

Part IV. Items of General Interest

Relief for Recipients of Certain Direct Deposits of 2008 Economic Stimulus Payments

Announcement 2008-44

This announcement provides that individuals who have payments made by direct deposit under the Economic Stimulus Act of 2008, P.L. No. 110-185, to their IRAs or certain other accounts afforded special tax benefits under the Internal Revenue Code may remove the payments without incurring any adverse tax consequences.

Internal Revenue Code (Code) § 6428, as amended by § 101 of the Economic Stimulus Act of 2008, provides for payments to be made to eligible individuals in an amount determined under rules contained in § 6428. These payments are generally known as "Economic Stimulus Payments." Taxpayers who indicated on their 2007 federal income tax return that refund amounts should be directly deposited into one account specified on the return will have their Economic Stimulus Payment directly deposited to that same account. The account specified by the taxpayer could be a checking or saving account, or an account that is given favorable tax treatment under the Code, such as an IRA, a health savings account (HSA), an Archer MSA, a Coverdell education savings account (CESA), or a qualified tuition program account (QTP or section 529 program). Distributions from these tax-favored accounts are subject to rules and restrictions specified in the Code. The Economic Stimulus Payment for a taxpayer who elected to directly deposit his or her 2007 refund into more than one account, however, will be sent as a check and will not be directly deposited into any of the taxpayer's accounts.

An individual may withdraw from a tax-favored account an amount less than or equal to the amount of the Economic Stimulus Payment directly deposited into such account, notwithstanding any restrictions in the Code. To the extent that the withdrawal is made no later than the time for filing the taxpayer's income tax return for 2008, plus extensions (or in the case of a CESA, the later of May 31, 2009,

or the time for filing the taxpayer's income tax return for 2008, plus extensions), the amount withdrawn is treated as neither contributed to nor distributed from the account. Thus, the amount withdrawn will not be subject to regular federal income tax nor to any additional tax or penalty under the Code.

The Service recognizes that financial institutions may not be able to distinguish these contributions and distributions from others that may occur. Therefore the financial institution receiving the direct deposit of the Economic Stimulus Payment and making the distribution should report the deposit and distribution in the usual manner. Taxpayers who choose to withdraw their Economic Stimulus Payments will receive instructions in their Form 1040 package that will allow them to report the distribution on their individual income tax return in a manner that shows that the amount withdrawn is not subject to taxes or penalties.

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

Announcement 2008-45

The Internal Revenue Service has revoked its determination that the organizations listed below qualify as organizations described in sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986.

Generally, the Service will not disallow deductions for contributions made to a listed organization on or before the date of announcement in the Internal Revenue Bulletin that an organization no longer qualifies. However, the Service is not precluded from disallowing a deduction for any contributions made after an organization ceases to qualify under section 170(c)(2) if the organization has not timely filed a suit for declaratory judgment under section 7428 and if the contributor (1) had knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was

in part responsible for or was aware of the activities or omissions of the organization that brought about this revocation.

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on May 19, 2008, and would end on the date the court first determines that the organization is not described in section 170(c)(2) as more particularly set forth in section 7428(c)(1). For individual contributors, the maximum deduction protected is \$1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

Lahaina Arts Society
Lahaina, HI
Coastal Adult Daycare, Inc.
Wilmington, NC
Sea of Sound Productions, Inc.
Midlothian, VA
Recovery of Outreach, Inc.
Riviera Beach, FL
National Housing Foundation, Inc.
Beloit, WI
Agape Economic Development
Yorba Linda, CA
Homeward Foundation, Inc.
Miami, FL
Scott and Barbara Smith Foundation
South Jordan, UT
Kimberly Credit Counseling, Inc.
West Palm Beach, FL
Friends of Kohsiung Medical University
Staten Island, NY
Bergen County Career Advancement
Training, Inc.
Garfield, NJ
Credit Counselors of North America, Inc.
Oakland Park, FL
Affordable Housing Concepts
Valrico, FL
Wick Charitable Family Foundation
Santa Monica, CA
Family Life Financial Services
Lubbock, TX
Polish American Citizens Club, Inc.
Monson, MA

Milennial Charities and Philanthropy
Salt Lake City, UT
The Amicus Curiae Foundation
Windsor, CA

Correction to Revenue Ruling 2008-22, 2008-16 I.R.B. 796 Announcement 2008-46

This document contains a correction to Rev. Rul. 2008-22, 2008-16 I.R.B. 796, which was published in the Internal Revenue Bulletin on April 21, 2008.

BACKGROUND

The revenue ruling (Rev. Rul. 2008-22) that is the subject of this correction provided guidance regarding whether the corpus of an *inter vivos* trust is includible in the grantor's gross estate under section 2036 or 2038 of the Code, if the grantor retained the power, exercisable in a nonfiduciary capacity, to acquire property held in the trust by substituting other property of equivalent value.

NEED FOR CORRECTION

As published, the revenue ruling (Rev. Rul. 2008-22) contains a misstated citation to the Restatement (Third) of Trusts.

CORRECTION OF PUBLICATION

Accordingly, the publication of the revenue ruling (Rev. Rul. 2008-22) is corrected as follows:

On page 797 of Bulletin No. 2008-16, column 3, in the paragraph starting with "In general, a trustee has a fiduciary duty," fifteenth line of the paragraph, the language "Restatement (Third) of Trusts §§ 183 and 232 (2007);" is corrected to read "Restatement (Third) of Trusts § 79 (2007);".

EFFECT ON OTHER DOCUMENTS

Rev. Rul. 2008-22, 2008-16 I.R.B. 796 is modified.

DRAFTING INFORMATION

The principal author of this announcement is Mayer Rubin Samuels of the Office

of Associate Chief Counsel (Passthroughs & Special Industries). For further information regarding this announcement, contact Mayer Rubin Samuels at (202) 622-3090 (not a toll-free call).

Hybrid Retirement Plans; Hearing

Announcement 2008-47

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of public hearing on proposed rulemaking.

SUMMARY: This document provides notice of public hearing on proposed regulations (REG-104946-07, 2008-11 I.R.B. 596) providing guidance relating to sections 411(a)(13) and 411(b)(5) of the Internal Revenue Code concerning certain hybrid defined benefit plans.

DATES: The public hearing is being held on Friday, June 6, 2008, at 10:00 a.m. The IRS must receive outlines of the topics to be discussed at the public hearing by Friday, May 16, 2008.

ADDRESSES: The public hearing is being held in the IRS Auditorium, Internal Revenue Service Building, 1111 Constitution Avenue, NW, Washington, DC 20224.

Send Submissions to CC:PA:LPD:PR (REG-104946-07), room 5205, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday to CC:PA:LPD:PR (REG-104946-07), Couriers Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC, or sent electronically via the Federal rulemaking Portal at www.regulations.gov (IRS-REG-104946-07).

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Lauson Green or Linda S.F. Marshall at (202) 622-6090; concerning submissions of comments, the hearing and/or to be placed on the building access list to attend the hearing Funmi Taylor at (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

The subject of the public hearing is the notice of proposed rulemaking (REG-104946-07) that was published in the **Federal Register** on Friday, December 28, 2007 (72 FR 73680).

The rules of 26 CFR 601.601(a)(3) apply to the hearing. Persons who wish to present oral comments at the hearing that submitted written comments by March 27, 2008, must submit an outline of the topics to be addressed and the amount of time to be denoted to each topic (signed original and eight (8) copies).

A period of 10 minutes is allotted to each person for presenting oral comments. After the deadline for receiving outlines has passed, the IRS will prepare an agenda containing the schedule of speakers. Copies of the agenda will be made available, free of charge, at the hearing or in the Freedom of Information Reading Room (FOIA RR) (Room 1621) which is located at the 11th and Pennsylvania Avenue, NW, entrance, 1111 Constitution Avenue, NW, Washington, DC.

Because of access restrictions, the IRS will not admit visitors beyond the immediate entrance area more than 30 minutes before the hearing starts. For information about having your name placed on the building access list to attend the hearing, see the "FOR FURTHER INFORMATION CONTACT" section of this document.

LaNita Van Dyke,
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Associate Chief Counsel
(Procedure and Administration).*

(Filed by the Office of the Federal Register on May 1, 2008, 8:45 a.m., and published in the issue of the Federal Register for May 2, 2008, 73 F.R. 24186)

Section 7428(c) Validation of Certain Contributions Made During Pendency of Declaratory Judgment Proceedings

Announcement 2008-48

This announcement serves notice to potential donors that the organization listed