond considered satisfactory under § 42(j)(6) or the amount of United States Treasury securities to pledge in a Treasury Direct Account under Rev. Proc. 99–11 for dispositions of qualified low-income buildings or interests therein during the period January through September 2005.

Table 1 Rev. Rul. 2005–44 Monthly Bond Factor Amounts for Dispositions Expressed As a Percentage of Total Credits											
	Calendar Year Building Placed in Service or, if Section 42(f)(1) Election Was Made, the Succeeding Calendar Year										
Month of Disposition	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Jan '05	14.99	27.92	39.03	48.55	56.77	56.71	56.86	57.15	57.52	58.00	58.83
Feb '05	14.99	27.92	39.03	48.55	56.77	56.59	56.74	57.04	57.41	57.89	58.72
Mar '05	14.99	27.92	39.03	48.55	56.77	56.47	56.63	56.93	57.30	57.79	58.61
Apr '05	15.85	29.52	41.27	51.33	60.03	60.18	60.95	61.89	62.92	64.10	65.66
May '05	15.85	29.52	41.27	51.33	60.03	60.05	60.83	61.77	62.80	63.98	65.54
Jun '05	15.85	29.52	41.27	51.33	60.03	59.93	60.71	61.65	62.69	63.87	65.42
Jul '05	15.85	29.52	41.27	51.33	60.03	59.81	60.59	61.54	62.57	63.76	65.32
Aug '05	15.85	29.52	41.27	51.33	60.03	59.70	60.48	61.42	62.46	63.65	65.21
Sep '05	15.85	29.52	41.27	51.33	60.03	59.58	60.36	61.31	62.36	63.55	65.11

Table 1 (cont'd)
Rev. Rul. 2005-44
Monthly Bond Factor Amounts for Dispositions Expressed
As a Percentage of Total Credits

Month of Disposition	Calendar Year Building Placed in Service or, if Section 42(f)(1) Election Was Made, the Succeeding Calendar Year									
	2002	2003	2004	2005						
Jan '05	59.92	61.22	62.49	62.68						
Feb '05	59.80	61.09	62.33	62.68						
Mar '05	59.69	60.97	62.19	62.68						
Apr '05	67.52	69.62	71.64	72.55						
May '05	67.40	69.48	71.49	72.55						
Jun '05	67.28	69.36	71.35	72.55						
Jul '05	67.17	69.24	71.23	72.55						
Aug '05	67.06	69.12	71.12	72.55						
Sep '05	66.96	69.02	71.02	72.55						

For a list of bond factor amounts applicable to dispositions occurring during other calendar years, see: Rev. Rul. 98-3, 1998-1 C.B. 248; Rev. Rul. 2001-2, 2001-1 C.B. 255; Rev. Rul. 2001-53, 2001-2 C.B. 488; Rev. Rul. 2002-72, 2002-2 C.B. 759; Rev. Rul. 2003-117, 2003-2 C.B. 1051; and Rev. Rul. 2004-100, 2004-44 I.R.B. 718.

DRAFTING INFORMATION

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

Section 168.—Accelerated Cost Recovery System

26 CFR 1.168(k)-1T: Additional first year depreciation deduction (temporary).

Are the rules that allow a taxpayer to elect not to treat qualified Liberty Zone leasehold improvement property placed in service by the taxpayer during the taxable year as 5-year property for purposes of section 168 similar to the rules with respect to the elec-

tion not to deduct the additional first year depreciation? See Rev. Proc. 2005-43, page 107.

Section 446.—General Rule for Methods of Accounting

May a taxpayer change its method of accounting under section 446 to make an election not to treat as 5-year property qualified New York Liberty Zone leasehold improvement property placed in service in a taxable year for which the federal tax return was filed before June 29, 2005? See Rev. Proc. 2005-43, page 107.

Section 482.—Allocation of Income and Deductions Among Taxpayers

26 CFR 1.482-1: Allocation of income and deductions among taxpayers.

Obsolete revenue procedures and revenue rulings. This ruling obsoletes Rev. Proc. 64-54, and several subsequent rulings because they only apply to tax years prior to January 1, 1965, and are therefore no longer determinative with respect to future transactions. Rev. Procs. 64-54, 66-33, 69-13, 71-1, and 72-22 and Rev. Ruls. 65-109 and 68-549 obsoleted.

Rev. Rul. 2005-43

Rulings Declared Obsolete

The Internal Revenue Service is continuing its program of reviewing rulings (including revenue rulings and revenue procedures) published in the Internal Revenue Bulletin to identify and publish lists of those rulings that, although not specifically revoked or superseded, are no longer considered determinative.

Rev. Proc. 64-54, 1964-2 C.B. 1008, as extended by Rev. Proc. 66-33, 1966-2 C.B. 1231, pertains to certain unilateral relief in respect of the foreign tax paid on income allocated to a U.S. taxpayer pursuant to section 482.

This revenue ruling publishes a list including Rev. Proc. 64-54 and subsequent rulings relating to Rev. Proc. 64-54 that have been identified under the Internal Revenue Service's review program as not determinative with respect to future transactions because these rulings apply to taxable years beginning before January 1, 1965.

Accordingly, the rulings listed below are hereby declared obsolete.

Ruling No.

Rev. Proc. 64-54

Rev. Rul. 65-109

Rev. Proc. 66-33

Rev. Rul. 68-549

Rev. Proc. 69-13

Rev. Proc. 71-1

Rev. Proc. 72-22

C.B. Citation

1964-2 C.B. 1008

1965-1 C.B. 222

1966-2 C.B. 1231

1968-2 C.B. 202

1969-1 C.B. 402

1971-1 C.B. 658

1972-1 C.B. 747

The Service will continue to review other rulings to ascertain those that are inapplicable to future transactions. Therefore, failure to include any particular ruling in the above list should not be construed as an indication that the ruling necessarily is determinative with respect to future transactions.

DRAFTING INFORMATION

The principal author of this revenue ruling is Thomas A. Vidano of the Office of Associate Chief Counsel (International). For further information regarding this revenue ruling, contact Mr. Vidano at (202) 435-5265 (not a toll-free call).

Section 1400L.—Tax Benefits for New York Liberty Zone

How does a taxpayer elect not to treat qualified New York Liberty Zone leasehold improvement property as 5-year property as provided under section 1400L(c)? See Rev. Proc. 2005-43, page 107.

Part III. Administrative, Procedural, and Miscellaneous

NOTE: Use this revenue procedure to prepare Forms 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, for submission to Internal Revenue Service (IRS) using either of the following:

- Tape Cartridges
- Electronic Filing

Please read this publication carefully. Persons required to file may be subject to penalties if they do not follow the instructions in this revenue procedure.

26 CFR 601.602: Tax forms and instructions.

Rev. Proc. 2005-41

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PART A. GENERAL

Sec. 1. Purpose

.01 Form 8027 is used by large food or beverage establishments when the employer is required to make annual reports to the IRS on receipts from food or beverage operations and tips reported by employees.

Note: All employees receiving \$20.00 or more a month in tips must report 100% of their tips to their employer.

.02 The Internal Revenue Service Enterprise Computing Center — Martinsburg (IRS/ECC-MTB) has the responsibility of processing Forms 8027 submitted electronically/magnetically. The purpose of this revenue procedure is to provide the specifications for filing Form 8027, Employer’s Annual Information Return of Tip Income and Allocated Tips, Electronically or Magnetically. This revenue procedure is updated when legislative changes occur or reporting procedures are modified. Major changes have been emphasized by italics.

.03 This revenue procedure supersedes the following: Rev. Proc. 2000–49 published as Publication 1239 (Rev. 11–2000), Specifications for Filing Form 8027, Employer’s Annual Information Return of Tip Income and Allocated Tips, Magnetically or Electronically. This revenue procedure is effective for Forms 8027 due the last day of February 2006 and any returns filed thereafter.

Sec. 2. Nature of Changes

Numerous editorial changes have been made to the revenue procedure. Please read the publication carefully and in its entirety before attempting to prepare your electronic/magnetic file for submission. Major changes have been emphasized by using italics. The changes are as follows:

.01 The Martinsburg Computing Center’s name was changed to the Enterprise Computing Center – Martinsburg (ECC-MTB).

.02 IRS/ECC-MTB no longer accepts 8mm, 4mm, Quarter-Inch Cartridges (QIC) for the processing of information returns. Filing with 3½-inch diskettes will be discontinued for Tax Year 2006. While IRS/ECC-MTB will accept 3½-inch diskette filing for Tax Year 2005, specifications were deleted from this revision since this publication is revised infrequently. Filers should consult previous revisions for diskette specifications if you are planning to submit 3½-inch diskettes this year.

.03 Part B, Electronic Filing Specifications, was completely revised. Please read carefully. We now offer an internet connection at <http://fire.irs.gov>.

.04 The organization of information in Publication 1239 was changed for emphasis and clarity. Part D, Miscellaneous Information, was deleted since this information is found in Part A, Sec. 3. Part B is now Electronic Filing Specifications, Part C is Magnetic Media Specifications.

.05 The title of Publication 1239 was changed to Specifications for Filing Form 8027, Employer’s Annual Information Returns of Tip Income and Allocated Tips, Electronically or Magnetically.

Sec. 3. Where to File and How to Contact the IRS, Enterprise Computing Center - Martinsburg

.01 All Forms 8027 filed magnetically are processed at IRS/ECC-MTB and are to be sent to the following address:

IRS-Enterprise Computing Center - Martinsburg
Information Reporting Program
240 Murall Drive
Kearneysville, WV 25430

.02 Requests for paper forms and publications should be requested by calling the “Forms Only Number” listed in your local telephone directory or by calling the IRS toll-free number **1-800-TAX-FORM (1-800-829-3676)**.

.03 Questions pertaining to magnetic media filing of Forms W-2 **must** be directed to the Social Security Administration (SSA). Filers can call 1-800-SSA-6270 to obtain the phone number of the SSA Employer Services Liaison Officers for their area.

.04 A taxpayer or authorized representative may request a copy of a tax return or a Form W-2 filed with a return by submitting Form 4506, Request for Copy of Tax Form, to IRS. This form may be obtained by calling **1-800-TAX-FORM (1-800-829-3676)**.

.05 The Information Reporting Program Customer Service Section (IRP/CSS), located at IRS/ECC-MTB, answers electronic/magnetic media, paper filing, and tax law questions from the payer community relating to the correct preparation and filing of business information returns (Forms 1096, 1098, 1099, 5498, 8027, W-2G, and W-4). IRP/CSS also answers questions relating to the electronic/magnetic media filing of Forms 1042-S and to the tax law criteria and paper filing instructions for Forms W-2 and W-3. Inquiries dealing with backup withholding and reasonable cause requirements due to missing and incorrect taxpayer identification numbers are also addressed by IRP/CSS. Assistance is available year-round to payers, transmitters, and employers nationwide, Monday through Friday, 8:30 a.m. to 4:30 p.m. Eastern Time, by calling toll-free **1-866-455-7438** or via email at mccirp@irs.gov. **Do not include SSNs or EINs in emails since this is not a secure line.** The Telecommunications Device for the Deaf (TDD) toll number is **304-267-3367**. Call as soon as questions arise to avoid the busy filing seasons at the end of January and February. Recipients of information returns (payees) should continue to contact 1-800-829-1040 with any questions on how to report the information returns data on their tax returns.

.06 The telephone numbers for magnetic media inquiries or electronic submissions are:

Information Reporting Program Customer Service Section
TOLL-FREE 1-866-455-7438 or outside the U.S. 1-304-263-8700
email at mccirp@irs.gov
304-267-3367 — TDD
(Telecommunication Device for the Deaf)
304-264-5602 — Fax Machine
Electronic Filing — FIRE system
<http://fire.irs.gov>
TO OBTAIN FORMS:
1-800-TAX-FORM (1-800-829-3676)
www.irs.gov — IRS Website access to forms

Sec. 4. Filing Requirements

.01 Section 6011(e)(2)(A) of the Internal Revenue Code requires that any person, including corporations, partnerships, individuals, estates, and trusts, required to file 250 or more information returns must file such returns on magnetic media.

.02 The filing requirements apply separately to both original and corrected returns.

.03 Filing electronically through the FIRE system with IRS/ECC-MTB fulfills the magnetic media filing requirement.

.04 The above requirements do not apply if you establish undue hardship (see Part A, Sec. 5).

Sec. 5. Form 8508, Request for Waiver From Filing Information Returns Magnetically

.01 If an employer is required to file on magnetic media but fails to do so (or fails to file electronically, in lieu of magnetic media filing) and does not have an approved waiver on record, the employer will be subject to a penalty of \$50 per return in excess of 250.

.02 If employers are required to file original or corrected returns on magnetic media, but such filing would create a hardship, they may request a waiver from these filing requirements by submitting Form 8508, Request for Waiver From Filing Information Returns Magnetically, to IRS/ECC-MTB.

.03 Even though an employer may submit as many as 250 corrections on paper, IRS encourages electronically or magnetically submitted corrections. Once the 250 threshold has been met, filers are required to submit any additional returns electronically or magnetically. However, if a waiver for an original filing is approved, any corrections for the same type of returns will be covered under this waiver.

.04 Generally, only the employer may sign the Form 8508. A transmitter may sign if given power of attorney; however, a letter signed by the employer stating this fact must be attached to the Form 8508.

.05 A transmitter must submit a separate Form 8508 for each employer. Do not submit a list of employers.

.06 All information requested on the Form 8508 must be provided to IRS for the request to be processed.

.07 The waiver, if approved, will provide exemption from magnetic media filing for the current tax year only. Employers may not apply for a waiver for more than one tax year at a time; application must be made each year a waiver is necessary.

.08 Form 8508 may be photocopied or computer-generated as long as it contains all the information requested on the original form.

.09 Filers are encouraged to submit Form 8508 to IRS/ECC-MTB at least 45 days before the due date of the returns.

.10 File Form 8508 for Forms W-2 with IRS/ECC-MTB, not SSA.

.11 Waivers are evaluated on a case-by-case basis and are approved or denied based on criteria set forth under section 6011(e) of the Internal Revenue Code. The transmitter must allow a minimum of 30 days for IRS/ECC-MTB to respond to a waiver request.

.12 If a waiver request is approved, the transmitter should keep the approval letter on file.

.13 An approved waiver from filing Forms 8027 on magnetic media does not provide exemption from all filing. The employer must timely file Form 8027 on acceptable paper forms with the Cincinnati Service Center. **The transmitter should also send a copy of the approved waiver to the Cincinnati Service Center where the paper returns are filed.**

Sec. 6. Form 4419, Application for Filing Information Returns Electronically/Magnetically

.01 For the purposes of this revenue procedure, the EMPLOYER is the organization supplying the information and the TRANSMITTER is the organization preparing the electronic/magnetic file and/or sending the file to IRS/ECC-MTB. The employer and the transmitter may be the same entity. Employers or their transmitters are required to complete Form 4419, Application for Filing Information Returns Electronically/Magnetically.

.02 Form 4419 can be submitted at any time during the year; however, it should be submitted to IRS/ECC-MTB at least 30 days before the due date of the return(s). IRS will act on an application and notify the applicant, in writing, of authorization to file. A five-character alpha/numeric Transmitter Control Code (TCC) will be assigned and included in an acknowledgment letter within 15 to 45 days of receipt of the application. Electronic/magnetic returns may not be filed with IRS until the application has been approved and a TCC assigned. Include your TCC in any correspondence with IRS/ECC-MTB.

.03 If you file information returns other than Form 8027 on magnetic media, you must obtain a separate TCC for those types of returns. The TCC assigned for Forms 8027 is to be used for the processing of these forms only.

.04 After you have received approval to file electronically/magnetically, you do not need to reapply each year; however, notify IRS in writing if:

(a) You change your name or the name of your organization, so that your files may be updated to reflect the proper name;

(b) You discontinue filing on magnetic media for two years (your TCC may have been reassigned).

.05 Filers who plan to submit for multiple employers, IRS encourages transmitters to submit one application and to use one TCC for all employers.

.06 Only employers or transmitters using equipment compatible with IRS equipment will have their application approved.

.07 If your electronic/magnetic media files have been prepared for you in the past by a transmitter, and you now have computer equipment compatible with that of IRS and wish to prepare your own files, you must request your own five-character alpha/numeric TCC by filing an application, Form 4419, as described in Sec. 6.02.

Sec. 7. Test Files

.01 IRS/ECC-MTB encourages new filers to submit test files for review in advance of the filing season. Employers or transmitters must be approved to file electronically/magnetically before a test file is submitted (See Part A, Sec. 6 for application procedures.)

.02 All test files must be submitted between October 1 and December 15 of the year before the returns are due. *If you are filing electronically, you may submit a test file through February 15 of the year the returns are due.*

Sec. 8. Filing Forms 8027 Electronically/Magnetically

.01 Form 4804, Transmittal of Information Returns Reported Magnetically, must accompany **all** magnetic media shipments.

.02 The employer **MUST** sign Form 4804; however, an agent (transmitter, service bureau, paying agent, or disbursing agent) may sign Form 4804 for the employer. To do this, the agent must have the authority to sign for the employer under an agency agreement (either oral, written, or implied) that is valid under the state law and must add to his or her signature the caption "For: (name of employer)".

NOTE: Failure to sign the Form 4804 may delay processing or could result in your file being returned to you unprocessed.

.03 Although a duly authorized agent may sign the Form 4804, the employer is responsible for the accuracy of the Form 4804 and the returns filed. The employer will be liable for penalties for failure to comply with filing requirements.

.04 Be sure to include Form 4804 or computer-generated substitutes with your magnetic media shipment. **DO NOT MAIL YOUR MAGNETIC MEDIA AND THE TRANSMITTAL DOCUMENTS SEPARATELY.**

.05 Indicate on Form 4804 in block 8 the total number of establishments being reported in this shipment. This figure should match the total number of records in your magnetic file.

.06 DO NOT SUBMIT THE SAME INFORMATION ON PAPER FORMS THAT YOU SUBMIT ELECTRONICALLY/MAGNETICALLY, SINCE THIS WOULD RESULT IN DUPLICATE FILING. This does not mean that corrected documents are not to be filed. If a return has been prepared and submitted improperly, you must file a corrected return as soon as possible. Refer to Part A, Sec. 14 for requirements and instructions for filing corrected returns.

.07 If an allocation of tips is based on a good faith agreement, a copy of this agreement must accompany the submission.

.08 If, under Rev. Proc. 86-21, 1986-1 C.B. 560, the District Director granted the establishment a percentage of gross receipts of less than 8%, a copy of the determination letter must be sent with the submission. Employers with more than one establishment can receive approval from one district in each Internal Revenue Service region where the establishments are located (See sec. 31.6053-3(h)(4) of the Employment Tax Regulations).

.09 Before submitting your magnetic file, include the following:

- (a) A **signed** Form 4804, Transmittal of Information Returns Reported Magnetically.
- (b) Your tape cartridge should be labeled with an external identifying label. Notice 210 describes the information which should be included on this self-prepared label.
- (c) On the outside of the shipping container, affix the label, IRB Special Projects. This label is included in this publication.

Note: See Part B for electronic submission requirements.

.10 IRS/ECC-MTB will not pay or accept “Collect on Delivery” or “Charged to IRS” shipments of reportable tax information that an individual or organization is legally required to submit.

Sec. 9. Filing Dates

.01 Electronic/magnetic reporting to IRS for Form 8027 must be on a calendar year basis. The due date of either paper or magnetically reported Forms 8027 is the last day of February. However, Forms 8027 filed **electronically** are due March 31.

.02 If the due date falls on a Saturday, Sunday, or legal holiday, filing Form 8027 on the next day that is not a Saturday, Sunday, or legal holiday will be considered timely.

Sec. 10. State Abbreviations

.01 The following state and U.S. territory abbreviations are to be used when developing the state code portion of address fields.

State	Code	State	Code	State	Code
Alabama	AL	Kentucky	KY	No. Mariana Islands	MP
Alaska	AK	Louisiana	LA	Ohio	OH
American Samoa	AS	Maine	ME	Oklahoma	OK
Arizona	AZ	Marshall Islands	MH	Oregon	OR
Arkansas	AR	Maryland	MD	Pennsylvania	PA
California	CA	Massachusetts	MA	Puerto Rico	PR
Colorado	CO	Michigan	MI	Rhode Island	RI
Connecticut	CT	Minnesota	MN	South Carolina	SC
Delaware	DE	Mississippi	MS	South Dakota	SD
District of Columbia	DC	Missouri	MO	Tennessee	TN
Federated States of Micronesia	FM	Montana	MT	Texas	TX
Florida	FL	Nebraska	NE	Utah	UT
Georgia	GA	Nevada	NV	Vermont	VT
Guam	GU	New Hampshire	NH	Virginia	VA
Hawaii	HI	New Jersey	NJ	(U.S.) Virgin Islands	VI
Idaho	ID	New Mexico	NM	Washington	WA
Illinois	IL	New York	NY	West Virginia	WV
Indiana	IN	North Carolina	NC	Wisconsin	WI
Iowa	IA	North Dakota	ND	Wyoming	WY
Kansas	KS				

.02 Filers must adhere to the city, state, and ZIP Code format for U.S. addresses. This also includes American Samoa, Federated States of Micronesia, Guam, Marshall Islands, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

Sec. 11. Extension of Time

- .01 An extension of time to file may be requested for Form 8027.
- .02 Form 8809, Request for Extension of Time To File Information Returns, should be submitted to IRS/ECC-MTB. This form may be used to request an extension of time to file information returns submitted on paper, electronically or magnetically.
- .03 Requesting an extension of time for multiple employers may be done by submitting Form 8809 and attaching a list of the employer names and their Taxpayer Identification Numbers (TINs) (EIN or SSN). **The listing must be attached to ensure the extension is recorded for all employers.** Form 8809 may be computer-generated or photocopied. Be sure that all the pertinent information is included.
- .04 Requests for extensions of time for multiple employers will be responded to with one approval letter, accompanied by a list of employers covered under that approval.
- .05 **As soon as it is apparent** that an extension of time to file is needed, Form 8809 may be submitted. When granted, the extension will be for 30 days. It will take a minimum of 30 days for IRS/ECC-MTB to respond to an extension request. Under certain circumstances, a request for an extension of time could be denied. When a denial letter is received, any additional or necessary information may be resubmitted within 20 days. When requesting an extension of time, **do not** hold your files waiting for a response.
- .06 While very difficult to obtain, if an additional extension of time is needed, a second Form 8809 must be submitted before the end of the initial extension period. Line 7 on the form should be checked to indicate that an additional extension is being requested. A second 30-day extension will be approved only in cases of extreme hardship or catastrophic events.
- .07 Form 8809 must be postmarked no later than the due date of the return for which an extension is requested. If requesting an extension of time to file several types of forms, use one Form 8809, but the Form 8809 must be postmarked no later than the earliest due date. For example, if requesting an extension of time to file both Forms 8027 and 5498, submit Form 8809 postmarked on or before the last day of February.
- .08 If an extension request is approved, the approval letter should be kept on file. The approval letter or copy of the approval letter for extension of time should **not** be sent to IRS/ECC-MTB with the electronic/magnetic file. When submitting Form 8027 on **paper only** to the Cincinnati Service Center, attach a copy of the approval letter. If an approval letter has not been received, send a copy of the timely filed Form 8809.
- .09 Request an extension for only one tax year.
- .10 The extension request must be signed by the employer or a person who is duly authorized to sign a return, statement or other document for the employer.
- .11 Failure to properly complete and sign the Form 8809 may cause delays in processing the request or result in a denial. Carefully read and follow the instructions on the back of the Form 8809.
- .12 Form 8809 may be obtained by calling **1-800-TAX-FORM (1-800-829-3676)**.

Note: An extension of time is not an extension to issue form W-2 to the employee.

- .13 Request an extension of time to furnish the statements to recipients of Forms W-2 by submitting a letter to IRS/ECC containing the following information:
- (a) Employer name
 - (b) TIN
 - (c) Address
 - (d) Type of return (W-2)
 - (e) Specify that the extension request is to provide W-2 statements to recipients.
 - (f) Reason for delay
 - (g) Signature of employer or person duly authorized.

Requests for an extension of time to furnish the statements for Forms W-2 to recipients are not automatically approved; however, if approved, generally an extension will allow a maximum of 30 additional days from the due date to furnish the statements to the recipients. The request must be postmarked no later than the date on which the statements are due to the recipients.

Sec. 12. Processing of Information Returns Electronically/Magnetically

- .01 All data received at the IRS/ECC-MTB for processing will be given the same protection as individual returns (Form 1040). IRS/ECC-MTB will process your electronic/magnetic files to ensure the records were formatted and coded according to this revenue procedure.
- .02 If the magnetic media is formatted incorrectly, you will receive a letter of explanation along with a Media Tracking Slip (Form 9267). When a replacement file is requested, it is because IRS/ECC-MTB encountered errors (not limited to format) and was unable to process the file. Open all packages immediately.
- .03 Magnetic files must be corrected and returned with the Media Tracking Slip (Form 9267) to IRS/ECC-MTB within 45 days from the date of the letter from IRS/ECC-MTB requesting the replacement file. A penalty for failure to file correct information returns by the due date will be assessed if the file is not corrected and replaced within the 45 days **or if the incorrect file is returned by**

IRS/ECC-MTB for replacement more than two times. A penalty for intentional disregard of filing requirements will be assessed if a replacement file is not received.

.04 Files will not be returned to you after successful processing. Therefore, if you want proof that IRS/ECC-MTB received your shipment, you may use a carrier that provides proof of delivery.

.05 To distinguish between a correction and a replacement, the following definitions are provided:

- (a) A **correction** is an information return submitted by the employer/transmitter to correct an information return that was previously submitted to and successfully processed by IRS, but contained erroneous information.

Note: Corrections should only be made to forms that have been submitted incorrectly, not the entire file.

- (b) A **replacement** is an information return file sent by the employer/transmitter **at the request** of IRS/ECC-MTB because of errors encountered while processing the filer's original file or correction file.

Note 1: Filers should never send anything to IRS/ECC marked "Replacement" unless IRS/ECC-MTB requested a replacement in writing or via the FIRE System.

Note 2: Beginning in calendar year 2007 for Tax Year 2006, IRS/ECC-MTB will no longer accept 3 1/2-inch diskettes for the filing of Form 8027.

Sec. 13. Penalties

.01 The Revenue Reconciliation Act of 1989 changed the penalty provisions for any documents, including corrections, which are filed after the original filing date for the return. The penalty for failure to file correct information returns is "time sensitive," in that prompt correction of failures to file, or prompt correction of errors on returns that were filed, can lead to reduced penalties.

- The penalty generally is \$50 for each information return that is not filed, or is not filed correctly, by the prescribed filing date, with a maximum penalty of \$250,000 per year (\$100,000 for certain small businesses with average annual gross receipts, over the most recent 3-year period, not in excess of \$5,000,000). The penalty generally is reduced to:
- \$30 for each failure to comply if the failure is corrected more than 30 days after the return was due, but on or before August 1 of the calendar year in which the return was due, with a maximum penalty of \$150,000 per year (\$50,000 for certain small businesses with average annual gross receipts, over the most recent 3-year period, not in excess of \$5,000,000).
- \$15 for each failure to comply if the failure is corrected within 30 days after the date the return was due, with a maximum penalty of \$75,000 per year (\$25,000 for certain small businesses with average annual gross receipts, over the most recent 3-year period, not in excess of \$5,000,000).

.02 Penalties can be waived if failures were due to reasonable cause and not to willful neglect. In addition, section 6721(c) of the Code provides a de minimis rule that if:

- (a) information returns have been filed but were filed with incomplete or incorrect information, and
- (b) the failures are corrected on or before August 1 of the calendar year in which the returns were due, then the penalty for filing incorrect returns (but not the penalty for filing late) will not apply to the greater of 10 returns or one-half of 1 percent of the total number of information returns you are required to file for the calendar year.

.03 Intentional Disregard of Filing Requirements — If any failure to file a correct information return is due to intentional disregard of the filing and correct information requirements, the penalty is at least \$100 per information return with no maximum penalty.

Sec. 14. Corrected Returns, Substitute Forms, and Computer-Generated Forms

.01 If returns must be corrected, approved electronic/magnetic filers must provide such corrections electronically/magnetically if you have 250 or more. If your information is filed electronically/magnetically, corrected returns are identified by using the "Corrected 8027 Indicator" in field position 370 of the employer record. Form 4804 must accompany the tape cartridge shipment, and the box for correction should be marked in Block 1 of the form. (See Part A, Sec. 12.05 for the definition of corrections.)

.02 If corrections are not submitted electronically/magnetically, employers must submit them on official Forms 8027. Substitute forms that have been previously approved by IRS, or computer-generated forms that are exact facsimiles of the official form (except for minor page size or print style deviations), may be submitted without obtaining IRS approval before using the form.

.03 Employers/establishments may send corrected paper Forms 8027 to IRS at the address shown in Part A, Sec. 15.01. Corrected paper returns are identified by marking the "AMENDED" check box on Form 8027.

Sec. 15. Effect on Paper Returns

.01 If you are filing more than one paper Form 8027, you must attach a completed Form 8027-T, Transmittal of Employer's Annual Information Return of Tip Income and Allocated Tips, to the Forms 8027 and send to:

IRS/ECC-MTB processes Forms 8027 submitted electronically/magnetically only. Do not send paper Forms 8027 to IRS/ECC-MTB.

.02 If part of a submission is filed electronically/magnetically and the rest of the submission is filed on paper Forms 8027, send the paper forms to the Cincinnati Service Center. For example, you filed your Forms 8027 electronically/magnetically with IRS/ECC-MTB, and later you found that some of the forms you filed need correcting. Because of the low volume of corrections, you submit the corrections on paper Forms 8027. You must send these corrected Forms 8027 along with Form 8027-T to the Cincinnati Service Center.

Sec. 16. Definition of Terms

ELEMENT	DESCRIPTION
EIN	A nine-digit Employer Identification Number which has been assigned by IRS to the reporting entity.
Employer	The organization supplying their information. Use the same name and EIN you used on your Forms W-2 and Forms 941.
Establishment	A large food or beverage establishment that provides food or beverage for consumption on the premises; where tipping is a customary practice; and where there are normally more than 10 employees who work more than 80 hours on a typical business day during the preceding calendar year.
More than 10 employees	An employer is considered to have more than 10 employees on a typical business day during the calendar year if half the sum of: the average number of employee hours worked per business day in the calendar month in which the aggregate gross receipts from food and beverage operations were greatest, plus the average number of employee hours worked per business day in the calendar month in which the total aggregate gross receipts from food and beverage operations were the least, equals more than 80 hours.
Employees hours worked	The average number of employee hours worked per business day during a month is figured by dividing the total hours worked during the month by all your employees who are employed in a food or beverage operation by the average number of days in the month that each food or beverage operation at which these employees worked was open for business.
File	For the purpose of this revenue procedure, a file consists of all electronic/magnetic records submitted by an Employer or Transmitter.
Transmitter	Person or organization preparing electronic/magnetic file(s). May be Employer or agent of Employer.
Transmitter Control Code (TCC)	A five-character alpha/numeric code assigned by IRS to the transmitter prior to actual filing electronically/magnetically. This number is inserted in the record and must be present. An application (Form 4419) must be filed with IRS to receive this number.
Replacement	A replacement is an information return file sent by the employer/transmitter at the request of IRS/ECC-MTB because of errors encountered while processing the filer's original file or correction file.
Correction	A correction is an information return submitted by the employer/transmitter to correct an information return that was previously submitted to and successfully processed by IRS, but contained erroneous information.

PART B. ELECTRONIC FILING SPECIFICATIONS

Note: The FIRE System is now on the Internet at <http://fire.irs.gov>. It is no longer a dial-up connection.

Sec. 1. General

.01 Electronic filing of Forms 8027 information returns, originals and replacements, is offered as an alternative to magnetic media (tape cartridge) or paper filing. Filing electronically will fulfill the magnetic media requirements for those payers who are required to file magnetically. Payers who are under the filing threshold requirement are encouraged to file electronically. If the original file was sent magnetically, but IRS/ECC-MTB has requested a replacement file, the replacement may be transmitted electronically. Also, if the original file was submitted via magnetic media, any corrections may be transmitted electronically.

.02 All electronic filing of information returns are received at IRS/ECC-MTB via the FIRE (Filing Information Returns Electronically) System. To connect to the FIRE System, point your browser to <http://fire.irs.gov>. The system is designed to support the electronic filing of information returns only.

.03 The electronic filing of information returns is not affiliated with any other IRS electronic filing programs. Filers must obtain separate approval to participate in each of them. Only inquiries concerning electronic filing of information returns should be directed to IRS/ECC-MTB.

.04 Files submitted to IRS/ECC-MTB electronically must be in standard ASCII code. Do not send magnetic media or paper forms with the same information as electronically submitted files. This would create duplicate reporting resulting in penalty notices.

.05 The record format is the same for both electronically or magnetically filed records. See Part C, Magnetic Media Specifications.

Sec. 2. Advantages of Filing Electronically

Some of the advantages of filing electronically are:

- (1) Security – Secure Socket Layer (SSL) 128-bit encryption.
- (2) Results available within 20 business days regarding the acceptability of the data transmitted. It is the filer's responsibility to log into the system and check results.
- (3) Better customer service due to on-line availability of transmitter's files for research purposes.

Sec. 3. Electronic Filing Approval Procedure

.01 Filers must obtain a Transmitter Control Code (TCC) prior to submitting files electronically. Filers who currently have a TCC for magnetic media filing may use their assigned TCC for electronic filing. Refer to Part A, Sec. 6, for information on how to obtain a TCC.

.02 Once a TCC is obtained, electronic filers assign their own user ID, password and PIN (Personal Identification Number) and do not need prior or special approval. See Part B, Sec. 6, for more information on the PIN.

.03 If a filer is submitting files for more than one TCC, it is not necessary to create a separate logon and password for each TCC.

.04 For all passwords, it is the user's responsibility to remember the password and not allow the password to be compromised. Passwords are user assigned at first logon and must be 8 alpha/numeric characters containing at least 1 uppercase, 1 lowercase, and 1 numeric. However, filers who forget their password or PIN, can call **toll-free 1-866-455-7438** for assistance. The FIRE System may require users to change their passwords on a yearly basis.

Sec. 4. Test Files

.01 Filers are not required to submit a test file; however, the submission of a test file is encouraged for all new electronic filers to test hardware and software. If filers wish to submit an electronic test file for Tax Year 2005 (returns to be filed in 2006), it **must** be submitted to IRS/ECC-MTB **no earlier than** October 1, 2005, and **no later than** February 15, 2006.

.02 Filers who encounter problems while transmitting the electronic test file can contact IRS/ECC-MTB **toll-free 1-866-455-7438** for assistance.

.03 Filers must verify the status of the transmitted test data by going to <http://fire.irs.gov> and verifying the status of their file by clicking on CHECK FILE STATUS. This information will be available within 20 business days after the transmission is received by IRS/ECC-MTB.

.04 Form 4804 is not required for test files submitted electronically. See Part B, Sec. 6.

Sec. 5. Electronic Submissions

.01 Electronically filed information may be submitted to IRS/ECC-MTB 24 hours a day, 7 days a week. Technical assistance will be available Monday through Friday between 8:30 a.m. and 4:30 p.m. Eastern time by calling **toll-free 1-866-455-7438**.

.02 The FIRE System will be down from December 23, 2005 through January 3, 2006. This allows IRS/ECC-MTB to update its system to reflect current year changes.

.03 If you are sending files larger than 10,000 records electronically, data compression is encouraged. If you are considering sending files larger than 5 million records, please contact IRS/ECC-MTB for specifics. WinZip and PKZip are the only acceptable compression packages. IRS/ECC-MTB cannot accept self-extracting zip files or compressed files containing multiple files. The time required to transmit information returns electronically will vary depending upon the type of connection to the internet and if data compression is used. **The time required to transmit a file can be reduced by as much as 95 percent by using compression.**

.04 Transmitters may create files using self assigned files name(s). Files submitted electronically will be assigned a new unique file name by the FIRE System. The filename assigned by the FIRE System will consist of submission type (ORIG [original], TEST [test], CORR [correction], and REPL [replacement]), the filer's TCC and a four-digit number sequence. The sequence number will be incremented for every file sent. For example, if it is your first original file for the calendar year and your TCC is 44444, the IRS assigned filename would be ORIG.44444.0001. **Record the filename.** This information will be needed by ECC-MTB to identify the file, if assistance is required.

.05 If a file was submitted timely and is bad, the filer will have up to 60 days from the day the file was sent to transmit an acceptable file. If an acceptable file is not received within 60 days, then the payer could be subject to late filing penalties. This only applies to files originally submitted electronically.

.06 The following definitions have been provided to help distinguish between a correction and a replacement:

- A **correction** is an information return submitted by the transmitter to correct an information return that was previously submitted to and successfully processed by IRS/ECC-MTB, but contained erroneous information. (See Note.)

Note: Corrections should only be made to forms that have been submitted incorrectly, not the entire file.

- A **replacement** is an information return file sent by the filer because the CHECK FILE STATUS option on the FIRE System indicated the original file was bad. After the necessary changes have been made, the file must be transmitted through the FIRE System. (See Note.)

Note: Filers should never transmit anything to IRS/ECC-MTB as a "Replacement" file unless the CHECK FILE STATUS option on the FIRE System indicates the file is bad.

.07 The TCC in the Transmitter "T" Record must be the TCC used to transmit the file; otherwise, the file will be considered an error.

Sec. 6. PIN Requirements

.01 Filers will be prompted to create a PIN consisting of 10 numeric characters when establishing their initial logon name and password.

.02 The PIN is required each time an ORIGINAL, CORRECTION, or REPLACEMENT file is sent electronically and is permission to release the file. It is not needed for a TEST file. An authorized agent may enter their PIN, however, the payer is responsible for the accuracy of the returns. The payer will be liable for penalties for failure to comply with filing requirements. If you forget your PIN, please call **toll-free 1-866-455-7438** for assistance.

Sec. 7. Electronic Filing Specifications

.01 The FIRE System is designed exclusively for the filing of Forms 8027, 1098, 1099, 5498, W-2G, 1042-S, and Questionable W-4.

.02 A transmitter must have a TCC (see Part A, Sec. 6) before a file can be transmitted. A TCC assigned for magnetic media filing should also be used for electronic filing.

.03 The results of the electronic transmission will be available in the CHECK FILE STATUS area of the FIRE System within 20 business days. It is the filer's responsibility to verify the acceptability of files submitted by selecting the CHECK FILE STATUS option.

Sec. 8. Connecting to the FIRE System

.01 Point your browser to <http://fire.irs.gov> to connect to the FIRE System.

.02 When running Norton Internet Security or similar software, you may need to disable this feature if your file transfer does not complete properly.

.03 Before connecting, have your TCC and EIN available.

.04 Your browser must support SSL 128-bit encryption.

.05 Your browser must be set to receive "cookies". Cookies are used to preserve your User ID status.

First time connection to The FIRE System (If you have logged on previously, skip to Subsequent Connections to the FIRE System.)

Click ***“Create New Account”***.

Fill out the registration form and click ***“Submit”***.

Enter your ***User ID*** (most users logon with their first and last name).

Enter and verify your ***password*** (the password is user assigned and must be 8 alpha/numerics, containing at least 1 uppercase, 1 lowercase and 1 numeric). FIRE may require you to change the password once a year.

Click ***“Create”***.

If you receive the message ***“Account Created”***, click ***“OK”***.

Enter and verify your 10-digit self-assigned PIN (Personal Identification Number).

Click ***“Submit”***.

If you receive the message ***“Your PIN has been successfully created!”***, click ***“OK”***.

Read the bulletin(s) and/or click ***“Start the FIRE application”***.

Subsequent connections to The FIRE System

Click ***“Log On”***.

Enter your ***User ID*** (most users logon with their first and last name).

Enter your ***password*** (the password is user assigned and is case sensitive).

Uploading your file to the FIRE System

At Menu Options:

Click ***“Send Information Returns”***

Enter your ***TCC***:

Enter your ***EIN***:

Click ***“Submit”***.

The system will then display the company name, address, city, state, ZIP Code, phone number, contact and email address. This information will be used to contact or send correspondence (if necessary) regarding this transmission. Update as appropriate and/or Click ***“Accept”***.

Click one of the following:

Original File

Correction File

Replacement File (if you select this option, select one of the following):

NEW FIRE Replacement (file was originally transmitted on this system)

Click the file to be replaced.

Magnetic Media Replacement

Enter the alpha character from Form 9267, Media Tracking Slip, that was sent with the request for replacement file. Click ***“Submit”***.

Enter your 10-digit PIN.

Click ***“Submit”***.

Click ***“Browse”*** to locate the file and open it.

Click ***“Upload”***.

When the upload is complete, the screen will display the total bytes received and tell you the name of the file you just uploaded.

If you have more files to upload for that TCC:

Click ***“File Another?”***; otherwise,

Click ***“Main Menu”***.

It is your responsibility to check the acceptability of your file; therefore, be sure to check back into the system in 20 business days using the CHECK FILE STATUS option.

Checking your FILE STATUS

At the Main Menu:

Click "*Check File Status*".
Enter your *TCC*:
Enter your *EIN*:
Click "*Search*".

If "Results" indicate:

"Good, Released" — File has been released to our mainline processing.

"Bad" — Correct the errors and timely resubmit the file as a "replacement".

"Not yet processed" — File has been received, but we do not have results available yet. Please check back in a few days.

Click on the desired file for a detailed report of your transmission.

When you are finished, click on **Main Menu**.

Click "*Log Out*".

Close your Web Browser.

Sec. 9. Common Problems and Questions Associated with Electronic Filing

.01 The following are the major errors associated with electronic filing:

NON-FORMAT ERRORS

1. Transmitter does not check the FIRE System to determine file acceptability.

The results of your file transfer are posted to the FIRE System within 20 business days. It is your responsibility to verify file acceptability and, if the file contains errors, you can get an online listing of the errors. Date received and number of payee records are also displayed.

2. Incorrect file is not replaced timely.

If your file is bad, correct the file and timely resubmit as a replacement.

3. Transmitter compresses several files into one.

Only compress one file at a time. For example, if you have 10 uncompressed files to send, compress each file separately and send 10 separate compressed files.

4. Transmitter sends an original file that is good, and then sends a correction file for the entire file even though there are only a few changes.

The correction file, containing the proper coding, should only contain the records needing correction, not the entire file.

5. File is formatted as EBCDIC.

All files submitted electronically must be in standard ASCII code.

6. Transmitter has one TCC number, but is filing for multiple companies, which EIN should be used when logging into the system to send the file?

When sending the file electronically, you will need to enter the EIN of the company assigned to the TCC. When you upload the file, it will contain the EINs for the other companies that you are filing for. This is the information that will be passed forward.

7. Transmitter sent the wrong file, what should be done?

Call us as soon as possible toll-free 1-866-455-7438. We may be able to stop the file before it has been processed. **Please do not send a replacement for a file that is marked as a good file.**

PART C. MAGNETIC MEDIA SPECIFICATIONS

.01 Transmitters should be consistent in the use of recording codes and density on files. If the media does not meet these specifications, IRS/ECC-MTB will request a replacement file. Filers are encouraged to submit a test prior to submitting the actual file. Contact IRS/ECC-MTB toll-free 1-866-455-7438, extension 5 for further information.

Sec. 1. Tape Cartridge Specifications

.01 In most instances, IRS/ECC-MTB can process tape cartridges that meet the following specifications:

- (a) Must be IBM 3480, 3490, 3490E, 3590, or 3590E.
- (b) Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:
 - (1) Tape cartridges must be 1/2-inch tape contained in plastic cartridges that are approximately 4-inches by 5-inches by 1-inch in dimension.
 - (2) Magnetic tape must be chromium dioxide particle based 1/2-inch tape.
 - (3) Cartridges must be 18-track, 36-track, 128-track or 256-track parallel (**See Note.**)
 - (4) Cartridges will contain 37,871 CPI, 75,742 CPI, or 3590 CPI (characters per inch).
 - (5) Mode will be full function.
 - (6) The data may be compressed using EDRC (Memorex) or IDRC (IBM) compression.
 - (7) Either EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) may be used.

.02 The tape cartridge records defined in this Revenue Procedure may be blocked subject to the following:

- (a) A block **must not** exceed 32,736 tape positions.
- (b) If the use of blocked records would result in a short block, all remaining positions of the block must be filled with 9s; however, the last block of the file may be filled with 9s or truncated. **Do not pad a block with blanks.**
- (c) All records, except the header and trailer labels, may be blocked or unblocked. A record may not contain any control fields or block descriptor fields, which describe the length of the block or the logical records within the block. The number of logical records within a block (the blocking factor) must be constant in every block with the exception of the last block, which may be shorter (see item (b) above). The block length must be evenly divisible by 372.
- (d) Records may not span blocks.

.03 Tape cartridges may be labeled or unlabeled.

.04 For the purposes of this Revenue Procedure, the following must be used:

Tape Mark:

- (a) Signifies the physical end of the recording on tape.
- (b) For even parity, use BCD configuration 001111 (8421).
- (c) May follow the header label and precede and/or follow the trailer label.

Note: Filers should indicate on the external media label whether the cartridge is 18-track, 36-track, 128-track or 256-track.

Sec. 2. Record Format and Layout

FORM 8027 RECORD FORMAT

Field Position	Field Title	Length	Description and Remarks
1	Establishment Type	1	Required. This number identifies the kind of establishment. Enter the number which describes the type of establishment, as shown below: 1. for an establishment that serves evening meals only (with or without alcoholic beverages). 2. for an establishment that serves evening meals and other meals (with or without alcoholic beverages). 3. for an establishment that serves only meals other than evening meals (with or without alcoholic beverages). 4. for an establishment that serves food, if at all, only as an incidental part of the business of serving alcoholic beverages.
2-6	Establishment Serial Numbers	5	Required. These five-digit Serial Numbers are for identifying individual establishments of an employer reporting under the same EIN. The employer shall assign each establishment a unique number. Numeric characters only.
7-46	Establishment Name	40	Required. Enter the name of the establishment. Left-justify and fill unused positions with blanks. Allowable characters are alphas, numeric, blanks, hyphens, ampersands, and slashes.
47-86	Establishment Street Address	40	Required. Enter the mailing address of the establishment. Street address should include number, street, apartment or suite number (use P O Box only if mail is not delivered to street address). Left-justify and blank fill.
Note: The only allowable characters are alphas, numeric characters, blanks, ampersands, hyphens and slashes. Punctuation such as periods and commas are not allowed and will cause your file to be returned. For example, the address 210 N. Queen St., Suite #300 must be entered as 210 N Queen St Suite 300.			
87-111	Establishment City	25	Required. Enter the city, town, or post office. Left-justify and blank fill.
Note: The only allowable characters are alphas, numeric characters, blanks, ampersands, hyphens and slashes. Punctuation such as periods and commas are not allowed and will cause your file to be returned. For example, the city St. Louis must be entered as St Louis.			
112-113	Establishment State	2	Required. Enter the state code from the state abbreviations table in Part A, Sec. 10.
114-122	Establishment ZIP Code	9	Required. Enter the complete nine-digit ZIP Code of the establishment. If using a five-digit ZIP Code, left-justify the five-digit ZIP Code and fill the remaining four positions with blanks.
Note: Must be nine numeric characters or 5 numeric characters and four blanks. Do not enter the dash.			
123-131	Employer Identification Number	9	Required. Enter the nine-digit number assigned to the employer by IRS. Do not enter hyphens, alphas, all 9's or all zeros.
132-171	Employer Name	40	Required. Enter the name of the employer as it appears on your tax forms (e.g., Form 941). Any extraneous information must be deleted. Left-justify and blank fill. Allowable characters are alphas, numeric, blanks, hyphens, ampersands, and slashes.

FORM 8027 RECORD FORMAT

Field Position	Field Title	Length	Description and Remarks
172-211	Employer Street Address	40	Required. Enter mailing address of employer. Street address should include number, street, apartment or suite number (use P O Box only if mail is not delivered to street address). Left-justify and blank fill.
Note: The only allowable characters are alphas, numeric characters, blanks, ampersands, hyphens and slashes. Punctuation such as periods and commas are not allowed and will cause your file to be returned. For example, the address 210 N. Queen St., Suite #300 must be entered as 210 N Queen St Suite 300.			
212-236	Employer City	25	Required. Enter the city, town, or post office. Left-justify and blank fill.
Note: The only allowable characters are alphas, numeric characters, blanks, ampersands, hyphens and slashes. Punctuation such as periods and commas are not allowed and will cause your file to be returned. For example, the city St. Louis must be entered as St Louis.			
237-238	Employer State	2	Required. Enter the state code from the state abbreviations table in Part A, Sec. 10.
239-247	Employer ZIP Code	9	Required. Enter the complete nine-digit ZIP Code of the employer. If using a five-digit ZIP Code, left-justify the five-digit ZIP Code and fill the remaining four positions with blanks.
Note: Must be nine numeric characters or 5 numeric characters and four blanks. Do not enter the dash.			
248-259	Charged Tips	12	Required. Enter the total amount of tips that are shown on charge receipts for the calendar year. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right-justify and zero fill. If no entry, zero fill. Numeric characters only. Do not enter decimal points, dollars signs, or commas.
260-271	Charged Receipts	12	Required. Enter the total sales for the calendar year other than carry-out sales or sales with an added service charge of 10 percent or more, that are on charge receipts with a charged tip shown. This includes credit card charges, other credit arrangements, and charges to a hotel room unless the employer's normal accounting practice consistently excludes charges to a hotel room. Do not include any state or local taxes in the amount reported. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right-justify and zero fill. If no entry, zero fill. Numeric characters only. Do not enter decimal points, dollars signs, or commas.
272-283	Service Charge Less Than 10 Percent	12	Required. Enter the total amount of service charges less than 10 percent added to customer's bills and were distributed to your employees for the calendar year. In general, service charges added to the bill are not tips since the customer does not have a choice. These service charges are treated as wages and are included on Form W-2. For a more detailed explanation, Rev. Rul. 69-28, 1969-1 C.B. 270. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right-justify and zero fill. If no entry, zero fill. Numeric characters only. Do not enter decimal points, dollars signs, or commas.
284-295	Indirect Tips Reported	12	Required. Enter the total amount of tips reported by indirectly tipped employees (e.g., bussers, service bartenders, cooks) for the calendar year. Do not include tips received by employees in December of the prior tax year but not reported until January. Include tips received by employees in December of the tax year being reported, but not reported until January of the subsequent year. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right-justify and zero fill. If no entry, zero fill. Numeric characters only. Do not enter decimal points, dollars signs, or commas.

FORM 8027 RECORD FORMAT

Field Position	Field Title	Length	Description and Remarks
296-307	Direct Tips Reported	12	Required. Enter the total amount of tips reported by directly tipped employees (e.g., servers, bartenders) for the calendar year. Do not include tips received by employees in December of the prior tax year but not reported until January. Include tips received by employees in December of the tax year being reported, but not reported until January of the subsequent year. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right-justify and zero fill. If no entry, zero fill. Numeric characters only. Do not enter decimal points, dollars signs, or commas.
308-319	Total Tips Reported	12	Required. Enter the total amount of tips reported by all employees (both indirectly tipped and directly tipped) for the calendar year. Do not include tips received in December of the prior tax year but not reported until January. Include tips received in December of the tax year being reported, but not reported until January of the subsequent year. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right-justify and zero fill. If no entry, zero fill. Numeric characters only. Do not enter decimal points, dollars signs, or commas.
320-331	Gross Receipts	12	Required. Enter the total gross receipts from the provision of food and/or beverages for this establishment for the calendar year. Do not include receipts for carry-out sales or sales with an added service charge of 10 percent or more. Do not include in gross receipts charged tips (field positions 248-259) shown on charge receipts unless you have reduced the cash sales amount because you have paid cash to tipped employees for tips they earned that were charged. Do not include state or local taxes in gross receipts. If you do not charge separately for food or beverages along with other services (such as a package deal for food and lodging), make a good faith estimate of the gross receipts attributable to the food or beverages. This estimate must reflect the cost of providing the food or beverages plus a reasonable profit factor. Include the retail value of complimentary food or beverages served to customers if tipping for them is customary and they are provided in connection with an activity engaged in for profit whose receipts would not be included as gross receipts from the provision of food or (e.g., complimentary drinks served to customers at a gambling casino). Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right-justify and zero fill. If no entry, zero fill. Numeric characters only. Do not enter decimal points, dollars signs, or commas.
332-343	Tip Percentage Rate Times Gross Receipts	12	Required. Enter the amount determined by multiplying Gross Receipts for the year (field positions 320-331) by the Tip Percentage Rate (field positions 344-347). For example, if the value of Gross Receipts is "000045678900" and Tip Percentage Rate is "0800", multiply \$456,789.00 by .0800 to get \$36,543.12 and enter "000003654312". If tips are allocated using other than the calendar year, enter zeros; this may occur if you allocated tips based on the time period for which wages were paid or allocated on a quarterly basis. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right-justify and zero fill. If no entry, zero fill. Numeric characters only. Do not enter decimal points, dollars signs, or commas.
344-347	Tip Percentage Rate	4	Required. Enter 8 percent (0800) unless a lower rate has been granted by the District Director. The determination letter must accompany the electronic/magnetic submission. Numeric characters only. Do not enter decimal points, dollars signs, or commas.

FORM 8027 RECORD FORMAT

Field Position	Field Title	Length	Description and Remarks
348-359	Allocated Tips	12	Required. If Tip Percentage Rate times Gross Receipts (field positions 332-343) is greater than Total Tips Reported (field positions 308-319), then the difference becomes Allocated Tips. Otherwise, enter all zeros. If tips are allocated using other than the calendar year, enter the amount of allocated tips from your records. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right-justify and zero fill. If no entry, zero fill. Numeric characters only. Do not enter decimal points, dollars signs, or commas.
360	Allocation Method	1	Required. Enter the allocation method used if Allocated Tips (field positions 348-359) are greater than zero as follows: 0) if allocated tips are equal to zero. 1) for allocation based on hours worked. 2) for allocation based on gross receipts. 3) or allocation based on a good faith agreement. The good faith agreement must accompany the electronic/magnetic submission.
Note: Under Section 1571 of the Tax Reform Act of 1986, the method of allocation of tips based on the number of hours worked as described in Section 31.6053-3(f)(1)(iv) may be utilized only by an employer that employs less than the equivalent of 25 full-time employees at the establishment during the payroll period. Section 31.6053-3(j)(19) provides that an employer is considered to employ less than the equivalent of 25 full-time employees at an establishment during a payroll period if the average number of employee hours worked per business day during the payroll period is less than 200 hours.			
361-364	Number of Directly Tipped Employees	4	Required. Enter the total number (must be greater than zero) of directly tipped employees employed by the establishment for the calendar year. Right-justify and zero fill. NUMERICS ONLY.
365-369	Transmitter Control Code (TCC)	5	Required. Enter the 5-digit Transmitter Control Code assigned by the IRS.
370	Corrected 8027 Indicator	1	Required. Enter blank for original return. Enter "G" for corrected return. A corrected return must be a complete new return replacing the original return.
371-372	Blank	2	Enter blanks.

FORM 8027 RECORD LAYOUT

Establishment Type	Establishment Serial Numbers	Establishment Name	Establishment Street Address
1	2-6	7-46	47-86

Establishment City	Establishment State	Establishment ZIP Code	Employer Identification Number
87-111	112-113	114-122	123-131

Employer Name	Employer Street Address	Employer City	Employer State
132-171	172-211	212-236	237-238

Employer ZIP Code	Charged Tips	Charged Receipts	Service Charge Less Than 10 Percent
239-247	248-259	260-271	272-283

Indirect Tips Reported	Direct Tips Reported	Total Tips Reported	Gross Receipts
284-295	296-307	308-319	320-331

Tip Percentage Rate Times Gross Receipts	Tip Percentage Rate	Allocated Tips	Allocation Method
332-343	344-347	348-359	360

Number of Directly Tipped Employees	Transmitter Control Code (TCC)	Corrected 8027 Indicator	Blank
361-364	365-369	370	371-372

26 CFR 601.105: Examination of returns and claims for refund, credit or abatement; determination of correct tax liability. (Also Part I, §§ 168, 446, 1400L; 1.168(k)-1T; 301.9100-2, 301.9100-3.)

Rev. Proc. 2005-43

SECTION 1. PURPOSE

This revenue procedure provides procedures by which a taxpayer may elect not to treat qualified New York Liberty Zone (Liberty Zone) leasehold improvement property as 5-year property for purposes of § 168 of the Internal Revenue Code.

This revenue procedure also modifies section 2.01 of the APPENDIX of Rev. Proc. 2002-9, 2002-1 C.B. 327 (as modified by Rev. Proc. 2004-11, 2004-1 C.B. 311, modified and clarified by Announcement 2002-17, 2002-1 C.B. 561, modified and amplified by Rev. Proc. 2002-19, 2002-1 C.B. 696, and amplified, clarified, and modified by Rev. Proc. 2002-54, 2002-2 C.B. 432), to conform with the election not to treat qualified Liberty Zone

leasehold improvement property as 5-year property. Also, because personal property is not eligible for the rehabilitation credit under § 47, section 2.01 of the Appendix of Rev. Proc. 2002-9 is modified to exclude a change in depreciation involving property for which the rehabilitation credit was claimed and that a taxpayer is reclassifying generally to personal property.

SECTION 2. BACKGROUND

.01 Section 1400L(c), as added by § 301(a) of the Job Creation and Worker Assistance Act of 2002 (the "JCWAA"), Pub. L. No. 107-147, 116 Stat. 21 (March 9, 2002), provides that, for purposes of § 168, 5-year property includes any qualified Liberty Zone leasehold improvement property. For purposes of § 1400L, § 1400L(c)(2) provides that qualified Liberty Zone leasehold improvement property means qualified leasehold improvement property (as defined in § 168(k)(3) and § 1.168(k)-1T(c) of the temporary Income Tax Regulations) if (A) the building is located in the New York Liberty Zone (as defined in § 1400L(h)), (B) the improve-

ment is placed in service after September 10, 2001, and before January 1, 2007, and (C) no written binding contract for the improvement was in effect before September 11, 2001. Section 1400L(c)(3) provides that the applicable depreciation method under § 168 is the straight-line method of depreciation for qualified Liberty Zone leasehold improvement property. Section 1400L(c)(4) provides that for purposes of the alternative depreciation system of § 168(g), the class life for qualified Liberty Zone leasehold improvement property is 9 years.

.02 Section 403(c)(3) of the Working Families Tax Relief Act of 2004 (the "WFTRA"), Pub. L. No. 108-311, 118 Stat. 1166 (October 4, 2004), amended § 1400L(c) by adding § 1400L(c)(5), which allows a taxpayer to elect not to treat qualified Liberty Zone leasehold improvement property placed in service by the taxpayer during the taxable year as 5-year property for purposes of § 168. The rules to make this election are similar to the rules of § 168(k)(2)(D)(iii) (as redesignated by § 336(a)(1) of the American Jobs Creation Act of 2004 (the "AJCA")),

Pub. L. No. 108-357, 118 Stat. 1480 (October 22, 2004)) and § 1.168(k)-1T(e) with respect to the election not to deduct the additional first year depreciation. This amendment is effective as if included in the provisions of the JCWAA.

.03 Section 211 of the AJCA amended § 168(e)(3) by providing that 15-year property includes any qualified leasehold improvement property placed in service after October 22, 2004, and before January 1, 2006. As a result, qualified leasehold improvement property is depreciated over a 15-year recovery period for purposes of the general depreciation system of § 168(a). Section 211 of the AJCA also amended § 168(b) to require the straight-line method of depreciation for any qualified leasehold improvement property and amended § 168(g) to require a 39-year recovery period for any qualified leasehold improvement property for purposes of the alternative depreciation system of § 168(g). For purposes of § 168(e), the term “qualified leasehold improvement property” is defined in § 168(e)(6) (as added by § 211 of the AJCA) as having the same meaning given that term in § 168(k)(3) and § 1.168(k)-1T(c) except that if the improvement was made by the person who was the lessor of the improvement when the improvement was placed in service, the improvement generally will be qualified leasehold improvement property only so long as the improvement is held by that person.

.04 If qualified Liberty Zone leasehold improvement property is not qualified leasehold improvement property (as defined in § 168(e)(6)), a taxpayer may elect not to treat qualified Liberty Zone leasehold improvement property placed in service by the taxpayer during the taxable year as 5-year property under § 168 and instead depreciate this property under § 168 as nonresidential real property over a 39-year recovery period for purposes of the general depreciation system of § 168(a) or over a 40-year recovery period for purposes of the alternative depreciation system of § 168(g). If qualified Liberty Zone leasehold improvement property is qualified leasehold improvement property (as defined in § 168(e)(6)), a taxpayer may elect not to treat qualified Liberty Zone leasehold improvement property placed in service by the taxpayer during the taxable year as 5-year property under § 168

and instead depreciate this property under § 168 over a 15-year recovery period for purposes of the general depreciation system of § 168(a) or over a 39-year recovery period for purposes of the alternative depreciation system of § 168(g). In all cases, the qualified Liberty Zone leasehold improvement property is depreciated under § 168 by using the straight-line method of depreciation and is not eligible for the additional first year depreciation deduction provided by § 168(k) or § 1400L(b).

SECTION 3. ELECTION NOT TO TREAT QUALIFIED LIBERTY ZONE LEASEHOLD IMPROVEMENT PROPERTY AS 5-YEAR PROPERTY

.01 *In General.* Pursuant to § 1400L(c)(5), a taxpayer may elect not to treat qualified Liberty Zone leasehold improvement property placed in service by the taxpayer during the taxable year as 5-year property under § 168. If the taxpayer makes this election, it applies to all qualified Liberty Zone leasehold improvement property placed in service by the taxpayer during the same taxable year.

.02 *Time and Manner of Making the Election.*

(1) *In general.* Except as provided in section 4 of this revenue procedure, an election not to treat as 5-year property the qualified Liberty Zone leasehold improvement property placed in service by a taxpayer during the taxable year must be made by the due date (including extensions) of the federal tax return for the taxable year in which the qualified Liberty Zone leasehold improvement property is placed in service by the taxpayer. The election must be made in the manner prescribed on Form 4562, *Depreciation and Amortization*, and its instructions. For example, the instructions for the 2004 Form 4562 require the taxpayer to attach to the federal tax return a statement indicating that the taxpayer is making the election under § 1400L(c)(5). The election is made separately by each person owning qualified Liberty Zone leasehold improvement property (for example, the common parent makes the election for each member of a consolidated group that wants to make the election; by the partnership; or by the S corporation). If a taxpayer files a 2003 or 2004 federal tax return after June 29, 2005, the taxpayer must follow the procedures

in this section 3.02 (including the manner prescribed by the instructions for the 2004 Form 4562) for making the election not to treat as 5-year property the qualified Liberty Zone leasehold improvement property placed in service by the taxpayer after September 10, 2001, during the 2003 or 2004 taxable year.

(2) *Limited relief for late election.*

(a) *Automatic 6-month extension.* An automatic extension of 6 months from the due date of the federal tax return (*excluding* extensions) for the placed-in-service year of the qualified Liberty Zone leasehold improvement property is granted to make the election not to treat as 5-year property the qualified Liberty Zone leasehold improvement property placed in service by a taxpayer during the taxable year, provided the taxpayer filed the taxpayer’s federal tax return for the placed-in-service year and the taxpayer satisfies the requirements in § 301.9100-2(c) and § 301.9100-2(d) of the Procedure and Administration Regulations. *See* § 301.9100-2(b).

(b) *Other extensions.* A taxpayer that fails to make the election not to treat as 5-year property the qualified Liberty Zone leasehold improvement property placed in service by the taxpayer during the taxable year as provided in section 3.02(1), 3.02(2)(a), or 4 of this revenue procedure but wants to do so must file a request for an extension of time to make the election under the rules in § 301.9100-3.

.03 *Revocation.* An election not to treat as 5-year property the qualified Liberty Zone leasehold improvement property placed in service during the taxable year is revocable only with the prior written consent of the Commissioner of Internal Revenue. To seek the Commissioner’s consent, the taxpayer must submit a request for a letter ruling in accordance with the provisions of Rev. Proc. 2005-1, 2005-1 I.R.B. 1 (or any successor).

.04 *Failure to make election not to treat as 5-year property qualified Liberty Zone leasehold improvement property.* Except as provided in section 4 of this revenue procedure, the election not to treat qualified Liberty Zone leasehold improvement property as 5-year property cannot be made in any other manner (for example, through a request under § 446(e) to change the taxpayer’s method of accounting). Thus, if a taxpayer fails to

make the election not to treat as 5-year property qualified Liberty Zone leasehold improvement property within the time and in the manner prescribed in section 3.02 or 4 of this revenue procedure, the amount of depreciation allowable for that property under § 168 must be determined for the placed-in-service year and for all subsequent taxable years by using the straight-line method of depreciation and, as applicable, a 5-year recovery period for purposes of the general depreciation system of § 168(a) or a 9-year recovery period for purposes of the alternative depreciation system of § 168(g).

SECTION 4. ELECTION PROCEDURES FOR RETURNS FILED ON OR BEFORE JUNE 29, 2005

.01 *In general.* If a taxpayer filed its 2000, 2001, 2002, 2003, or 2004 federal tax return on or before June 29, 2005, and used a 5-year recovery period or a 9-year recovery period, as applicable, to depreciate qualified Liberty Zone leasehold improvement property placed in service by the taxpayer after September 10, 2001, during the 2000, 2001, 2002, 2003, or 2004 taxable year, but wants to depreciate this property using a 39-year recovery period or 40-year recovery period, as applicable (or using a 15-year recovery period or 39-year recovery period, as applicable, if the qualified Liberty Zone leasehold improvement property is qualified leasehold improvement property under § 168(e)(6)), the taxpayer may elect not to use the 5-year recovery period or 9-year recovery period, as applicable, for the qualified Liberty Zone leasehold improvement property either by:

(1) filing an amended federal tax return(s) (or a qualified amended return(s) under Rev. Proc. 94-69, 1994-2 C.B. 804, if applicable) on or before June 29, 2007, for the placed-in-service year and all subsequent affected taxable year(s), provided that the placed-in-service year and all subsequent affected taxable year(s) are open under the period of limitations for assessment under § 6501(a). The amended return(s) (or qualified amended return(s)) should include the statement “Filed Pursuant to Rev. Proc. 2005-43” at the top of the amended return(s) (or qualified amended return(s)); or

(2) filing a Form 3115, *Application for Change in Accounting Method*, with the taxpayer’s federal tax return for the taxable year that includes June 29, 2005, or with the taxpayer’s federal tax return for the first taxable year succeeding the taxable year that included June 29, 2005. This Form 3115 must be filed in accordance with the automatic change in method of accounting provisions in Rev. Proc. 2002-9 or any successor, with the following modifications:

(a) The scope limitations in section 4.02 of Rev. Proc. 2002-9 do not apply; and

(b) For purposes of section 6.02(4)(a) of Rev. Proc. 2002-9, the taxpayer should include on line 1a of the Form 3115 (revised December 2003) the designated automatic accounting method change number for the change in method of accounting for depreciation made under this section 4. This number for this method change is “93.”

.02 *Deemed election.* A taxpayer also will be treated as making the election not to use the 5-year recovery period or 9-year recovery period, as applicable, to depreciate qualified Liberty Zone leasehold improvement property placed in service by the taxpayer after September 10, 2001, during the 2000, 2001, 2002, 2003, or 2004 taxable year, if the taxpayer on the return filed for that taxable year, depreciated all qualified Liberty Zone leasehold improvement property placed-in-service by the taxpayer after September 10, 2001, during the 2000, 2001, 2002, 2003, or 2004 taxable year, as applicable, under § 168 by using the straight-line method of depreciation and, as applicable, a 39-year recovery period for purposes of the general depreciation system of § 168(a) or a 40-year recovery period for purposes of the alternative depreciation system of § 168(g) (or, as applicable, a 15-year recovery period for purposes of § 168(a) or a 39-year recovery period for purposes of § 168(g) if the qualified Liberty Zone leasehold improvement property is qualified leasehold improvement property under § 168(e)(6)).

SECTION 5. EFFECT ON OTHER DOCUMENTS

.01 Rev. Proc. 2002-9 is modified and amplified to include the accounting method change provided in section 4.01 of this revenue procedure in section 2 of the APPENDIX.

.02 Section 2.01 of the APPENDIX of Rev. Proc. 2002-9, as modified by Rev. Proc. 2004-11, 2004-1 C.B. 311, is modified as follows:

(1) Section 2.01(1)(d)(xii) of the APPENDIX is modified to read as follows:

“(xii) any change in method of accounting involving both a change from treating the cost or other basis of the property as nondepreciable or nonamortizable property to treating the cost or other basis of the property as depreciable or amortizable property and the adoption of a method of accounting for depreciation requiring an election under § 167, § 168, § 1400I, § 1400L, former § 168, or § 13261(g)(2) or (3) of the 1993 Act (for example, a change in the treatment of the space consumed in landfills placed in service in 1990 from nondepreciable to depreciable property (assuming section 2.01(1)(d)(xiii) of the APPENDIX does not apply) and the making of an election under 168(f)(1) to depreciate this property under the unit-of-production method of depreciation under § 167);”

(2) Section 2.01(1)(d)(xiv) and (xv) of the APPENDIX are modified, and section 2.01(1)(d)(xvi) of the APPENDIX is added, to read as follows:

“(xiv) a change from determining depreciation under § 168 to determining depreciation under former § 168 for any property subject to the transition rules in § 203(b) or 204(a) of the Tax Reform Act of 1986, 1986-3 (Vol. 1) C.B. 1, 60-80;

(xv) any change in the placed-in-service date of a depreciable or amortizable property. This change is corrected by adjustments in the applicable taxable year provided under § 1.446-1T(e)(2)(ii)(d)(3)(v); or

(xvi) any property for which the rehabilitation credit under § 47 was claimed and that a taxpayer is reclassifying to 3-year property, 5-year property, 7-year property, 10-year property (other than real property with a class life of more than 12.5 years), 15-year property (other than real property with a class life of more than 12.5 years), 20-year property (other than real property with a class life of more than 12.5 years), or water utility property (other than real property with a class life of more than 12.5 years).”

(3) Section 2.01(5)(i) of the APPENDIX is modified as follows:

“(i) *Qualified New York Liberty Zone leasehold improvement property.* The depreciation allowable for any taxable year for qualified New York Liberty Zone leasehold improvement property (as defined in § 1400L(c)(2)) is determined by using the depreciation method and recovery period prescribed in § 1400L(c) unless the taxpayer made a timely valid election under § 1400L(c)(5) not to use that recovery period.”

SECTION 6. EFFECTIVE DATE

This revenue procedure is effective for qualified Liberty Zone leasehold improvement property placed in service after September 10, 2001. With respect to the new section 2.01(1)(d)(xvi) of the APPENDIX of Rev. Proc. 2002-9, this revenue procedure is effective for a Form 3115 filed for taxable years ending after July 31, 2005.

DRAFTING INFORMATION

The principal author of this revenue procedure is Douglas Kim of the Office of Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue procedure, contact Mr. Kim at (202) 622-3110 (not a toll-free call).

26 CFR 1.894-1: Income affected by treaty. (Also Part I: §§ 894, 1441, 3402; 1.894-1.)

Rev. Proc. 2005-44

SECTION 1. PURPOSE

This revenue procedure obsoletes *Rev. Proc. 93-22, 1993-1 C.B. 535, Rev. Proc. 87-8, 1987-1 C.B. 366, and Rev. Proc. 87-9, 1987-1 C.B. 368*, which describe the representations that a nonresident alien student, teacher, or researcher at a university or other educational institution must make to claim an exemption from with-

holding tax on personal services income under the provisions of specific U.S. income tax treaties. Many of those treaties have been updated or replaced and, as a consequence, these revenue procedures are no longer correct. The current procedures for claiming tax treaty exemptions for students, teachers, and researchers, and the appropriate representations, may be found in Publication 519, *U.S. Tax Guide for Aliens*.

SECTION 2. BACKGROUND

.01 In general. Code sections 1441 and 3402 require the payor of compensation for personal services to withhold federal taxes on that income. Withholding is not required if the income is exempt under a U.S. income tax treaty.

.02 Many U.S. income tax treaties provide that a nonresident alien student, teacher, or researcher at a university or other educational institution in the United States who receives income for personal services is exempt from income tax if certain requirements are met. These requirements typically limit the number of years in which the nonresident alien can claim the exemption, and provide a maximum dollar amount for the exemption in a taxable year.

.03 To claim the exemption, a nonresident alien individual must submit Form 8233, *Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual*, to his withholding agent certifying that the income is exempt from tax under a U.S. treaty provision. Form 8233 must also set forth the conditions necessary for the exemption and representations that they have been met. A separate Form 8233 must be filed for each taxable year.

.04 Upon receipt of Form 8233, the withholding agent will not be liable for a failure to withhold unless it knows or has reason to know that the nonresident alien is not eligible for the treaty exemption. In general, a withholding agent may rely on a

Form 8233 that is completed in accordance with the procedures set forth in Publication 519. Such reliance is not reasonable, however, if the agent actually knows that the nonresident alien is not eligible for the treaty exemption, or actually knows or has reason to know that a nonresident alien's statement on Form 8233 is false for any part of the period for which an exemption is claimed. For example, if a nonresident alien claims an exemption for compensation paid by the withholding agent for a period of time in excess of that provided by the applicable treaty, reliance on this revenue procedure would be unreasonable.

.05 *Rev. Proc. 93-22, 1993-1 C.B. 535, Rev. Proc. 87-8, 1987-1 C.B. 366, and Rev. Proc. 87-9, 1987-1 C.B. 368*, provided representations that a nonresident alien student, teacher, or researcher would include on Form 8233 to claim an exemption from withholding tax on personal services income under the provisions of specific U.S. income tax treaties. The representations included in the revenue procedures are not in all cases current.

.06 Information on current procedures for claiming a tax treaty exemption from withholding tax on personal services income under the provisions of specific U.S. income tax treaties may be found in Publication 519, *U.S. Tax Guide for Aliens*.

SECTION 3. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 93-22, 1993-1 C.B. 535, Rev. Proc. 87-8, 1987-1 C.B. 366, and Rev. Proc. 87-9, 1987-1 C.B. 368, are obsolete.

SECTION 4. DRAFTING INFORMATION

The principal author of this revenue procedure is Nina Chowdhry of the Office of Associate Chief Counsel (International). For further information regarding this revenue procedure, contact Nina Chowdhry at (202) 622-3880 (not a toll-free call).

Part IV. Items of General Interest

Announcement of Disciplinary Actions Involving Attorneys, Certified Public Accountants, Enrolled Agents, and Enrolled Actuaries — Suspensions, Censures, Disbarments, and Resignations

Announcement 2005-48

Under Title 31, Code of Federal Regulations, Part 10, attorneys, certified public accountants, enrolled agents, and enrolled actuaries may not accept assistance from, or assist, any person who is under disbarment or suspension from practice before the Internal Revenue Service if the assistance relates to a matter constituting practice before the Internal Revenue Service and may not knowingly aid or abet another

person to practice before the Internal Revenue Service during a period of suspension, disbarment, or ineligibility of such other person.

To enable attorneys, certified public accountants, enrolled agents, and enrolled actuaries to identify persons to whom these restrictions apply, the Director, Office of Professional Responsibility, will announce in the Internal Revenue Bulletin

their names, their city and state, their professional designation, the effective date of disciplinary action, and the 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.

Consent Suspensions From Practice Before the Internal Revenue Service

Under Title 31, Code of Federal Regulations, Part 10, an attorney, certified public accountant, enrolled agent, or enrolled actuary, in order to avoid institution or conclusion of a proceeding for his or her disbarment or suspension from practice before the Internal Revenue Service, may offer his or her consent to suspension from

such practice. The Director, Office of Professional Responsibility, in his discretion, may suspend an attorney, certified public accountant, enrolled agent or enrolled actuary in accordance with the consent offered.

The following individuals have been placed under consent suspension from

practice before the Internal Revenue Service:

Name	Address	Designation	Date of Suspension
Harrison, John S.	Oakland, CA	Attorney	Indefinite from January 25, 2005
Newkirk, Stephon	Winterville, NC	CPA	Indefinite from February 8, 2005
Goldman, Mark L.	East Meadow, NY	Attorney	Indefinite from February 18, 2005
Johnston, H. James	Knoxville, TN	CPA	Indefinite from March 16, 2005
Gapp, Edward J.	Greenwich, CT	CPA	Indefinite from March 28, 2005

Name	Address	Designation	Date of Suspension
Rowland, Mark C.	Westlake, OH	CPA	Indefinite from April 11, 2005
French Jr., Paul C.	Bangor, MI	CPA	Indefinite from April 25, 2005
Mynsberge, Richard C.	Mishawaka, IN	CPA	Indefinite from May 1, 2005
Specht Jr., Henry F.	N. Myrtle Beach, SC	CPA	Indefinite from May 1, 2005
Sostarich, Mark E.	S. Milwaukee, WI	Attorney	Indefinite from May 1, 2005
Gasa, William M.	Winfield, IL	Enrolled Agent	Indefinite from June 1, 2005
Leisure, Sally R.	Portland, OR	Attorney	Indefinite from June 9, 2005
Tuerk Jr., Carl E.	Annapolis, MD	Attorney	Indefinite from July 1, 2005

Expedited Suspensions From Practice Before the Internal Revenue Service

Under Title 31, Code of Federal Regulations, Part 10, the Director, Office of Professional Responsibility, 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 certain crimes.

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

Name	Address	Designation	Date of Suspension
Hawkins, Nicholas G.	Harrods Creek, KY	Attorney	Indefinite from February 11, 2005
Richey, Michael L.	Girardeau, MO	Attorney	Indefinite from February 11, 2005
Brown, Calvin D.	Dallas, TX	CPA	Indefinite from February 16, 2005

Name	Address	Designation	Date of Suspension
Bell, James M.	Bandera, TX	CPA	Indefinite from February 23, 2005
Fedynshyn, Michael P.	Broomfield, CO	Attorney	Indefinite from February 23, 2005
Harris, Ross	Pikeville, KY	Attorney	Indefinite from February 23, 2005
Tehin Jr., Nikolai	San Francisco, CA	Attorney	Indefinite from March 7, 2005
Ballance, Frank W.	Warrenton, NC	Attorney	Indefinite from March 7, 2005
Jacob, Arthur F.	Sykesville, MD	Attorney	Indefinite from March 8, 2005
Hefley, Lee D.	Burleson, TX	CPA	Indefinite from March 8, 2005
Beswick, Robert H.	Encino, CA	Attorney	Indefinite from March 8, 2005
Scarpello, Joseph R.	Tustin, CA	CPA	Indefinite from March 8, 2005
Machado, Lazaro J.	Santa Ana, CA	Attorney	Indefinite from March 8, 2005
McKnew, Donna K.	Ashland, KY	Attorney	Indefinite from March 8, 2005
Yarno Jr., William	Lafayette, LA	Attorney	Indefinite from March 8, 2005
Walker, Frank O.	Bay City, TX	CPA	Indefinite from March 8, 2005
Kafkas, Demetrios G.	Tewksbury, MA	Attorney	Indefinite from March 8, 2005
Scott, Bertram A.	Brooklyn, NY	Attorney	Indefinite from March 8, 2005

Name	Address	Designation	Date of Suspension
Templeton, Robert L.	Ashland, KY	Attorney	Indefinite from March 8, 2005
Christopher, Nathan H.	Salisbury, MD	Attorney	Indefinite from March 8, 2005
Willingham, Nathaniel J.	Jacksonville, NC	Attorney	Indefinite from March 8, 2005
Anderson, Brett I.	Des Moines, IA	Attorney	Indefinite from March 8, 2005
Broderick, Thomas F.	Somerville, MA	Attorney	Indefinite from March 14, 2005
Peoples, Brendan K.	Ft. Worth, TX	CPA	Indefinite from March 15, 2005
Tidmore, J. Todd	Addison, TX	CPA	Indefinite from March 15, 2005
Cox, Patricia A.	Victoria, TX	CPA	Indefinite from March 15, 2005
Rogers, Fred	Mansfield, LA	CPA	Indefinite from March 15, 2005
Bridgeforth, Wyvonnia	Oak Park, IL	Attorney	Indefinite from March 15, 2005
Bruce, Donna M.	Athens, AL	CPA	Indefinite from March 18, 2005
Teske, David S.	Seattle, WA	Attorney	Indefinite from March 18, 2005
Cobb Jr., Wayne H.	Kaufman, TX	Attorney	Indefinite from March 18, 2005
Swindell IV, Lewis H.	Avondale, AZ	Attorney	Indefinite from March 18, 2005
Murr, Mark D.	Houston, TX	Attorney	Indefinite from March 18, 2005
Nip, Raymond A.C.	Honolulu, HI	CPA	Indefinite from March 18, 2005

Name	Address	Designation	Date of Suspension
Asbury, Lloyd T.	Jacksonville, FL	Attorney	Indefinite from March 18, 2005
Lowell, Melinda E.	New York, NY	Attorney	Indefinite from March 18, 2005
Rub, Lawrence P.	Glenwood, MD	CPA	Indefinite from March, 18, 2005
Fagan, Charles G.	Severna Park, MD	CPA	Indefinite from March 21, 2005
Lewis, Larry L.	Woodbridge, VA	Attorney	Indefinite from March 28, 2005
Mpi, Afoma M.	Peoria, IL	Attorney	Indefinite from March 30, 2005
Gross, Hyath B.	Schenectady, NY	Attorney	Indefinite from April 1, 2005
Zick, Terry T.	Wrightville Beach, NC	Attorney	Indefinite from April 1, 2005
Atlas, Joan M.	Philadelphia, PA	Attorney	Indefinite from April 4, 2005
Rider, Lawrence C.	Boulder, CO	Attorney	Indefinite from April 5, 2005
Eller, Scott D.	Frisco, TX	CPA	Indefinite from April 6, 2005
Brenton, Robert O.	Overland Park, KS	CPA	Indefinite from April 6, 2005
Folks, Lloyd C.	Kinston, NC	CPA	Indefinite from April 6, 2005
Suckling, John R.	San Marcos, CA	CPA	Indefinite from April 6, 2005
Pulito, James P.	Phoenix, AZ	CPA	Indefinite from April 6, 2005
Garcia, Felix D.	Auroa, CO	Attorney	Indefinite from April 6, 2005

Name	Address	Designation	Date of Suspension
Wentzel, Gerald L.	Bloomington, IL	CPA	Indefinite from April 14, 2005
Williams, David W.	Simpsonville, KY	Attorney	Indefinite from April 19, 2005
Sykes III, Bernard G.	Riviera Beach, FL	Attorney	Indefinite from April 19, 2005
Hambrick Jr., J. C.	Branson, MO	Attorney	Indefinite from April 19, 2005
Adams, David M.	Charleston, SC	Attorney	Indefinite from April 19, 2005
Richardson, Jon M.	Danville, IL	Attorney	Indefinite from April 19, 2005
Rose, Shaun H.	Baltimore, MD	Attorney	Indefinite from April 19, 2005
Tanner, Fred L.	Bowling Green, KY	Attorney	Indefinite from April 19, 2005
Perry, David W.	Reading, MA	Attorney	Indefinite from April 19, 2005
Fleming, Bruce D.	Council Bluffs, IA	Attorney	Indefinite from April 19, 2005
Healy, Paul J.	Pembroke, MA	Attorney	Indefinite from April 19, 2005
Kaczynski, Ronald C.	Andover, MA	Attorney	Indefinite from April 19, 2005
Whalley, Lester F.	Yorba Linda, CA	Attorney	Indefinite from April 27, 2005
Tanner, Max	Las Vegas, NV	Attorney	Indefinite from May 3, 2005
Blackwell, Johnny L.	Fayetteville, NC	CPA	Indefinite from May 3, 2005
Szer, Steven	Fort Mill, SC	CPA	Indefinite from May 3, 2005

Name	Address	Designation	Date of Suspension
Chinn, David P.	Louisville, KY	Attorney	Indefinite from May 9, 2005
Bille, Anthony J.	Hopkinton, MA	Attorney	Indefinite from May 16, 2005
Dotson, Lewis S.	Mattoon, IL	Attorney	Indefinite from May 16, 2005
Palmer, Philip B.	Chubbuck, ID	Attorney	Indefinite from May 16, 2005
Wolterbeek, Mark E.	Rindge, NH	Attorney	Indefinite from May 31, 2005
James III., Charles M.	Cheverly, MD	Attorney	Indefinite from May 31, 2005
Jorgensen, Allen C.	Redlands, CA	Attorney	Indefinite from June 2, 2005
Brisbon, Brenda C.	Baltimore, MD	Attorney	Indefinite from June 7, 2005
Gilroy, John M.	Waterloo, NE	Attorney	Indefinite from June 7, 2005
Relphorde, Colin B.	Homewood, IL	Attorney	Indefinite from June 7, 2005
Pomeroy, John S.	Dedham, MA	Attorney	Indefinite from June 7, 2005
Gonick, Richard S.	Ipswich, MA	Attorney	Indefinite from June 7, 2005
Curran, Martin J.	Manchester, NH	Attorney	Indefinite from June 7, 2005
Koenigsdorf, Keith B.	Overland Park, KS	Attorney	Indefinite from June 7, 2005
Jambor, Daniel F.	St. Paul, MN	Attorney	Indefinite from June 7, 2005
LaFont Jr., Henry J.	Lockport, LA	Attorney	Indefinite from June 7, 2005

Name	Address	Designation	Date of Suspension
Janosik, Dennis M.	Parma, OH	CPA	Indefinite from June 9, 2005
Carter, Evalyn R.	Calera, OK	CPA	Indefinite from June 9, 2005
Chasnoff, Joel	Gaithersburg, MD	Attorney	Indefinite from June 9, 2005
O'Keefe, Michael E.	Oak Park, CA	Attorney	Indefinite from June 9, 2005
Wilkes, Richard C.	Bowbells, ND	Attorney	Indefinite from June 9, 2005
Rogers, Reginald J.	Bowie, MD	Attorney	Indefinite from June 9, 2005
Hindley, Charles T.	Colton, CA	Attorney	Indefinite from June 9, 2005
Morgan, Wendy B.	Scotts Valley, CA	Attorney	Indefinite from June 9, 2005

Suspensions From Practice Before the Internal Revenue Service After Notice and an Opportunity for a Proceeding

Under Title 31, Code of Federal Regulations, Part 10, after notice and an opportunity for a proceeding before an administrative law judge, the following individuals have been placed under suspension from practice before the Internal Revenue Service:

Name	Address	Designation	Effective Date
Cahill, Gary	Shelton, CT	Attorney	January 27, 2005 to January 26, 2008
Banks, Jean R.	Van Nuys, CA	Enrolled Agent	March 8, 2005 to December 7, 2006

Censure Issued by Consent

Under Title 31, Code of Federal Regulations, Part 10, in lieu of a proceeding being instituted or continued, an attorney, certified public accountant, enrolled agent,

or enrolled actuary, may offer his or her consent to the issuance of a censure. Censure is a public reprimand.

The following individuals have consented to the issuance of a Censure:

Name	Address	Designation	Date of Censure
Borden Kathleen	Bluffton, SC	Attorney	May 11, 2005
Williamson, Debra	Long Beach, CA	CPA	June 3, 2005

Information Returns by Donees Relating to Qualified Intellectual Property Contributions; Correction

Announcement 2005-49

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains a correction to temporary regulations (T.D. 9206, 2005-25 I.R.B. 1283) that was published in the **Federal Register** on Monday, May 23, 2005 (70 FR 29450) providing guidance for the filing of information returns by donees relating to qualified intellectual property contributions.

DATES: This correction is effective May 23, 2005.

FOR FURTHER INFORMATION CONTACT: Donnell M. Rini-Swyers, (202) 622-4910 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulation (T.D. 9206) that is the subject of this correction is under section 6050 of the Internal Revenue Code.

Need for Correction

As published, T.D. 9206, contains an error that may prove to be misleading and is in need of clarification.

* * * * *

Correction of Publication

Accordingly, 26 CFR Part 1 is corrected by making the following correcting amendment:

PART 1 — INCOME TAXES

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

Authority: 26 USC 7805 * * *

§1.6050L-2T [Corrected]

Section 1.6050L-2T(c)(3) is amended by removing the language “the 90th day following May 23, 2005.” and adding the language “August 22, 2005.” in its place.

Cynthia Grigsby,
Acting Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).

(Filed by the Office of the Federal Register on June 22, 2005, 8:45 a.m., and published in the issue of the Federal Register for June 23, 2005, 70 F.R. 36346)

Definition of Terms

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

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

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

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

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

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

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

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

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

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

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

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

Abbreviations

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

A—Individual.
Acq.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—County.
D—Decedent.
DC—Dummy Corporation.
DE—Donee.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.
E.O.—Executive Order.

ER—Employer.
ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contributions Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
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.—Statement of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

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¹ A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2005–1 through 2005–26 is in Internal Revenue Bulletin 2005–26, dated June 27, 2005.

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¹ A cumulative list of current actions on previously published items in Internal Revenue Bulletins 2005–1 through 2005–26 is in Internal Revenue Bulletin 2005–26, dated June 27, 2005.