

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. 2006-37, page 91.

Low-income housing credit; satisfactory bond; “bond factor” amounts for the period January through September 2006. 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 2006.

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Final, temporary, and proposed regulations provide guidance under sections 6038 and 6038A of the Code. The final regulations under section 1.6038-2 are revised to remove and replace obsolete references to a form and IRS offices. The regulations clarify the information required to be furnished regarding certain related party transactions of certain foreign corporations and certain foreign-owned domestic corporations. The regulations also increase the amount of certain penalties, and make certain other changes, to reflect the statutory changes made by the Taxpayer Relief Act of 1997.

T.D. 9269, page 92.

Final regulations under section 382 of the Code provide guidance on whether a loss corporation has an owner shift where a qualified trust described in section 401(a) distributes an ownership interest in an entity.

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Notice 2006-66, page 99.

Weighted average interest rate update; 30-year Treasury securities. The weighted average interest rate for July 2006 and the resulting permissible range of interest rates used to calculate current liability and to determine the required contribution are set forth.

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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.

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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 2006. 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 2006.

Rev. Rul. 2006–37

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 2006.

Table 1 Rev. Rul. 2006–37 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	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Jan '06	16.49	30.74	43.01	53.65	62.94	64.28	65.95	67.76	69.76	72.19	74.98
Feb '06	16.49	30.74	43.01	53.65	62.94	64.14	65.81	67.62	69.61	72.03	74.80
Mar '06	16.49	30.74	43.01	53.65	62.94	64.00	65.67	67.47	69.46	71.89	74.63
Apr '06	16.49	30.74	43.01	53.65	62.94	63.87	65.53	67.33	69.32	71.73	74.46
May '06	16.49	30.74	43.01	53.65	62.94	63.73	65.40	67.20	69.18	71.58	74.30
Jun '06	16.49	30.74	43.01	53.65	62.94	63.61	65.27	67.06	69.05	71.44	74.15
Jul '06	17.40	32.42	45.37	56.59	66.39	67.61	70.07	72.72	75.62	79.01	82.82
Aug '06	17.40	32.42	45.37	56.59	66.39	67.47	69.93	72.57	75.47	78.86	82.65
Sep '06	17.40	32.42	45.37	56.59	66.39	67.34	69.79	72.43	75.33	78.71	82.49

Table 1 (cont'd)
Rev. Rul. 2006-37
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									
	2003	2004	2005	2006						
Jan '06	78.01	81.02	83.60	83.98						
Feb '06	77.81	80.77	83.28	83.98						
Mar '06	77.61	80.53	83.00	83.98						
Apr '06	77.42	80.32	82.76	83.98						
May '06	77.25	80.12	82.54	83.98						
Jun '06	77.08	79.93	82.35	83.98						
Jul '06	86.92	90.99	94.61	97.21						
Aug '06	86.74	90.79	94.41	97.21						
Sep '06	86.56	90.60	94.23	97.21						

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; Rev. Rul. 2004-100, 2004-2 C.B. 718; and Rev. Rul. 2005-67, 2005-43 I.R.B. 771.

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

26 CFR 1.382-10: Special rules for determining time and manner of acquisition of an interest in a loss corporation.

T.D. 9269

**DEPARTMENT OF THE TREASURY
Internal Revenue Service
26 CFR Part 1**

Distributions of Interests in a Loss Corporation From Qualified Trusts

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations and removal of temporary regulations.

SUMMARY: This document contains final regulations under section 382 of the Internal Revenue Code of 1986. The final regulations affect loss corporations and provide guidance on whether a loss corporation has an owner shift where a qualified trust described in section 401(a) distributes an ownership interest in an entity.

DATES: Effective Date: These regulations are effective June 23, 2006.

Applicability Dates: For dates of applicability, see §1.382-10(a)(4).

FOR FURTHER INFORMATION CONTACT: Keith E. Stanley, (202) 622-7750, (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

This document contains amendments to 26 CFR Part 1. On June 27, 2003, temporary regulations (T.D. 9063, 2003-2 C.B. 510 [68 FR 38177]) regarding whether a loss corporation has an owner shift where a qualified trust described in section 401(a) distributes an ownership interest in an entity were published in the **Federal Register**. A notice of proposed rulemaking (REG-108676-03, 2003-2 C.B. 523) cross-referencing the temporary regulations was published in the **Federal Register** for the same day (68 FR 38247). The temporary regulations provided that—(1) if a qualified trust distributes an ownership interest in an entity, then for testing dates on or after the date of the distribution, the distributed ownership interest will be treated as having been acquired by the distributee on the date and in the manner acquired by the trust, and (2) the distribution itself does not give rise to a testing date. They further provided that,

in determining which ownership interests have been distributed, the loss corporation must account for all dispositions of ownership interests by the qualified trust either by specifically identifying the ownership interest disposed of, or by using a first-in, first-out (FIFO) method.

The preamble of T.D. 9063 included background information and an explanation of provisions regarding the regulations. Also in the preamble, the IRS and Treasury Department requested comments regarding whether there are other events that, under current rules, are taken into account in determining whether an ownership change occurs, but do not cause the ultimate beneficial ownership of the loss corporation to change. In this regard, the IRS and Treasury Department indicated that they had been studying the constructive ownership rules as they apply to members of a family and the effect of those rules on the determination of whether a loss corporation has an ownership change. The IRS and Treasury Department expressed concern that, under the current rules, a change in the composition of a family might be interpreted in certain circumstances as shifting ownership even though there has been no change in the ultimate beneficial ownership of the loss corporation, as, for example, might occur when two individuals owning loss corporation stock get married.

The IRS and Treasury Department further indicated that they were considering the promulgation of regulations to address such changes in family composition in a manner similar to that employed in the proposed regulations concerning qualified trusts. The IRS and Treasury Department will continue to study whether to issue regulations under section 382 concerning shifts in ownership resulting from certain changes in family composition.

No comments were received responding to the notice of proposed rulemaking, and no public hearing was requested or held. The proposed regulations are adopted with no substantive change by this Treasury decision, and the corresponding temporary regulations are removed.

Special Analyses

It has been determined that this regulation is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not

required. Pursuant to 5 U.S.C. 553(d)(3), it has been determined that good cause exists to dispense with a delayed effective date on grounds that this regulation, which is substantively identical to currently effective temporary regulations and relieves a restriction on affected qualified trusts, merely continues to provide necessary guidance to taxpayers with respect to whether a loss corporation has an ownership change where a qualified trust described in section 401(a) distributes an ownership interest in an entity. It is hereby certified that these regulations will not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that the regulations provide relief to qualifying loss corporations that might be affected by an unintended consequence of the operation of the statute. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Code, the notice of proposed rulemaking preceding these final regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Drafting Information

The principal author of these regulations is Keith E. Stanley of the Office of Associate Chief Counsel (Corporate). Other personnel from the IRS and Treasury Department participated in their development.

* * * * *

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

PART 1 — INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by adding entries in numerical order to read, in part, as follows:

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

Section 1.382-10 also issued under 26 U.S.C 382(m). * * *

Par. 2. Section 1.382-1 is amended by removing the entry for §1.382-10T and revising the entry for §1.382-10 to read as follows:

§1.382-1 *Table of contents.*

* * * * *

§1.382-10 Special rules for determining time and manner of acquisition of an interest in a loss corporation.

* * * * *

Par. 3. Section 1.382-10 is added to read as follows:

§1.382-10 *Special rules for determining time and manner of acquisition of an interest in a loss corporation.*

(a) *Distributions from qualified trusts*—(1) *In general.* For purposes of §1.382-2T, if a qualified trust described in section 401(a) (qualified trust) distributes an ownership interest in an entity (as defined in §1.382-3(a)(1)), then for testing dates on or after the date of the distribution, the distributed ownership interest is treated as having been acquired by the distributee on the date and in the manner acquired by the trust and not as having been acquired or disposed of by the trust. The distribution does not cause the day of the distribution to be a testing date.

(2) *Accounting for dispositions*—(i) *General rule.* For purposes of this paragraph (a), in order to determine which ownership interest in an entity is distributed from a qualified trust, a loss corporation must either specifically identify the ownership interests that are the subject of all dispositions by the qualified trust of ownership interests in an entity, or apply the first-in, first-out (FIFO) method to all such dispositions.

(ii) *Special rules.* For purposes of this paragraph (a)(2):

(A) The FIFO method must be applied on a class-by-class basis; and

(B) The term *dispositions* includes distributions, sales, and other transfers.

(3) *Examples.* The following examples illustrate the principles of this paragraph (a). For purposes of these examples, unless otherwise stated, the nomenclature and assumptions of the examples in §1.382-2T(b) apply, all corporations file separate income tax returns on a calendar year basis, the only 5-percent shareholder of a loss corporation is a public group, and the facts set forth the only acquisitions of stock by any participants in a qualified plan and the only owner shifts with respect

to the loss corporation during the testing period. The examples are as follows:

Example 1—(i) Facts. In 1994, E, a qualified trust established under Plan F, acquires 10 percent of L stock. A is a participant in Plan F. On January 1, 2002, A acquires 4 percent of L stock, and B, who is not a participant or a beneficiary of a participant in Plan F, acquires 5 percent of L stock. On January 1, 2004, E distributes 2 percent of L stock to A. On July 1, 2004, A acquires 1 percent of L stock.

(ii) *Analysis.* January 1, 2002, is a testing date because B's acquisition of 5 percent of L stock causes an increase in the percentage ownership of B, a 5-percent shareholder. As of the close of that testing date, A is treated as owning only 4 percent of L stock. Therefore, A is treated as a member of the public group of L. In addition, E is treated as owning 10 percent of L stock that it acquired in 1994.

(iii) As a result of the application of paragraph (a)(1) of this section to E's distribution of 2 percent of L stock to A on January 1, 2004, for testing dates on and after January 1, 2004, A is treated as having acquired that 2 percent interest in L in 1994, and E is treated as having acquired only 8 percent of L stock in 1994. Because there are no owner shifts on January 1, 2004, that date is not a testing date.

(iv) July 1, 2004, is a testing date because on that date A, a 5-percent shareholder, acquires 1 percent of L stock. As of the close of that testing date, A's percentage of ownership of L stock is 7 percent, and A's lowest percentage of ownership of L stock at any time within the testing period is 2 percent (deemed acquired in 1994), representing an increase of 5 percentage points. In addition, as of the close of July 1, 2004, B's percentage of ownership of L stock is 5 percent, and B's lowest percentage of ownership of L stock at any time within the testing period is 0 percent, representing an increase of 5 percentage points. Thus, on July 1, 2004, L must take into account an increase of 10 (5 + 5) percentage points in determining whether it has an ownership change.

Example 2—(i) Facts. E is a qualified trust established under Plan F. L, a publicly traded corporation, has 100x shares of stock outstanding. As of January 1, 2006, C owns 5x shares of L stock and is not a participant or beneficiary of a participant in Plan F. At all times prior to January 1, 2006, E owns no L stock. On January 1, 2006, E acquires 10x shares of L stock from members of the public group of L. On December 1, 2007, E distributes 5x shares of L stock to some of the participants in Plan F. No one participant acquires all 5x shares as a result of the distribution. On February 1, 2008, C purchases 1x shares of L stock from the public group of L.

(ii) *Analysis.* Because E's acquisition of 10x shares of L stock on January 1, 2006, is an owner shift, that date is a testing date. As of the close of that date, E's percentage of stock ownership in L has increased by 10 percentage points.

(iii) As a result of the application of paragraph (a)(1) of this section to E's distribution of 5x shares of L stock to some Plan F participants on December 1, 2007, for testing dates on and after December 1, 2007, those distributees are treated as having acquired those shares of stock on January 1, 2006, from members of the public group of L, and E is not treated as having acquired those shares on that date. E's distribution

of the 5x shares is not an owner shift. Therefore, December 1, 2007, is not a testing date.

(iv) February 1, 2008, is a testing date because on that date an owner shift results from C's purchase of 1x shares of L stock. As of the close of that testing date, the distributees of 5x shares of L stock are treated as members of the public group of L having acquired 5x shares of L stock from other members of the public group of L on January 1, 2006. Because those acquisitions are not by 5-percent shareholders, L does not take them into account. In addition, as of the close of February 1, 2008, E's percentage of stock ownership in L is 5 percent, and E's lowest percentage of stock ownership in L at any time within the testing period is 0 percent, representing an increase of 5 percentage points. In addition, as of the close of February 1, 2008, C's percentage of stock ownership in L is 6 percent, and C's lowest percentage of stock ownership in L at any time within the testing period is 5 percent, representing an increase of 1 percentage point. Therefore, on February 1, 2008, L must take into account an increase of 6 (5 + 1) percentage points in determining whether it has an ownership change.

(4) *Effective dates.* This section applies to all distributions after June 23, 2006. For distributions on or before June 23, 2006, see §1.382-10T as contained in 26 CFR part 1, revised April 1, 2006.

(b) [Reserved]

§1.382-10T [Removed]

Par. 4. Section 1.382-10T is removed.

Mark E. Matthews,
*Deputy Commissioner for
Services and Enforcement.*

Approved June 20, 2006.

Eric Solomon,
*Acting Deputy Assistant Secretary
of the Treasury (Tax Policy).*

(Filed by the Office of the Federal Register on June 23, 2006, 9:48 a.m., and published in the issue of the Federal Register for June 28, 2006, 71 FR. 36676)

Section 6038.—Information Reporting With Respect to Certain Foreign Corporations and Partnerships

26 CFR 1.6038-2: *Information returns required of United States persons with respect to annual account-*

ing periods of certain foreign corporations beginning after December 31, 1962.

T.D. 9268

DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Parts 1 and 602

Information Returns Required With Respect to Certain Foreign Corporations and Certain Foreign-Owned Domestic Corporations

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final and temporary regulations.

SUMMARY: This document contains final and temporary regulations that provide guidance under sections 6038 and 6038A of the Internal Revenue Code. The final regulations under §1.6038-2 are revised to remove and replace obsolete references to a form and IRS offices. The temporary regulations clarify the information required to be furnished regarding certain related party transactions of certain foreign corporations and certain foreign-owned domestic corporations. The temporary regulations also increase the amount of certain penalties, and make certain other changes, to reflect the statutory changes made by the Taxpayer Relief Act of 1997 (TRA '97). The text of the temporary regulations also serves as the text of the proposed regulations (REG-109512-05) set forth in this issue of the Bulletin.

DATES: *Effective Date:* These final and temporary regulations are effective June 21, 2006.

Applicability Date: Changes to §1.6038-2 are applicable June 21, 2006. Sections 1.6038-2T(f)(11), (12), and 1.6038A-2T(b)(8) apply with respect to information for annual accounting periods beginning on or after June 21, 2006. Section 1.6038-2T(k) applies June 21, 2006.

FOR FURTHER INFORMATION CONTACT: Kate Y. Hwa (202) 622-3840 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

These temporary regulations are being issued without prior notice and public procedure pursuant to the Administrative Procedure Act (5 U.S.C. 553). For this reason, the collection of information contained in these regulations has been reviewed and pending receipt and evaluation of public comments, approved by the Office of Management and Budget under control number 1545-2020. Responses to this collection of information are mandatory.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by the Office of Management and Budget.

For further information concerning this collection of information, and where to submit comments on the collection of information and the accuracy of the estimated burden, and suggestions for reducing this burden, please refer to the preamble to the cross-referencing notice of proposed rulemaking published in this issue of the Bulletin.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Background

Section 6038 of the Internal Revenue Code (Code) requires a U.S. person to furnish, with respect to any foreign business entity which such person controls, certain information as prescribed by the Secretary. More specifically, section 6038(a)(1)(D) provides that the information to be furnished includes information relating to transactions between the foreign business entity and (i) such U.S. person, (ii) any corporation or partnership controlled by such U.S. person, and (iii) any U.S. person owning at the time the transaction takes place a 10 percent or greater interest in the foreign business entity.

Section 6038A requires certain foreign-owned domestic corporations to furnish certain information prescribed by the Secretary. In particular, section 6038A(a)

requires a 25-percent foreign-owned domestic corporation to furnish information with respect to certain transactions between such corporation and certain related parties.

Explanation of Provisions

The final regulations are revised to remove and correct obsolete references to a form and IRS offices. The temporary regulations conform the current final regulations to specific statutory changes and make other minor clarifications to those final regulations.

Section 1.6038-2 provides that each U.S. person, with respect to each foreign corporation such person controls, must furnish the required information on a Form 5471, "*Information Return of U.S. Persons With Respect to Certain Foreign Corporations*", (or, in the case of taxable years that ended before December 31, 1982, on a Form 2952, "*Information Return With Respect to Foreign Controlled Corporations*"). Section 1.6038-2(f) sets forth the information that must be provided on the applicable form. The information that must be reported includes a summary showing the total amount of each of the types of transactions of the corporation specified in §1.6038-2(f)(11). In some cases, §1.6038-2(f)(11) requires reporting of sales and purchases of items. See §1.6038-2(f)(11)(i) (stock in trade) and (iii) (certain intangibles). In other cases, it requires reporting only of purchases. See §1.6038-2(f)(11)(ii) (tangible property other than stock in trade). The temporary regulations modify the rules of the final regulations to include the reporting of sales and purchases, instead of just purchases, of tangible property. The temporary regulations also modify the current rules to include the reporting of premiums paid, instead of just premiums received, for insurance or reinsurance. This consistent treatment of sales and purchases, and premiums paid and received, more fully implements the purpose of section 6038. It also conforms the rules in §1.6038-2 to analogous reporting rules. See §1.6038A-2(b)(3)(ii) (reporting requirements for foreign-owned domestic corporations).

It has come to the IRS' attention that some foreign corporations that use an accrual method of accounting may not

be properly reporting the transactions described in §1.6038-2(f)(11). Accordingly, §1.6038-2T(f)(12) modifies the rules of the final regulations to clarify that foreign corporations that use an accrual method of accounting must report the summary of the total amount of the transactions described in §1.6038-2T(f)(11) on an accrual basis. To maintain conformity, §1.6038A-2(b)(8), which provides a similar rule for foreign-owned domestic corporations, has been similarly clarified.

Section 6038(b)(1), as amended by the TRA '97, provides for a \$10,000 penalty for failure to furnish the required information within the time prescribed under section 6038(a)(2). Section 6038(b)(2), as amended by the TRA '97, also provides for additional \$10,000 penalties (not to exceed a total of \$50,000) when there is a continuing failure to furnish the required information. Section 1.6038-2(k)(1) sets forth the dollar amounts of the penalty for failure to furnish the information required under section 6038. To conform to the statutory change made by the TRA '97, §1.6038-2(k)(1) has been amended to reflect the increased penalty amounts.

Section 6038(c)(4)(B) and §1.6038-2(k)(3) provide a reasonable cause exception for failure to furnish the information required under section 6038. Some questions have arisen regarding how one determines, after reasonable cause has been established, the time prescribed for furnishing the information under §1.6038-2(i) (time and place for filing return) and the 90-day period described in §1.6038-2(k)(1)(ii) (increase in penalty for continued failure after notification) and §1.6038-2(k)(2)(iv)(A) (reduction of foreign tax credit for continued failure after notice). Two examples have been added in §1.6038-2T(k)(5) to illustrate the determination, after reasonable cause has been established under §1.6038-2(k)(3)(i), of the time for filing the Form 5471, and the beginning of the 90-day period.

The temporary regulations also modify the rules of the final regulations to include transactions between the foreign corporation and controlled partnerships, implementing a change made by section 1142 of the TRA '97.

Section 1.6038-2 of the regulations has been updated to remove references to obsolete Form 2952 and to reflect that the Di-

rector of Field Operations has replaced the district director and the Field Director has replaced the director of the service center.

Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. For the applicability of the Regulatory Flexibility Act (5 U.S.C. chapter 6), refer to the Special Analyses section of the preamble to the cross-reference notice of proposed ruling making published in this issue of the Bulletin. Pursuant to section 7805(f) of the Code, these final and temporary regulations will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

Drafting Information

The principal author of these regulations is Kate Y. Hwa, Office of the Associate Chief Counsel (International). However, other personnel from the IRS and Treasury Department participated in their development.

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Amendments to the Regulations

Accordingly, 26 CFR part 1 is amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read, in part, as follows:
Authority: 26 U.S.C. 7805 * * *

§1.6038-2 [Amended]

Par. 2. Section 1.6038-2 is amended as follows:

1. Paragraph (f) introductory text is amended by removing the language “Form 2952 or” in the first sentence.

2. Paragraph (f)(11) and (k)(1) are revised.

3. Paragraph (f)(12) and (m) are added.

4. Paragraph (i) is amended by removing the language “Form 2952 or” in the

first sentence, the second sentence, and the last sentence.

5. Paragraph (i) is also amended by removing the language “District directors and directors of service centers” and adding the language “Directors of Field Operations and Field Directors” in its place in the second sentence.

6. Paragraph (k)(2)(iv) is amended by removing the language “district director” and adding the language “Director of Field Operations” in its place in the first sentence.

7. Paragraph (k)(3)(i) is amended by removing the language “district director” and adding the language “Director of Field Operations” in its place in the first sentence.

The revisions and additions read as follows:

§1.6038-2 Information returns required of United States persons with respect to annual accounting periods of certain foreign corporations beginning after December 31, 1962.

* * * * *

(f) * * *

(11) [Reserved]. For further guidance, see §1.6038-2T(f)(11).

(12) [Reserved]. For further guidance, see §1.6038-2T(f)(12).

* * * * *

(k) * * *

(1) [Reserved]. For further guidance, see §1.6038-2T(k)(1).

* * * * *

(m) [Reserved]. For further guidance, see §1.6038-2T(m)

* * * * *

Par. 3 Section 1.6038-2T is amended by revising paragraphs (e) through (m) to read as follows:

§1.6038-2T Information returns required of United States persons with respect to annual accounting periods of certain foreign corporations (temporary).

* * * * *

(e) through (f)(10) [Reserved]. For further guidance, see §1.6038-2(e) through (f)(10).

(f)(11) *Transactions with certain related parties.* (i) A summary showing the

total amount of each of the following types of transactions of the corporation, which took place during the annual accounting period, with the person required to file this return, any other corporation or partnership controlled by that person, or any United States person owning at the time of the transaction 10 percent or more in value of any class of stock outstanding of the foreign corporation, or of any corporation controlling that foreign corporation—

(A) Sales and purchases of stock in trade;

(B) Sales and purchases of tangible property other than stock in trade;

(C) Sales and purchases of patents, inventions, models, or designs (whether or not patented), copyrights, trademarks, secret formulas or processes, or any other similar property rights;

(D) Compensation paid and compensation received for the rendition of technical, managerial, engineering, construction, scientific, or like services;

(E) Commissions paid and commissions received;

(F) Rents and royalties paid and rents and royalties received;

(G) Amounts loaned and amounts borrowed (except open accounts resulting from sales and purchases reported under other items listed in this paragraph (f)(11) that arise and are collected in full in the ordinary course of business);

(H) Dividends paid and dividends received;

(I) Interest paid and interest received; and

(J) Premiums paid and premiums received for insurance or reinsurance.

(ii) *Special rule for banks.* For purposes of this paragraph (f)(11), if the United States person is a bank, as defined in section 581, or is controlled within the meaning of section 368(c) by a bank, the term transactions shall not, as to a corporation with respect to which a return is filed, include banking transactions entered into on behalf of customers; in any event, however, deposits in accounts between a foreign corporation, controlled (within the meaning of paragraph (b) of this section) by a United States person, and a person described in this paragraph (f)(11) and withdrawals from such accounts shall be summarized by reporting end-of-month balances.

(12) *Accrued payments and receipts.* For purposes of the required summary under paragraph (f)(11) of this section, a corporation that uses an accrual method of accounting shall use accrued payments and accrued receipts for purposes of computing the total amount of each of the types of transactions listed.

(g) through (j)(3) [Reserved]. For further guidance, see §1.6038-2(g) through (j)(3).

(k) *Failure to furnish information—(1) Dollar amount penalty—(i) In general.* If any person required to file Form 5471 under section 6038 and this section fails to furnish any information described in paragraphs (f) and (g) of this section within the time prescribed by paragraph (i) of this section, such person shall pay a penalty of \$10,000 for each annual accounting period of each foreign corporation with respect to which such failure occurs.

(ii) *Increase in penalty for continued failure after notification.* If a failure described in paragraph (k)(1)(i) of this section continues for more than 90 days after the date on which the Director of Field Operations mails notice of such failure to the person required to file Form 5471, such person shall pay a penalty of \$10,000, in addition to the penalty imposed by section 6038(b)(1) and paragraph (k)(1)(i) of this section, for each 30-day period (or a fraction of) during which such failure continues after such 90-day period has expired. The additional penalty imposed by section 6038(b)(2) and this paragraph (k)(1)(ii) shall be limited to a maximum of \$50,000 for each failure.

(k)(2) through (k)(4) [Reserved]. For further guidance, see §1.6038-2(k)(2) through (k)(4).

(k)(5) *Illustrations.* [Reserved]. For further guidance, see §1.6038-2(k)(5).

Examples 1 and 2. [Reserved]. For further guidance, see §1.6038-2(k)(5) *Examples 1 and 2.*

Example 3. A, a U.S. person, owns 100 percent of the stock of FC. On April 15, 2008, A timely filed

its 2007 income tax return but did not file Form 5471 with respect to FC's 2007 annual accounting period. On June 1, 2008, the Director of Field Operations mailed a notice to A of A's failure to file Form 5471 for 2007 with respect to FC. On August 1, 2008, A submits a written statement asserting facts for reasonable cause for failure to file the 2007 Form 5471 for FC. Based on A's statement and discussions with A, the Director of Field Operations agrees that A had reasonable cause for failure to file FC's 2007 Form 5471 and determined that it is reasonable for A to file FC's 2007 Form 5471 by September 15, 2008. The time prescribed for furnishing information under paragraph (i) of this section is September 15, 2008, and the 90-day period described under paragraphs (k)(1)(ii) and (k)(2)(iv)(A) of this section begins on that same date. Thus, if A files a completed Form 5471 by September 15, 2008, A is not subject to the penalties under paragraphs (k)(1) and (k)(2) of this section. If A does not file a completed Form 5471 by December 14, 2008, in addition to the penalties under paragraphs (k)(1) and (k)(2) of this section, A will also be subject to the penalties for continued failure under paragraphs (k)(1)(ii) and (k)(2)(iv)(A) of this section.

Example 4. The facts are the same as in *Example 3* except A submits the written statement to the Director before a notice of failure to furnish information is mailed to A. The notice is mailed to A on September 7, 2008. Under these facts, the time prescribed for furnishing information under paragraph (i) of this section is September 15, 2008, and the 90-day period after mailing of notice of failure under paragraphs (k)(1)(ii) and (k)(2)(iv)(A) of this section begins on that same date.

(1) through (1)(2) [Reserved]. For further guidance, see §1.6038-2(1) through (1)(2).

(m) *Effective dates.* (1) Except as otherwise provided, this section applies with respect to information for annual accounting periods beginning on or after June 21, 2006. Paragraph (d) of this section applies to taxable years ending after October 22, 2004. Paragraphs (k)(1) and (k)(5), *Examples 3 and 4*, of this section apply June 21, 2006.

(2) The applicability of paragraphs (f)(11), (f)(12), (k)(1), and (k)(5), *Examples 3 and 4*, of this section will expire on or before June 19, 2009.

Par. 4. Section 1.6038A-2 is amended by revising paragraph (b)(8) to read as follows:

§1.6038A-2 *Requirement of return.*

* * * * *
(b) * * *

(8) [Reserved]. For further guidance, see §1.6038A-2T(b)(8).

* * * * *

Par. 5. Section 1.6038A-2T is amended by adding paragraphs (b)(8) and (h) to read as follows:

§1.6038A-2T *Requirement of return (temporary).*

* * * * *

(b)(8) *Accrued payments and receipts.* For purposes of this section, a reporting corporation that uses an accrual method of accounting shall use accrued payments and accrued receipts for purposes of computing the total amount of each of the types of transactions listed in this section.

* * * * *

(h) *Effective date.* (1) Except as otherwise provided, for effective dates for this section for certain reporting corporations, see §1.6038A-1(n). Paragraph (b)(8) of this section applies with respect to information for annual accounting periods beginning on or after June 21, 2006.

(2) The applicability of paragraph (b)(8) of this section will expire on or before June 19, 2009.

PART 602 — OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

Par. 6. The authority citation for part 602 continues to read as follows:

Authority: 26 U.S.C. 7805.

Par. 7. Section 602.101(b) is amended by adding an entry to the table in numerical order to read as follows:

§602.101 *OMB Control numbers.*

* * * * *
(b) * * *

CFR part or section where identified and described	Current OMB control No.
* * * * *	
1.6038-2	1545-2020 1545-1617
* * * * *	

Mark E. Matthews,
*Deputy Commissioner for
Services and Enforcement.*

Eric Solomon,
*Acting Deputy Assistant Secretary
of the Treasury (Tax Policy).*

(Filed by the Office of the Federal Register on June 20, 2006,
8:45 a.m., and published in the issue of the Federal Register
for June 21, 2006, 71 F.R. 35524)

Approved June 13, 2006.

Part III. Administrative, Procedural, and Miscellaneous

Weighted Average Interest Rate Update

Notice 2006-66

Sections 412(b)(5)(B) and 412(l)(7)(C)(i) of the Internal Revenue Code generally provide that the interest rates used to calculate current liability for purposes of determining the full funding limitation under § 412(c)(7) and the required contribution under § 412(l) must be within a permissible range around the weighted average of the rates of interest on 30-year Treasury securities during the four-year period ending on the last day before the beginning of the plan year.

Notice 88-73, 1988-2 C.B. 383, provides guidelines for determining the weighted average interest rate and the resulting permissible range of interest rates used to calculate current liability for the purpose of the full funding limitation of § 412(c)(7) of the Code.

Section 417(e)(3)(A)(ii)(II) defines the applicable interest rate, which must be used for purposes of determining the minimum present value of a participant's benefit under § 417(e)(1) and (2), as the annual rate of interest on 30-year Treasury securities for the month before the date of distribution or such other time as the Secretary may by regulations prescribe. Section 1.417(e)-1(d)(3) of the Income

Tax Regulations provides that the applicable interest rate for a month is the annual interest rate on 30-year Treasury securities as specified by the Commissioner for that month in revenue rulings, notices or other guidance published in the Internal Revenue Bulletin.

The rate of interest on 30-year Treasury securities for June 2006 is 5.16 percent. The Service has determined this rate as the monthly average of the daily determination of yield on the 30-year Treasury bond maturing in February 2036.

The following 30-year Treasury rates were determined for the plan years beginning in the month shown below.

For Plan Years Beginning in:		30-Year Treasury Weighted Average	90% to 105% Permissible Range	90% to 110% Permissible Range
Month	Year			
July	2006	4.83	4.35 to 5.07	4.35 to 5.31

Drafting Information

The principal authors of this notice are Paul Stern and Tony Montanaro of the Employee Plans, Tax Exempt and Government Entities Division. For further infor-

mation regarding this notice, please contact the Employee Plans' taxpayer assistance telephone service at 877-829-5500 (a toll-free number), between the hours of 8:30 a.m. and 4:30 p.m. Eastern time, Monday through Friday. Mr. Stern may be

reached at 202-283-9703. Mr. Montanaro may be reached at 202-283-9714. The telephone numbers in the preceding sentences are not toll-free.

Part IV. Items of General Interest

Notice of Proposed Rulemaking by Cross-Reference to Temporary Regulations

Information Returns Required With Respect to Certain Foreign Corporations and Certain Foreign-Owned Domestic Corporations

REG-109512-05

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations.

SUMMARY: In this issue of the Bulletin, the IRS is issuing temporary regulations (T.D. 9268) to clarify existing guidance under sections 6038 and 6038A of the Internal Revenue Code (Code) with respect to the information required to be furnished regarding certain related party transactions of certain foreign corporations and certain foreign-owned U.S. corporations. The temporary regulations also increase the amount of certain penalties, and make certain other changes, to reflect the statutory changes made by the Taxpayer Relief Act of 1997. The text of the temporary regulations also serves as the text of these proposed regulations.

DATES: Written or electronic comments and requests for a public hearing must be received by September 19, 2006.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-109512-05), room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-109512-05), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC, or sent electronically, via the IRS Internet site at www.irs.gov/regs or via the Federal eRule-

making Portal at www.regulations.gov (IRS REG-109512-05).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, Kate Y. Hwa, (202) 622-3840; concerning submissions of comments, Kelly Banks, (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in these proposed regulations has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)).

Comments concerning the collection of information should be sent to the **Office of Management and Budget**, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the **Internal Revenue Service**, Attn: IRS Reports Clearance Officer, SE:W:CAR:MP:T:T:SP, Washington, DC 20224. Any such comments should be submitted not later than August 21, 2006.

Comments are specifically requested concerning:

Whether the proposed collection of information is necessary for the proper performance of the functions of the IRS, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the proposed collection of information (see below);

How the quality, utility, and clarity of the information to be collected may be enhanced;

How the burden of complying with the proposed collections of information may be minimized, including through the application of automated collection techniques or other forms of information technology; and

Estimates of capital or start-up costs and costs of operations, maintenance, and purchase of service to provide information.

The collection of information is in §1.6038-2(f)(11). This information is re-

quired by the IRS pursuant to section 6038 of the Code. The likely recordkeepers are business or other for-profit institutions. The estimated burden is as follows:

Estimated total annual reporting and/or recordkeeping burden: 1250 hours.

Estimated average annual burden per respondent: 15 minutes.

Estimated number of respondents: 5,000.

Estimated annual frequency of responses: once.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by the Office of Management and Budget.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Background

Temporary regulations in this issue of the Bulletin amend the Income Tax Regulations (26 CFR Part 1) to clarify the existing rules under sections 6038 and 6038A of the Code with respect to the information required to be furnished regarding certain related party transactions of certain foreign corporations and certain foreign-owned domestic corporations. The text of the temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the temporary regulations and these proposed regulations.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. Because these regulations impose no new collection of information on small

entities, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

Comments and Request for Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. All comments will be available for public inspection and copying. A public hearing may be scheduled if requested by any person who timely submits comments. If a public hearing is scheduled, notice of the date, time, and place for the hearing will be published in the **Federal Register**.

Drafting Information

The principal author of these regulations is Kate Y. Hwa, Office of the Associate Chief Counsel (International). However, other personnel from the IRS and Treasury Department participated in their development.

* * * * *

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by adding entries in numerical order to read in part as follows:

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

Par. 2. Section 1.6038-2 is amended to read as follows:

1. Paragraphs (f)(11), (k)(1), (k)(5) and (m) are revised.

2. Paragraph (f)(12) is added.

The additions and revisions read as follows:

§1.6038-2 Information returns required of United States persons with respect to annual accounting periods of certain foreign corporations.

* * * * *

(f)(11) [The text of this proposed amendment is the same as the text of §1.6038-2T(f)(11) published elsewhere in this issue of the Bulletin].

(f)(12) [The text of this proposed amendment is the same as the text of §1.6038-2T(f)(12) published elsewhere in this issue of the Bulletin].

* * * * *

(k)(1) [The text of this proposed amendment is the same as the text of §1.6038-2T(k)(1) published elsewhere in this issue of the Bulletin].

* * * * *

(5) * * *

Example 3. [The text of this proposed amendment is the same as the text of §1.6038-2T(k)(5) *Example 3* published elsewhere in this issue of the Bulletin].

Example 4. [The text of this proposed amendment is the same as the text of §1.6038-2T(k)(5) *Example 4* published elsewhere in this issue of the Bulletin].

* * * * *

(m) [The text of this proposed amendment is the same as the text of §1.6038-2T(m) published elsewhere in this issue of the Bulletin].

Par. 3. Section 1.6038A-2 is amended by revising paragraphs (b)(8) and (h) to read as follows:

§1.6038A-2 Requirement of return.

* * * * *

(b) * * *

(8) [The text of this proposed amendment is the same as the text of §1.6038A-2T(b)(8) published elsewhere in this issue of the Bulletin].

* * * * *

(h) [The text of this proposed amendment is the same as the text of §1.6038A-2T(h) published elsewhere in this issue of the Bulletin].

Mark E. Matthews,
*Deputy Commissioner for
Services and Enforcement.*

(Filed by the Office of the Federal Register on June 20, 2006, 8:45 a.m., and published in the issue of the Federal Register for June 21, 2006, 71 F.R. 35592)

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 current actions on previously published items in Internal Revenue Bulletins 2006–1 through 2006–26 is in Internal Revenue Bulletin 2006–26, dated June 26, 2006.

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